

**McDonnell Douglas:** Docket 2000–NM–260–AD.

**Applicability:** Model DC–9–81, –9–82, –9–83, and –9–87 series airplanes, and Model MD–88 airplanes, as listed in McDonnell Douglas Alert Service Bulletin MD80–29A067, dated October 21, 1999; and Model MD–90–30 series airplanes, as listed in McDonnell Douglas Alert Service Bulletin MD90–29A018, dated October 21, 1999; certificated in any category.

**Note 1:** This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (e) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

**Compliance:** Required as indicated, unless accomplished previously.

To prevent various failures of electric motors of the auxiliary hydraulic pump and associated wiring, which could result in fire at the auxiliary hydraulic pump and consequent damage to the adjacent electrical equipment and/or structure, accomplish the following:

#### Inspection

(a) Do a detailed inspection of the number 1 and 2 electric motors of the auxiliary hydraulic pump for electrical resistance, continuity, mechanical rotation, and associated wiring resistance/voltage, per McDonnell Douglas Alert Service Bulletin MD80–29A067, dated October 21, 1999 (for Model DC–9–81, –9–82, –9–83, and –9–87 series airplanes, and Model MD–88 airplanes); or McDonnell Douglas Alert Service Bulletin MD90–29A018, dated October 21, 1999 (for Model MD–90–30 series airplanes); as applicable; at the applicable time specified in paragraph (a)(1) or (a)(2) of this AD.

(1) For airplanes that have accumulated 3,000 total flight hours or more as of the effective date of this AD: Inspect within 12 months after the effective date of this AD.

(2) For airplanes that have accumulated less than 3,000 total flight hours as of the effective date of this AD: Inspect within 12 months after accumulating 3,000 total flight hours.

#### Condition 1, No Failures: Repetitive Inspections

(b) If no failures are detected during the inspection required by paragraph (a) of this AD, repeat the inspection required by paragraph (a) of this AD every 5,000 flight hours.

#### Condition 2, Failure of Any Pump Motor: Replacement and Repetitive Inspections

(c) If any pump motor fails during any inspection required by paragraph (a) of this

AD, before further flight, replace the failed auxiliary hydraulic pump with a serviceable pump, per McDonnell Douglas Alert Service Bulletin MD80–29A067, dated October 21, 1999 (for Model DC–9–81, –9–82, –9–83, and –9–87 series airplanes, and Model MD–88 airplanes); or McDonnell Douglas Alert Service Bulletin MD90–29A018, dated October 21, 1999 (for Model MD–90–30 series airplanes); as applicable. Repeat the inspection required by paragraph (a) of this AD every 5,000 flight hours.

#### Condition 3, Failure of Any Wiring: Repair and Repetitive Inspection

(d) If any wiring fails during any inspection required by paragraph (a) of this AD, before further flight, troubleshoot and repair the failed wiring, per McDonnell Douglas Alert Service Bulletin MD80–29A067, dated October 21, 1999 (for Model DC–9–81, –9–82, –9–83, and –9–87 series airplanes, and Model MD–88 airplanes); or McDonnell Douglas Alert Service Bulletin MD90–29A018, dated October 21, 1999 (for Model MD–90–30 series airplanes); as applicable. Repeat the inspection required by paragraph (a) of this AD every 5,000 flight hours.

#### Alternative Methods of Compliance

(e) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Los Angeles Aircraft Certification Office (ACO), FAA. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Los Angeles ACO.

**Note 2:** Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Los Angeles ACO.

#### Special Flight Permit

(f) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

Issued in Renton, Washington, on November 30, 2000.

**Donald L. Riggins,**

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

[FR Doc. 00–31067 Filed 12–5–00; 8:45 am]

**BILLING CODE 4910–13–U**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 2000–NE–12–AD]

RIN 2120–AA64

#### Airworthiness Directives; Turbomeca S.A. Arrius Models 2B, 2B1, 2F Turboshift Engines

**AGENCY:** Federal Aviation Administration, DOT.

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

**SUMMARY:** This document proposes the adoption of a new airworthiness directive (AD) that is applicable to Turbomeca S.A. Arrius Models 2B, 2B1, and 2F turboshaft engines. This proposal would require the replacement of the right injector half manifold, left injector half manifold, and privilege injector pipe with the engine installed on the helicopter. This proposal is prompted by reports from the Direction Generale de L'Aviation Civile (DGAC), which is the airworthiness authority for France, of partially or totally blocked fuel injection manifolds, which were found during inspections at a repair workshop. The actions specified by the proposed AD are intended to prevent engine flameout during rapid deceleration, or the inability to maintain the 2.5 minutes one engine inoperative (OEI) rating. The actions are also intended to prevent injector air path cracks, due to blockage of the fuel injection manifolds.

**DATES:** Comments must be received by February 5, 2001.

**ADDRESSES:** Submit comments to the Federal Aviation Administration (FAA), New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 2000–NE–12–AD, 12 New England Executive Park, Burlington, MA 01803–5299. Comments may also be sent via the Internet using the following address: “9-ane-adcomment@faa.gov”. Comments sent via the Internet must contain the docket number in the subject line. Comments may be inspected at this location between 8 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

The service information referenced in the proposed rule may be obtained from Turbomeca S.A., 40220 Tarnos, France; telephone: (33) 05 59 64 40 00; fax: (33) 05 59 64 60 80. This information may be examined at the FAA, New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA.

**FOR FURTHER INFORMATION CONTACT:**

James Rosa, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone: (781) 238-7152; fax: (781) 238-7199.

**SUPPLEMENTARY INFORMATION:****Comments Invited**

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the Rules Docket number and be submitted to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this action may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report summarizing each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this action must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 2000-NE-12-AD." The postcard will be date stamped and returned to the commenter.

**Availability of NPRM's**

Any person may obtain a copy of this NPRM by submitting a request to the FAA, New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 2000-NE-12-AD, 12 New England Executive Park, Burlington, MA 01803-5299.

**Discussion**

The DGAC recently notified the FAA that an unsafe condition may exist on Turbomeca S.A. Arrius 2B, 2B1, and 2F turboshaft engines. The DGAC advises that during inspections performed at a repair workshop, some right injector half manifolds, left injector half manifolds, and privilege injector pipes were found totally or partially blocked. This condition may cause engine flameout during engine deceleration or the inability to maintain the 2.5 minutes

OEI rating. This condition may also cause injector air path cracking.

**Manufacturer's Service Information**

Turbomeca has issued alert service bulletin (ASB) No. A319 73 2012, Revision 2, dated May 25, 1999, for Arrius 2B and 2B1 turboshaft engines and ASB No. A319 73 4001, Revision 3, dated May 25, 1999, for Arrius 2F turboshaft engines. These ASB's require the replacement of the right injector half manifold, left injector half manifold, and privilege injector pipes, based on operating hours and power check performance. When replacing the manifolds for the first time, the ASB's also require a borescope inspection of the flame tube and the high pressure turbine (HPT) area. The DGAC classified these ASB's as mandatory and issued AD 1999-217(A) and AD 1999-233(A) in order to assure the airworthiness of these Turbomeca turboshaft engines in France.

**Bilateral Agreement Information**

This engine model is manufactured in France and is type certificated for operation in the United States under the provisions of § 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the DGAC has kept the FAA informed of the situation described above. The FAA has examined the findings of the DGAC, reviewed all available information, and determined that AD action is necessary for products for this type design that are certificated for operation in the United States.

**Proposed Requirements of this AD**

Since an unsafe condition has been identified that is likely to exist or develop on other products of this same type design, the proposed AD would require:

- Replacement of the right injector half manifolds, left injector half manifolds, and privilege injector pipes with 200 or more hours time-in-service (TIS) on the effective date of the proposed AD within 30 days after the effective date of the proposed AD.
- Thereafter, the injector manifolds must be replaced within 200 hours TIS since last replacement.

Those actions would be required to be accomplished in accordance with the ASB's described previously.

**Economic Impact**

There are about 130 engines of the affected design in the worldwide fleet. The FAA estimates that 22 engines installed on aircraft of U.S. registry

would be affected by this proposed AD, that it would take about 2 work hours per engine to accomplish the proposed actions, and that the average labor rate is \$60 per work hour. Required parts would cost about \$14,320.00 per engine. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$317,680.00 for initial inspection and parts replacement. The manufacturer has advised the DGAC that the operator may exchange the removed injection manifolds, at no cost to the operator, thereby substantially reducing the cost impact of this proposed rule.

**Regulatory Impact**

This proposal does not have federalism implications, as defined in Executive Order 13132, because it 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. Accordingly, the FAA has not consulted with state authorities prior to publication of this proposal.

For the reasons discussed above, I certify that 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); and (3) if promulgated, 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. A copy of the draft regulatory evaluation prepared for this action is contained in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption **ADDRESSES**.

**List of Subjects in 14 CFR Part 39**

Air transportation, Aircraft, Aviation safety, Safety.

**The Proposed Amendment**

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend part 39 of the Federal Aviation Regulations (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. Section 39.13 is amended by adding the following new airworthiness directive:

**Turbomeca:** Docket No. 2000-NE-12-AD.

**Applicability:** This airworthiness directive (AD) is applicable to Arrius Models 2B, 2B1, and 2F engines. These engines are installed on but not limited to Eurocopter France Model EC120B and Eurocopter Deutschland EC135 T1 rotorcraft.

**Note 1:** This AD applies to each engine identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For engines that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (d) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

**Compliance**

Compliance with the following initial and repetitive replacement procedures are required unless already done.

Perform the following actions to prevent engine flameout and the inability to maintain the 2.5 minutes one engine inoperative (OEI) rating due to blockage of the fuel injection manifolds.

**Initial Replacement**

(a) Replace injector manifolds and borescope—inspect the flame tube and the high pressure turbine area within 30 days after the effective date of this AD, or prior to exceeding 200 hours time-in-service (TIS) since new, whichever is later. Do this in accordance with 2.A. through 2.C.(3) (except for recording requirement) of Turbomeca Alert Service Bulletin (ASB) No. A319 73 2012 for Arrius 2B and 2B1 turboshaft engines, and ASB No. A319 73 4001 for Arrius 2F turboshaft engines.

**Repetitive Replacements**

(b) Thereafter, replace injector manifolds within 200 hours TIS since last replacement, or prior to further flight after performing a flight manual power check if the power check shows a negative turbine outlet temperature (TOT) or negative T4 margin.

(c) After the effective date of this AD, do not install any injector manifold with 200 hours TIS since new or greater onto an engine.

**Alternative Methods of Compliance**

(d) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Engine Certification Office (ECO). Operators shall submit their request through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, ECO.

**Note 2:** Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the ECO.

**Special Flight Permits**

(e) Special flight permits may be issued in accordance with §§ 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the aircraft to a location where the requirements of this AD can be accomplished.

Issued in Burlington, Massachusetts, on November 30, 2000.

**Mark C. Fulmer,**

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

[FR Doc. 00-31114 Filed 12-5-00; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION****17 CFR Part 270**

[Release No. IC-24775; File No. S7-20-00]

RIN 3235-AH57

**Exemption for the Acquisition of Securities During the Existence of an Underwriting or Selling Syndicate**

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Proposed rule.

**SUMMARY:** The Commission is proposing amendments to the rule under the Investment Company Act of 1940 that permits a registered investment company ("fund") that has certain affiliations with an underwriting participant to purchase securities during an offering. The proposed amendments would expand the exemption provided by the rule to permit a fund to purchase government securities in a syndicated offering. The proposed amendments also would modify the rule's quantitative limit on purchases, to cover purchases by a fund as well as any account advised by the fund's investment adviser. These amendments are intended to respond to recent changes in the method of offering certain government securities, and to improve the effectiveness of the quantitative limit on fund purchases.

**DATES:** Comments must be received on or before February 15, 2001.

**ADDRESSES:** Comments should be submitted in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549-0609. Comments also may be submitted electronically to the following E-mail address: rule-comments@sec.gov. All

comment letters should refer to File No. S7-20-00; this file number should be included on the subject line if E-mail is used. Comment letters will be available for public inspection and copying in the Commission's Public Reference Room, 450 5th Street, NW., Washington, DC 20549. Electronically submitted comment letters also will be posted on the Commission's Internet web site (<http://www.sec.gov>).

**FOR FURTHER INFORMATION CONTACT:**

Curtis A. Young, Senior Counsel, or C. Hunter Jones, Assistant Director, at (202) 942-0690, Office of Regulatory Policy, Division of Investment Management, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549-0506.

**SUPPLEMENTARY INFORMATION:** The Commission today is requesting public comment on proposed amendments to rule 10f-3 [17 CFR 270.10f-3] under the Investment Company Act of 1940 [15 U.S.C. 80a] (the "Investment Company Act" or "Act").<sup>1</sup>

**I. Discussion****A. Background**

Section 10(f) of the Investment Company Act prohibits a fund from purchasing any security during an underwriting or selling syndicate if the fund has certain affiliated relationships with a principal underwriter<sup>2</sup> for the security ("affiliated underwriter").<sup>3</sup> This provision was designed to protect funds and their investors from the "dumping" of unmarketable securities on a fund in order to benefit the fund's affiliated underwriter.<sup>4</sup> Section 10(f) is a broad

<sup>1</sup> Unless otherwise noted, all references to "rule 10f-3" or any paragraph of the rule will be to 17 CFR 270.10f-3.

<sup>2</sup> See section 2(a)(29) of the Investment Company Act [15 U.S.C. 80a-2(a)(29)] (definition of principal underwriter).

<sup>3</sup> Section 10(f) [15 U.S.C. 80a-10(f)] prohibits the purchase if a principal underwriter of the security is an officer, director, member of an advisory board, investment adviser, or employee of the fund, or is a person of which any such officer, director, member of an advisory board, investment adviser, or employee is an affiliated person. For purposes of this Release, a person that falls within one of these categories is referred to as an "affiliated underwriter," even though the Investment Company Act defines the term "affiliated person" to include a broader set of relationships. See section 2(a)(3) of the Investment Company Act [15 U.S.C. 80a-2(a)(3)]. Similarly, this Release refers to a fund that is subject to section 10(f) as a result of its relationship with an "affiliated underwriter" as an "affiliated fund."

<sup>4</sup> See *Investment Trusts and Investment Companies: Hearings on S. 3580 Before a Subcomm. of the Senate Comm. on Banking and Currency*, 76th Cong., 3d Sess. 35 (1940) (statement of Commissioner Healy). An underwriter could, for example, "dump" unmarketable securities on its controlled fund, either by causing the fund to purchase the securities from the underwriter itself,

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