

such a case, the company is subject to the Bank Holding Company Act, section 8 of the Federal Deposit Insurance Act, and other statutes applicable to bank holding companies in the same manner and to the same extent as if the company were a bank holding company and the savings association were a bank, as those terms are defined in the Bank Holding Company Act.

6. Add a new subpart B after § 584.9 to read as follows:

Subpart B—Activities That are Financial in Nature

Sec.

584.100 What does this subpart do?

584.110 May I engage in activities permissible for financial holding companies?

584.120 Is my ability to engage in permissible activities subject to any conditions or restrictions?

584.130 Must I notify OTS when I engage in permissible activities?

§ 584.100 What does this subpart do?

This subpart addresses how savings and loan holding companies (SLHCs) (“you”) may engage in activities that are permissible for financial holding companies under section 4(k) of the Bank Holding Company Act of 1956 (BHCA) (12 U.S.C. 1843(k)). SLHCs that are exempt under § 584.2a are not subject to this subpart.

§ 584.110 May I engage in activities permissible for financial holding companies?

You may engage in activities that are permissible for financial holding companies as financial in nature, incidental to a financial activity, or complementary to a financial activity. The Federal Reserve Board (FRB) specifies these activities in regulations and orders. *See* 12 CFR 225.86. Collectively, this subpart refers to these activities as “permissible activities.” OTS may limit permissible activities by policy directive, supervisory directive, order, or regulation.

§ 584.120 Is my ability to engage in permissible activities subject to any conditions or restrictions?

(a) *General.* If you engage in a permissible activity, you must comply with the conditions that FRB imposes by regulation or order on a financial holding company’s exercise of the activity, except as provided in paragraph (c) of this section.

(b) *FRB terminology.* In applying capital limitations in FRB regulations and orders, the term “Tier 1 capital of the financial holding company” means your GAAP consolidated capital less your GAAP consolidated intangible assets.

(c) *Deviation from FRB conditions.* You must not engage in a permissible activity in a way that would deviate from FRB conditions unless you obtain prior written approval from OTS. To obtain such approval, you must submit information to OTS under the standard treatment processing procedures of subparts A and E of part 516 of this chapter. This information must be sufficient to demonstrate that:

- (1) Any deviation from FRB conditions is not material;
- (2) The conditions do not apply to SLHCs generally; or
- (3) There is good cause not to apply the conditions in your case.

§ 584.130 Must I notify OTS when I engage in permissible activities?

(a) *Type of activity requiring notice.*

You are not required to notify OTS (except as specified in § 584.120(c)) when you engage in a permissible activity other than an activity that is complementary to a financial activity.

(b) *When notice is required.* You must notify OTS in writing before you commence an activity, either directly or indirectly, that is complementary to a financial activity. You must file this notice under the standard treatment procedures of subparts A and E of part 516 of this chapter.

(c) *Contents of notice.* Your notice must:

- (1) Identify and define the proposed complementary activity, specifically describing what the activity would involve and how you would conduct the activity;
- (2) Describe the FRB approval of a complementary activity under which this activity would be permissible;
- (3) Identify the financial activity that the proposed activity would complement, and provide detailed information sufficient to support a finding that the proposed activity is complementary to the identified financial activity;
- (4) Describe the scope and relative size of the proposed activity, as measured by the percentage of the projected revenues that you will derive from the activity and the size of assets associated with the activity;
- (5) Discuss the risks that the activity may pose to the safety and soundness of your subsidiary savings associations and to the financial system generally;
- (6) Describe the potential adverse effects, including potential conflicts of interest, decreased or unfair competition, or other risks, that the activity could raise, and explain the measures you propose to take to address those potential effects;
- (7) Describe the potential benefits to the public, such as greater convenience,

increased competition, or gains in efficiency, that you expect the proposal to produce; and

(8) Provide any information about your financial and managerial resources and any other information that OTS requests.

(d) *Factors OTS will consider.* (1) Whether the proposed activity is consistent with an activity that FRB has approved as complementary; and

(2) Whether there are supervisory reasons not to permit you to engage in the proposed activity.

Dated: October 31, 2001.

By the Office of Thrift Supervision.

Ellen Seidman,

Director.

[FR Doc. 01–27889 Filed 11–7–01; 8:45 am]

BILLING CODE 6720–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2001–NE–31–AD]

RIN 2120–AA64

Airworthiness Directives; Rolls-Royce Corporation (Formerly Allison Engine Company) 250–C28 Series Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The Federal Aviation Administration (FAA) proposes to adopt a new airworthiness directive (AD) that is applicable to certain Rolls-Royce Corporation (formerly Allison Engine Company) 250–C28 series engines. This proposal would require removal of third stage turbine wheels, part number (P/N) 6899383, with certain serial numbers (SN’s), from service before exceeding new, reduced life limits. This proposal would also establish a drawdown program to require the removal of those turbine wheels that exceed the new lower limit. This proposal is prompted by five reports of uncommanded shutdown caused by third stage turbine blade tip fractures, and turbine shroud fractures. The actions specified by the proposed AD are intended to prevent uncommanded shutdown of the engine due to fractures of third stage turbine blade tips and third stage turbine shrouds.

DATES: Comments must be received by January 7, 2002.

ADDRESSES: Submit comments in triplicate to the Federal Aviation

Administration (FAA), New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 2001-NE-31-AD, 12 New England Executive Park, Burlington, MA 01803-5299. Comments may be inspected at this location, by appointment, between 8 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. 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.

FOR FURTHER INFORMATION CONTACT: John Tallarovic, Aerospace Engineer, Chicago Aircraft Certification Office, FAA, Small Airplane Directorate, 2300 East Devon Avenue, Des Plaines, IL 60018; telephone (847) 294-8180; fax (847) 294-7834.

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 in triplicate 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 2001-NE-31-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. 2001-NE-31-AD, 12 New England Executive Park, Burlington, MA 01803-5299.

Discussion

The FAA has received reports of five uncommanded shutdowns on Rolls-Royce Corporation 250-C28 series engines, caused by third stage turbine blade tip and turbine shroud fractures. The manufacturer's analysis indicates that this condition is caused by certain third stage turbine wheels, part number (P/N) 6899383, that have a critical dimension outside the manufacturing limit. There are believed to be 84 third stage turbine wheels with this condition. For these 84 turbine wheels, the manufacturer has reduced the life limits of 4,550 hours time-since-new (TSN) and 6,000 cycles-since-new (CSN), to life limits of 1,500 hours TSN and 3,000 CSN. This condition, if not corrected, could result in an uncommanded shutdown of the engine due to fractures of third stage turbine blade tips and third stage turbine shrouds.

Proposed Requirements of This AD

Since an unsafe condition has been identified that is likely to exist or develop on other Rolls-Royce Corporation 250-C28 series engines of the same type design, the proposed AD would require removal from service certain SN's of third stage turbine wheels before exceeding new, reduced life limits.

Economic Analysis

There are approximately 84 engines of the affected design in the worldwide fleet. The FAA estimates that 42 engines installed on helicopters of U.S. registry would be affected by this proposed AD. The FAA also estimates that it would take approximately 44 work hours per engine to accomplish the proposed actions, and that the average labor rate is \$60 per work hour. The cost of a new third stage turbine wheel is approximately \$4,371. Although the FAA estimates that approximately \$2,929 per wheel has been lost due to life reduction, the manufacturer has stated it may reduce the new wheel cost to the customer. Based on these figures, the total cost effect of the proposed AD on U.S. operators is estimated to be \$294,462.

Regulatory Analysis

This proposed rule 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 proposed rule.

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:

Rolls-Royce Corporation: Docket No. 2001-NE-31-AD.

Applicability

This airworthiness directive (AD) is applicable to Rolls-Royce Corporation (formerly Allison Engine Company) 250-C28, -C28B, and -C28C model engines with third stage turbine wheels part number (P/N) 6899383, listed by serial number (SN) in the following Table 1:

TABLE 1.—SN'S OF AFFECTED THIRD STAGE TURBINE WHEELS

HX91428R	HX91489R	HX91707R
HX91456R	HX91490R	HX91708R
HX91457R	HX91492R	HX91709R
HX91458R	HX91493R	HX91710R
HX91459R	HX91494R	HX91711R
HX91461R	HX91500R	HX91712R
HX91462R	HX91501R	HX91713R
HX91464R	HX91503R	HX91714R
HX914659	HX91504R	HX91715R
HX91465R	HX91506R	HX91721R
HX91466R	HX91507R	HX91722R
HX91467R	HX91508R	HX91726R
HX91468R	HX91510R	HX91733R
HX91469R	HX91511R	HX91735R
HX91471R	HX91512R	HX91736R
HX91472R	HX91513R	HX91738R
HX91473R	HX91519R	HX91742R
HX91474R	HX91520R	HX91744R
HX91475R	HX91522R	HX91748R
HX91477R	HX91523R	HX91749R
HX91478R	HX91524R	HX91750R
HX91480R	HX91525R	HX91754R
HX91482R	HX91526R	HX91764R
HX91483R	HX91527R	HX91765R
HX91485R	HX91528R	HX91766R
HX91486R	HX91529R	HX91767R
HX91487R	HX91530R	HX91768R
HX91488R	HX91706R	HX91769R

These engines are installed on, but not limited to Bell Helicopter Textron 206L-1 helicopters.

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 (c) 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 this AD is required as indicated, unless already done.

To prevent an uncommanded shutdown of the engine due to fractures of third stage turbine blade tips and third stage turbine shrouds, do the following:

(a) Remove from service the third stage turbine wheels, P/N 6899383, listed by SN in Table 1 of this AD, in accordance with the following Table 2:

TABLE 2.—REMOVAL SCHEDULE

For third stage by turbine wheels on the effective date of this AD	Remove by
(1) With fewer than 3,000 cycles-since-new (CSN), and fewer than 1,500 hours time-since-new (TSN).	3,000 CSN or 1,500 hours TSN, whichever occurs earlier.
(2) With between 3,000 and 6,000 CSN, and fewer than 1,500 hours TSN.	200 additional cycles, after the effective date of this AD.
(3) With fewer than 3,000 CSN, and between 1,500 and 3,000 hours TSN.	100 additional hours, after the effective date of this AD.
(4) With between 3,000 and 6,000 CSN and between 1,500 and 3,000 hours TSN.	200 additionally cycles or 100 additional hours, after the effective date of this AD, whichever occurs earlier.
(5) With more than 6,000 CSN, or more than 3,000 hours TSN	Before further flight.

(b) After the effective date of this AD, do not install any third stage turbine wheels listed by SN in Table 1 of this AD. Thereafter, except as provided in paragraph (c) of this AD, no alternative cyclic life limits may be approved for the turbine wheels listed in Table 1 of this AD.

Alternative Methods of Compliance

(c) 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, Chicago Aircraft Certification Office (ACO). Operators must submit their request through an

appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Chicago ACO.

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

Special Flight Permits

(d) Special flight permits may be issued in accordance §§ 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the helicopter to a

location where the requirements of this AD can be done.

Issued in Burlington, Massachusetts, on November 1, 2001.

Diane S. Romanosky,

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

[FR Doc. 01-28025 Filed 11-7-01; 8:45 am]

BILLING CODE 4910-13-U