

agree to reinstate the Principal, if the Surety has settled its claim with the Principal, or any of its Affiliates, for an amount that results in no Loss to SBA or in no amount owed for Imminent Breach payments, or OSG finds good cause for reinstating the Principal notwithstanding the Loss to SBA or amount owed for Imminent Breach payments; or

(ii) Reinstate a Principal's eligibility upon the Surety's determination that further bond guarantees are appropriate after the Principal was deemed ineligible for further SBA bond guarantees under § 115.14(a) (1), (2), (3), (5) or (6).

(c) *Underwriting after reinstatement.* A guarantee application submitted after reinstatement of the Principal's eligibility is subject to a very stringent underwriting review.

■ 5. Amend § 115.16 by revising paragraphs (e)(1) and (f)(1) to read as follows:

**§ 115.16 Determination of Surety's Loss.**

\* \* \* \* \*

(e) \* \* \*

(1) Amounts actually paid by the Surety for specialized services that are provided under contract by an outside consultant, which is not an Affiliate of the Surety, in connection with the processing of a claim, provided that such services are beyond the capability of the Surety's salaried claims staff; and

\* \* \* \* \*

(f) \* \* \*

(1) Any unallocated expenses, all direct and indirect costs incurred by the Surety's salaried claims staff, or any clear mark-up on expenses or any overhead of the Surety, its attorney, or any other party hired by the Surety or the attorney;

\* \* \* \* \*

■ 6. Amend § 115.18 by revising paragraph (a)(2) to read as follows:

**§ 115.18 Refusal to issue further guarantees; suspension and termination of PSB status.**

\* \* \* \* \*

(2) *Regulatory violations, fraud.* Acts of wrongdoing such as fraud, material misrepresentation, breach of the Prior Approval or PSB Agreement, the Surety's failure to continue to comply with the requirements set forth in § 115.11, or regulatory violations (as defined in §§ 115.19(d) and 115.19(h)) also constitute sufficient grounds for refusal to issue further guarantees, or in the case of a PSB Surety, termination of preferred status.

\* \* \* \* \*

■ 7. Amend § 115.36 to read as follows:  
■ a. Revise the section heading;

■ b. Remove the paragraph heading "(a) Indemnity settlements.";   
■ c. Remove paragraphs (b) and (c); and   
■ d. Redesignate paragraphs "(1)", "(2)", and "(3)", as "(a)", "(b)", and "(c)".

**§ 115.36 Indemnity settlements.**

\* \* \* \* \*

**§ 115.60 Selection and admission of PSB Sureties. [Amended]**

■ 8. Amend § 115.60 to read as follows:  
■ a. Amend § 115.60(a)(1) by removing "\$2,000,000" and inserting "\$6,500,000" in its place; and   
■ b. Remove paragraph (a)(5) and redesignate paragraph (a)(6) as paragraph (a)(5).

Dated: April 6, 2015.

Maria Contreras-Sweet,  
Administrator.

[FR Doc. 2015-08297 Filed 4-13-15; 8:45 am]

BILLING CODE 8025-01-P

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 23**

[Docket No. FAA-2015-0721; Notice No. 23-15-03-SC]

**Special Conditions: Honda Aircraft Company, Model HA-420 HondaJet, Lithium-Ion Batteries**

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

**ACTION:** Notice of proposed special conditions.

**SUMMARY:** This action proposes special conditions for the Honda Aircraft Company, Model HA-420 airplane. This airplane will have a novel or unusual design feature associated with the installation of lithium-ion (Li-ion) batteries. The applicable airworthiness regulations do not contain adequate or appropriate safety standards for this design feature. These proposed special conditions contain the additional safety standards that the Administrator considers necessary to establish a level of safety equivalent to that established by the existing airworthiness standards.

**DATES:** Send your comments on or before May 4, 2015.

**ADDRESSES:** Send comments identified by docket number [FAA-2015-0721] using any of the following methods:

■ *Federal eRegulations Portal:* Go to <http://www.regulations.gov> and follow the online instructions for sending your comments electronically.

■ *Mail:* Send comments to Docket Operations, M-30, U.S. Department of

Transportation (DOT), 1200 New Jersey Avenue SE., Room W12-140, West Building Ground Floor, Washington, DC 20590-0001.

■ *Hand Delivery of Courier:* Take comments to Docket Operations in Room W12-140 of the West Building Ground Floor at 1200 New Jersey Avenue SE., Washington, DC, between 9 a.m., and 5 p.m., Monday through Friday, except Federal holidays.

■ *Fax:* Fax comments to Docket Operations at 202-493-2251.

*Privacy:* The FAA will post all comments it receives, without change, to <http://regulations.gov>, including any personal information the commenter provides. Using the search function of the docket Web site, anyone can find and read the electronic form of all comments received into any FAA docket, including the name of the individual sending the comment (or signing the comment for an association, business, labor union, etc.). DOT's complete Privacy Act Statement can be found in the **Federal Register** published on April 11, 2000 (65 FR 19477-19478), as well as at <http://DocketsInfo.dot.gov>.

*Docket:* Background documents or comments received may be read at <http://www.regulations.gov> at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W12-140 of the West Building Ground Floor at 1200 New Jersey Avenue SE., Washington, DC, between 9 a.m., and 5 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Les Lyne, Policies & Procedures Branch, ACE-114, Federal Aviation Administration, Small Airplane Directorate, Aircraft Certification Service, 901 Locust; Kansas City, Missouri 64106; telephone (816) 329-4171; facsimile (816) 329-4090.

**SUPPLEMENTARY INFORMATION:**

**Comments Invited**

We invite interested people to take part in this rulemaking by sending written comments, data, or views. The most helpful comments reference a specific portion of the special conditions, explain the reason for any recommended change, and include supporting data. We ask that you send us two copies of written comments.

We will consider all comments we receive on or before the closing date for comments. We will consider comments filed late if it is possible to do so without incurring expense or delay. We may change these special conditions based on the comments we receive.

## Background

On October 11, 2006, Honda Aircraft Company applied for a type certificate for their new Model HA-420. On October 10, 2013, Honda Aircraft Company requested an extension with an effective application date of October 1, 2013. This extension changed the type certification basis to amendment 23-62.

The HA-420 is a four to five passenger (depending on configuration), two crew, lightweight business jet with a 43,000-foot service ceiling and a maximum takeoff weight of 9963 pounds. The airplane is powered by two GE-Honda Aero Engines (GHAE) HF-120 turbofan engines.

The current regulatory requirements for part 23 airplanes do not contain adequate requirements for the application of Li-ion batteries in airborne applications. This type of battery possesses certain failure, operational characteristics, and maintenance requirements that differ significantly from that of the nickel cadmium and lead acid rechargeable batteries currently approved in other normal, utility, acrobatic, and commuter category airplanes. Therefore, the FAA is proposing this special condition to require that all characteristics of the rechargeable lithium batteries and their installation that could affect safe operation of the HA-420 are addressed, and appropriate Instructions for Continued Airworthiness which include maintenance requirements are established to ensure the availability of electrical power from the batteries when needed.

## Type Certification Basis

Under the provisions of 14 CFR 21.17, Honda Aircraft Company must show that the HA-420 meets the applicable provisions of part 23, as amended by Amendments 23-1 through 23-62 thereto.

If the Administrator finds that the applicable airworthiness regulations (*i.e.*, 14 CFR part 23) do not contain adequate or appropriate safety standards for the HA-420 because of a novel or unusual design feature, special conditions are prescribed under the provisions of § 21.16.

Special conditions are initially applicable to the model for which they are issued. Should the type certificate for that model be amended later to include any other model that incorporates the same or similar novel or unusual design feature, the special conditions would also apply to the other model under § 21.101.

In addition to the applicable airworthiness regulations and special

conditions, the HA-420 must comply with the fuel vent and exhaust emission requirements of 14 CFR part 34 and the noise certification requirements of 14 CFR part 36, and the FAA must issue a finding of regulatory adequacy under section 611 of Public Law 92-574, the “Noise Control Act of 1972.”

The FAA issues special conditions, as defined in 14 CFR 11.19, in accordance with § 11.38, and they become part of the type-certification basis under § 21.17(a)(2).

## Novel or Unusual Design Features

The HA-420 will incorporate the following novel or unusual design feature: The installation of Li-ion batteries.

The current regulatory requirements for part 23 airplanes do not contain adequate requirements for the application of Li-ion batteries in airborne applications. This type of battery possesses certain failure, operational characteristics, and maintenance requirements that differ significantly from that of the nickel cadmium and lead acid rechargeable batteries currently approved in other normal, utility, acrobatic, and commuter category airplanes.

## Discussion

The applicable parts 21 and 23 airworthiness regulations governing the installation of batteries in general aviation airplanes, including § 23.1353, were derived from Civil Air Regulations (CAR 3) as part of the recodification that established 14 CFR part 23. The battery requirements, which are identified in § 23.1353, were a rewording of the CAR requirements that did not add any substantive technical requirements. An increase in incidents involving battery fires and failures that accompanied the increased use of Nickel-Cadmium (Ni-Cad) batteries in aircraft resulted in rulemaking activities on the battery requirements for transport category airplanes. These regulations were incorporated into § 23.1353(f) and (g), which apply only to Ni-Cad battery installations.

The proposed use of Li-ion batteries on the HA-420 airplane has prompted the FAA to review the adequacy of the existing battery regulations with respect to that chemistry. As the result of this review, the FAA has determined that the existing regulations do not adequately address several failure, operational, and maintenance characteristics of Li-ion batteries that could affect safety of the battery installation of the HA-420 airplane electrical power supply.

The introduction of Li-ion batteries into aircraft raises some concern about associated battery/cell monitoring systems and how these may affect utilization of an otherwise “good” battery as an energy source to the electrical system when monitoring components fail. Associated battery/cell monitoring systems (*i.e.*, temperature, state of charge, etc.) should be evaluated/tested with respect the expected extremes in the aircraft operating environment.

Li-ion batteries typically have different electrical impedance characteristics than lead-acid or Ni-Cad batteries. Honda Aircraft Company needs to evaluate other components of the aircraft electrical system with respect to these characteristics.

At present, there is very limited experience regarding the use of Li-ion rechargeable batteries in applications involving commercial aviation. However, other users of this technology range from wireless telephone manufacturers to the electric vehicle industry and have noted significant safety issues regarding the use of these types of batteries, some of which are described in the following paragraphs:

1. *Overcharging.* In general, lithium batteries are significantly more susceptible to internal failures that can result in self-sustaining increases in temperature and pressure (*i.e.*, thermal runaway) than their nickel-cadmium or lead-acid counterparts. This is especially true for overcharging, which causes heating and destabilization of the components of the cell, leading to the formation (by plating) of highly unstable metallic lithium. The metallic lithium can ignite, resulting in a self-sustaining fire or explosion. Finally, the severity of thermal runaway due to overcharging increases with increasing battery capacity due to the higher amount of electrolyte in large batteries.

2. *Over-discharging.* Discharge of some types of lithium battery cells beyond a certain voltage (typically 2.4 volts) can cause corrosion of the electrodes of the cell; resulting in loss of battery capacity that cannot be reversed by recharging. This loss of capacity may not be detected by the simple voltage measurements commonly available to flight crews as a means of checking battery status—a problem shared with nickel-cadmium batteries.

3. *Flammability of Cell Components:* Unlike nickel-cadmium and lead-acid batteries, some types of lithium batteries use liquid electrolytes that are flammable. The electrolyte can serve as a source of fuel for an external fire if

there is a breach of the battery container.

These safety issues experienced by users of lithium batteries raise concern about the use of these batteries in commercial aviation. The intent of the proposed special condition is to establish appropriate airworthiness standards for lithium battery installations in the HA-420 and to ensure, as required by §§ 23.1309 and 23.601, that these battery installations are not hazardous or unreliable.

Additionally, the Radio Technical Commission for Aeronautics (RTCA), in a joint effort with the FAA and industry, has released RTCA/DO-311, Minimum Operational Performance Standards for Rechargeable Lithium Battery Systems, which gained much of its text directly from previous Li-ion special conditions. Honda Aircraft Company proposes to use DO-311 as the primary methodology for assuring the battery will perform its intended functions safely as installed in the HA-420 airplane and as the basis for test and qualification of the battery. This Special Condition incorporates applicable portions of DO-311.

#### Applicability

As discussed above, these special conditions are applicable to the HA-420. Should Honda Aircraft Company apply at a later date for a change to the type certificate to include another model incorporating the same novel or unusual design feature, the special conditions would apply to that model as well.

Provisional certification of the HA-420 is currently scheduled for June 2015. The substance of these special conditions has been subject to the notice and public-comment procedure in several prior instances, specifically special conditions 23-236-SC, 23-247-SC, and 23-249-SC. Therefore, because a delay would significantly affect the applicant's both installation of the system and certification of the airplane, we are shortening the public-comment period to 20 days.

#### Conclusion

This action affects only certain novel or unusual design features on one model of airplanes. It is not a rule of general applicability.

#### List of Subjects in 14 CFR Part 23

Aircraft, Aviation safety, Signs and symbols.

The authority citation for these special conditions is as follows:

**Authority:** 49 U.S.C. 106(g), 40113, 44701, 44702, 44704.

#### The Proposed Special Conditions

Accordingly, the Federal Aviation Administration (FAA) proposes the following special conditions as part of the type certification basis for Honda Aircraft Company, HA-420 airplanes.

##### 1. Lithium-Ion Battery Installation

a. Safe cell temperatures and pressures must be maintained during any probable charging or discharging condition, or during any failure of the charging or battery monitoring system not shown to be extremely remote. The applicant must design Li-ion battery installation to preclude explosion or fire in the event of those failures.

b. The applicant must design the Li-ion batteries to preclude the occurrence of self-sustaining, uncontrolled increases in temperature or pressure.

c. No explosive or toxic gasses emitted by any Li-ion battery in normal operation or as the result of any failure of the battery charging or monitoring system, or battery installation not shown to be extremely remote, may accumulate in hazardous quantities within the airplane.

d. Li-ion batteries that contain flammable fluids must comply with the flammable fluid fire protection requirements of § 23.863(a) through (d).

e. No corrosive fluids or gasses that may escape from any Li-ion battery may damage surrounding airplane structure or adjacent essential equipment.

f. The applicant must provide provision for each installed Li-ion battery to prevent any hazardous effect on structure or essential systems that may be caused by the maximum amount of heat the battery can generate during a short circuit of the battery or of its individual cells.

g. Li-ion battery installations must have—

(1) A system to control the charging rate of the battery automatically so as to prevent battery overheating or overcharging; or

(2) A battery temperature sensing and over-temperature warning system with a means for automatically disconnecting the battery from its charging source in the event of an over-temperature condition; or

(3) A battery failure sensing and warning system with a means for automatically disconnecting the battery from its charging source in the event of battery failure.

h. Any Li-ion battery installation whose function is required for safe operation of the airplane, must incorporate a monitoring and warning feature that will provide an indication to the appropriate flightcrew members

whenever the capacity and State of Charge (SOC) of the batteries have fallen below levels considered acceptable for dispatch of the airplane.

i. The Instructions for Continued Airworthiness (ICA) must contain recommended manufacturers maintenance and inspection requirements to ensure that batteries, including single cells, meet a safety function level essential to the aircraft's continued airworthiness.

(1) The ICA must contain operating instructions and equipment limitations in an installation maintenance manual.

(2) The ICA must contain installation procedures and limitations in a maintenance manual, sufficient to ensure that cells or batteries, when installed according to the installation procedures, still meet safety functional levels essential to the aircraft's continued airworthiness. The limitations must identify any unique aspects of the installation.

(3) The ICA must contain corrective maintenance procedures to check battery capacity at manufacturers recommended inspection intervals.

(4) The ICA must contain scheduled servicing information to replace batteries at manufacturers recommended replacement time.

(5) The ICA must contain maintenance and inspection requirements to check visually for battery and/or charger degradation.

j. Batteries in a rotating stock (spares) that have experienced degraded charge retention capability or other damage due to prolonged storage must be functionally checked at manufacturers recommended inspection intervals.

k. The System Safety Assessment (SSA) process should address the software and complex hardware levels for the sensing, monitoring, and warning systems if these systems contain complex devices. The functional hazard assessment (FHA) for the system is required based on the intended functions described. The criticality of the specific functions will be determined by the safety assessment process for compliance with § 23.1309. Advisory Circular 23-1309-1C contains acceptable means for accomplishing this requirement. For determining the failure condition, the criticality of a function will include the mitigating factors. The failure conditions must address the loss of function and improper operations.

Issued in Kansas City, Missouri, on April 6, 2015.

**Pat Mullen,**

*Acting Manager, Small Airplane Directorate, Aircraft Certification Service.*

[FR Doc. 2015-08586 Filed 4-13-15; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

**[Docket No. FAA-2015-0824; Directorate Identifier 2013-NM-191-AD]**

**RIN 2120-AA64**

#### Airworthiness Directives; Airbus Airplanes

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

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

**SUMMARY:** We propose to supersede Airworthiness Directive (AD) 98-20-27, for all Airbus Model A300 B4-600, B4-600R, and F4-600R series airplanes, and Model A300 C4-605R Variant F airplanes (collectively called Model A300-600 series airplanes). AD 98-20-27 currently requires repetitive inspections to detect fatigue cracking of the wing top skin at the front spar joint; and a follow-on eddy current inspection and repair, if necessary. Since we issued AD 98-20-27, we have received reports of cracking of the wing top skin in an area not required for inspection by AD 98-20-27. This proposed AD would reduce the inspection compliance time and intervals, and extend the inspection area of the wing top skin at the front spar joint. We are proposing this AD to detect and correct fatigue cracking of the wing top skin at the front spar joint, which could result in reduced structural integrity of the airplane.

**DATES:** We must receive comments on this proposed AD by May 29, 2015.

**ADDRESSES:** You may send comments by any of the following methods:

- Federal eRulemaking Portal: Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Fax: (202) 493-2251.
- Mail: U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590.
- Hand Delivery: U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC, between 9 a.m. and 5

p.m., Monday through Friday, except Federal holidays.

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

#### Examining the AD Docket

You may examine the AD docket on the Internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2015-0824; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this proposed AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Operations office (telephone 800-647-5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

**FOR FURTHER INFORMATION CONTACT:** Dan Rodina, Aerospace Engineer, International Branch, ANM-116, Transport Airplane Directorate, FAA, 1601 Lind Avenue SW., Renton, WA 98057-3356; telephone 425-227-2125; fax 425-227-1149.

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposed AD. Send your comments to an address listed under the **ADDRESSES** section. Include “Docket No. FAA-2015-0824; Directorate Identifier 2013-NM-191-AD” at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. We will consider all comments received by the closing date and may amend this proposed AD based on those comments.

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

##### Discussion

On September 16, 1998, we issued AD 98-20-27, Amendment 39-10793 (63

FR 50981, September 24, 1998). AD 98-20-27 requires actions intended to address an unsafe condition on all Airbus Model A300 B4-600, B4-600R, and F4-600R series airplanes, and Model A300 C4-605R Variant F airplanes (collectively called Model A300-600 series airplanes).

Since we issued AD 98-20-27, Amendment 39-10793 (63 FR 50981, September 24, 1998): The European Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Union, has issued EASA Airworthiness Directive 2013-0232R1, dated October 2, 2013 (referred to after this as the Mandatory Continuing Airworthiness Information, or “the MCAI”), to correct an unsafe condition. The MCAI states:

During full-scale fatigue testing conducted in the early 1990's, cracks were found on the top skin of the wing between Ribs 1 and 7, starting at the front spar fastener holes.

This condition, if not detected and corrected, could adversely affect the structural integrity of the wing.

Consequently, Airbus issued Service Bulletin (SB) A300-57-6045 and DGAC [Direction Générale de l'Aviation Civile] France issued AD 97-374-238 [[http://ad.easa.europa.eu/blob/19973740tb\\_superseded.pdf/AD\\_F-1997-374-238\\_2](http://ad.easa.europa.eu/blob/19973740tb_superseded.pdf/AD_F-1997-374-238_2)] for A300-600 aeroplanes and AD 1999-008-020 [[http://ad.easa.europa.eu/blob/19980080tb\\_superseded.pdf/AD\\_F-1999-008-020\\_2](http://ad.easa.europa.eu/blob/19980080tb_superseded.pdf/AD_F-1999-008-020_2)] for A300-600ST aeroplanes to require repetitive detailed inspections of the wing top skin and, in case of findings, an Eddy Current (EC) inspection, and, depending on the size of the cracks, repair.

After those [DGAC] ADs were issued, further cracks to the wing top skin were reported by operators, within an area not covered by the existing [DGAC] ADs. To address this potential unsafe condition, Airbus revised SB A300-57-6045 to extend the area to be inspected.

In addition, a fleet survey and updated Fatigue and Damage Tolerance analyses were performed in order to substantiate the second A300-600 Extended Service Goal (ESG2) exercise. The results of these analyses have determined that the inspection thresholds and intervals must be reduced to allow timely detection of these cracks and the accomplishment of applicable corrective action(s).

As the ESG2 exercise is only applicable to A300-600 aeroplanes, A300-600ST aeroplanes are now addressed through new Airbus SB A300-57-9026.

For the reasons described above, this [EASA] AD retains the requirements of DGAC France AD 97-374-238(B) [[http://ad.easa.europa.eu/blob/19973740tb\\_superseded.pdf/AD\\_F-1997-374-238\\_2](http://ad.easa.europa.eu/blob/19973740tb_superseded.pdf/AD_F-1997-374-238_2)] [which corresponds to FAA AD 98-20-27, Amendment 39-10793 (63 FR 50981, September 24, 1998)] and [DGAC] AD 1999-008-020(B) [[http://ad.easa.europa.eu/blob/19980080tb\\_superseded.pdf/AD\\_F-1999-008-020\\_2](http://ad.easa.europa.eu/blob/19980080tb_superseded.pdf/AD_F-1999-008-020_2)], which are superseded, but requires