

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 911

[Docket No. FV02-911-1]

#### Limes Grown in Florida; Continuance Referendum

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Referendum order.

**SUMMARY:** This document directs that a referendum be conducted among eligible growers of Florida limes to determine whether they favor continuance of the marketing order regulating the handling of limes grown in the production area.

**DATES:** The referendum will be conducted from September 9, through September 28, 2002. To vote in this referendum, growers must have been producing Florida limes during the period April 1, 2001, through March 31, 2002.

**ADDRESSES:** Copies of the marketing order may be obtained from the office of the referendum agent at 799 Overlook Drive, Suite A, Winter Haven, Florida, 33884, or the Office of the Docket Clerk, Marketing Order Administration Branch, Fruit and Vegetable Programs, Agricultural Marketing Service (AMS), U.S. Department of Agriculture (USDA), 1400 Independence Avenue SW., Stop 0237, Washington, DC 20250-0237.

**FOR FURTHER INFORMATION CONTACT:** Doris Jamieson, Southeast Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 799 Overlook Drive, Suite A, Winter Haven, Florida, 33884; telephone (863) 324-3375; or Kathleen Finn, Marketing Order Administration Branch, Fruit & Vegetable Programs, AMS, USDA, 1400 Independence Ave SW., Stop 0237, Washington, DC 20250-0237; telephone (202) 720-2491.

**SUPPLEMENTARY INFORMATION:** Pursuant to Marketing Order No. 911 (7 CFR Part

911), hereinafter referred to as the "order" and the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the "Act," it is hereby directed that a referendum be conducted to ascertain whether continuance of the order is favored by growers. The referendum shall be conducted during the period September 9, through September 28, 2002, among Florida lime growers in the production area. Only growers that were engaged in the production of Florida limes during the period of April 1, 2001, through March 31, 2002, may participate in the continuance referendum.

The USDA has determined that continuance referenda are an effective means for ascertaining whether growers favor continuation of marketing order programs. The USDA would consider termination of the order if less than two-thirds of the growers voting in the referendum and growers of less than two-thirds of the volume of Florida limes represented in the referendum favor continuance. In evaluating the merits of continuance versus termination, the USDA will consider the results of the referendum and other relevant information regarding operation of the order. The USDA will evaluate the order's relative benefits and disadvantages to growers, handlers, and consumers to determine whether continuing the order would tend to effectuate the declared policy of the Act.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the ballot materials used in the referendum herein ordered have been submitted to and approved by the Office of Management and Budget (OMB) and have been assigned OMB No. 0581-0189 for Florida limes. It has been estimated that it will take an average of 20 minutes for each of the approximately 75 growers of Florida limes to cast a ballot. Participation is voluntary. Ballots postmarked after September 28, 2002, will not be included in the vote tabulation.

Doris Jamieson and Chris Nissen of the Southeast Marketing Field Office, Fruit and Vegetable Programs, AMS, USDA, are hereby designated as the referendum agents of the USDA to conduct such referendum. The procedure applicable to the referendum shall be the "Procedure for the Conduct

of Referenda in Connection With Marketing Orders for Fruits, Vegetables, and Nuts Pursuant to the Agricultural Marketing Agreement Act of 1937, as Amended" (7 CFR Part 900.400 *et seq.*).

Ballots will be mailed to all growers of record and may also be obtained from the referendum agents and from their appointees.

#### List of Subjects in 7 CFR Part 911

Limes, Marketing agreements, Reporting and recordkeeping requirements.

**Authority:** 7 U.S.C. 601-674.

**Dated:** July 19, 2002.

**A.J. Yates,**

*Administrator, Agricultural Marketing Service.*

[FR Doc. 02-18789 Filed 7-24-02; 8:45 am]

**BILLING CODE 3410-02-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 2001-NE-11-AD]

RIN 2120-AA64

#### Airworthiness Directives; Honeywell International Inc. TPE331-3, -5, -6, -8, -10, and -11 Series Turboprop and TSE331-3 Series Turboshaft 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 Honeywell International Inc. (formerly AlliedSignal Inc., Garrett Turbine Engine Company and AiResearch Manufacturing Company of Arizona) TPE331-3, -5, -6, -8, -10, and -11 series turboprop and TSE331-3 series turboshaft engines. This proposal would require removing weld repaired first stage compressor impellers from service. This proposal is prompted by an uncontained TPE331-11U turboprop engine failure and an in-flight shutdown due to the separation of the first stage Ti 6-4 compressor impeller. The actions specified by the proposed AD are intended to prevent uncontained

engine failures, in-flight shutdowns, and secondary damage.

**DATES:** Comments must be received by September 23, 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-11-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. The service information referenced in the proposed rule may be obtained from Honeywell Engines, Systems and Services, Technical Data Distribution, M/S 2101-201, PO Box 52170, Phoenix, AZ 85072-2170; telephone: (602) 365-2493 (General Aviation), (602) 365-5535 (Commercial); fax: (602) 365-5577 (General Aviation and Commercial). This information may be examined, by appointment, at the FAA, New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA.

**FOR FURTHER INFORMATION CONTACT:** Joseph Costa, Aerospace Engineer, Los Angeles Aircraft Certification Office, FAA, Transport Airplane Directorate, 3960 Paramount Blvd., Lakewood CA 90712-4137; telephone: (562) 627-5246; fax (562) 627-5210.

#### **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-11-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-11-AD, 12 New England Executive Park, Burlington, MA 01803-5299.

##### **Discussion**

On November 16, 1994, a TPE331-11U turboprop uncontained engine failure and in-flight shutdown occurred due to the separation of the first stage Ti 6-4 compressor impeller. The failed impeller, part number (P/N) 896223-3, which was weld repaired at 3,983 cycles-since-new (CSN), had accumulated 27,456 CSN. The crack initiated in the backface at the fillet adjacent to the curvic arm and propagated forward along the bore in low cycle fatigue (LCF). Compressor impellers, P/N's 896223-1, -2, -3 and -7 and 3107109-2, are similarly designed to P/N 896223-3, and are affected by this proposal. The FAA has determined that weld repairs and the associated heat treatment on these impellers reduce LCF mechanical properties and may contribute to impeller failures. Failure of the first stage compressor impeller, if not corrected, could result in an uncontained separation of the impeller, in-flight shutdown and secondary engine and aircraft damage.

##### **Manufacturer's Service Information**

The FAA has reviewed and approved the technical contents of Honeywell International Inc. Alert Service Bulletin (ASB) TPE331-A72-2083, Revision 1, dated May 17, 2002, which provides a listing of certain impellers by serial number which have been weld repaired and provides impeller replacement information.

##### **FAA's Determination of an Unsafe Condition and Proposed Actions**

Since an unsafe condition has been identified that is likely to exist or develop on other Honeywell International Inc TPE331-3, -5, -6, -8, -10, and -11 series turboprop and

TSE331-3 series turboshaft engines of the same type design, the proposed AD would require the replacement of suspect impellers with serviceable impellers. The actions would be required to be done in accordance with the ASB described previously.

##### **Economic Analysis**

There are approximately 2,040 engines of the affected design in the worldwide fleet. The FAA estimates that 1,020 engines installed on aircraft of U.S. registry would be affected by this proposed AD. The FAA estimates that 1,000 engines will have the required actions done during a scheduled engine overhaul. The FAA also estimates that it would take approximately 2 work hours per engine to do the proposed actions during scheduled engine overhauls and 80 work hours per engine during unscheduled engine overhauls, and that the average labor rate is \$60 per work hour. Required parts would cost approximately \$9,600 per engine to do the proposed actions during scheduled engine overhauls and \$14,600 per engine which includes consumables, during unscheduled engine overhauls. Based on these figures, the total cost of the proposed AD on U.S. operators is estimated to be \$10,108,000.

##### **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:

**Honeywell International Inc.:** Docket No. 2001-NE-11-AD.

#### Applicability

This airworthiness directive (AD) is applicable to Honeywell International Inc. (formerly AlliedSignal Inc., Garrett Turbine Engine Company and AiResearch Manufacturing Company of Arizona) TPE331-3, -5, -6, -8, -10, and -11 series turboprop and TSE331-3 series turboshaft engines equipped with first stage compressor impeller, part number (P/N) 896223-1, -2, -3, -7, or 3107109-2. These engines are installed on, but not limited to: Ayres S-2R series; Beech 18 and 45 series and Models JRB-6, 3N, 3NM, 3TM, and B100; Cessna Model 441; Construcciones Aeronauticas, S.A. (CASA) C-212 series; De Havilland DH 104 series 7AXC (Dove); Dornier 228 series; Fairchild SA226 and SA227 series (Swearingen Merlin and Metro series); Grumman American G-164 series; Jetstream 3101; Mitsubishi MU-2B series (MU-2 series); Prop-Jets, Inc. Model 400; Rockwell Commander S-2R; Shorts Brothers and Harland, Ltd. SC7 (Skyvan); Pilatus PC-6 series (Fairchild Porter and Peacemaker); and Schweizer G-164 series; and Twin Commander Aircraft Corp. (Jetprop Commander) Models 695 and 695A airplanes; and Sikorsky S-55 series (Helitec Corp. S55T) 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 a uncontained engine failure, in-flight shutdown, and secondary damage, do the following:

#### Removal of Weld Repaired First Stage Compressor Impellers From Service

(a) Remove from service weld repaired first stage compressor impellers, P/N's 896223-1, -2, -3, and -7 and 3107109-2, with SN's listed in Table 1 and Table 2 of the Accomplishment Instructions in 2.A.(1) and 2.A.(2) of Honeywell Alert Service Bulletin TPE331-A72-2083, Revision 1, dated May 17, 2002, in accordance with the following schedule:

(1) Remove impellers with no record of cycles since weld repair, within 3,600 cycles-in-service (CIS) or at the next engine overhaul, or at the next major Continuous Airworthiness Maintenance (CAM) compressor section inspection, after the effective date of this AD, whichever occurs first.

(2) Remove impellers with more than 8,900 cycles since "weld repair," within 3,600 CIS, or at the next engine overhaul, or at the next major CAM compressor section inspection after the effective date of this AD, whichever occurs first.

(3) Remove impellers with 8,900 or less cycles since "weld repair," before reaching 12,500 cycles since weld repair after the effective date of this AD.

(b) For purposes of this AD, weld repaired or weld repair is defined as an impeller repair which involved heat treating and that was performed from 1980 through 1997 at Honeywell Aerospace Services, Aftermarket-Phoenix Repair and Overhaul, 1944 E. Sky Harbor Circle, Phoenix, AZ 85034 (FAA Certificate Number ZN3R030M). Former names and FAA certificate numbers for Honeywell's Repair and Overhaul Facility are listed in Section 2.A. of the Accomplishment Instructions in Honeywell Alert Service Bulletin TPE331-A72-2083, Revision 1, dated May 17, 2002.

#### 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, Los Angeles 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, Los Angeles ACO.

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

(d) 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 done.

Issued in Burlington, Massachusetts, on July 18, 2002.

**Jay J. Pardee,**

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

[FR Doc. 02-18816 Filed 7-24-02; 8:45 am]

**BILLING CODE 4910-13-P**

## SECURITIES AND EXCHANGE COMMISSION

### 17 CFR Parts 275 and 279

[Release No. IA-2044; File No. S7-28-02]

RIN 3235-AH 26

### Custody of Funds or Securities of Clients by Investment Advisers

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

**ACTION:** Proposed rule.

**SUMMARY:** The Commission is proposing amendments to the custody rule under the Investment Advisers Act of 1940. The proposed amendments would modernize the rule by, among other things, requiring advisers that have custody of client assets to maintain those assets with broker-dealers, banks, or other qualified custodians. The amendments also would clarify circumstances under which an adviser has custody of client assets. The amendments are designed to conform the rule to modern custodial practices and enhance protections for client assets while reducing burdens on advisers that have custody of client assets.

**DATES:** Comments must be received on or before September 25, 2002.

**ADDRESSES:** To help us process and review your comments more efficiently, comments should be sent by one method only.

Comments should be submitted in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, D.C. 20549-0609. Comments may also be submitted electronically at the following E-mail address: [rule-comments@sec.gov](mailto:rule-comments@sec.gov).