

The revision and addition read as follows:

**§ 120.712 How does an Intermediary get a grant to assist Microloan borrowers?**

\* \* \* \*

(b) \* \* \*

(1) Up to 50 percent of the grant funds may be used to provide information and technical assistance to prospective Microloan borrowers; provided, however, that no more than 5 percent of the grant funds may be used to market or advertise the products and services of the Microloan Intermediary directly related to the Microloan Program; and

\* \* \* \*

**§ 120.840 [Amended]**

■ 17. Amend § 120.840 by removing the term “D/FA” from the second sentence of paragraph (b) and adding in its place the phrase “appropriate SBA official in accordance with Delegations of Authority”.

**PART 121—SMALL BUSINESS SIZE REGULATIONS**

■ 18. The authority citation for Part 121 continues to read as follows:

**Authority:** 15 U.S.C. 632, 634(b)(6), 662, and 649a(9).

■ 19. Amend § 121.301 by:

■ a. Revising paragraph (f)(4);

■ b. Redesignating paragraphs (f)(5), (f)(6), and (f)(7) as paragraphs (f)(7), (f)(8), and (f)(9) respectively;

■ c. Adding new paragraphs (f)(5) and (f)(6) and revising the redesignated (f)(7).

The revisions and additions read as follows:

**§ 121.301 What size standards and affiliation principles are applicable to financial assistance programs?**

\* \* \* \*

(f) \* \* \*

(4) *Affiliation based on identity of interest.* (i) Affiliation may arise among two or more individuals or firms with an identity of interest. Individuals or firms that have identical or substantially identical business or economic interests (such as close relatives, individuals or firms with common investments, or firms that are economically dependent through contractual or other relationships) may be treated as one party with such interests aggregated. Where SBA determines that such interests should be aggregated, an individual or firm may rebut that determination with evidence showing that the interests deemed to be one are in fact separate.

(ii) Affiliation arises when there is an identity of interest between close

relatives, as defined in § 120.10 of this chapter, with identical or substantially identical business or economic interests (such as where the close relatives operate concerns in the same or similar industry in the same geographic area).

(iii) Affiliation arises through common investments where the same individuals or firms together own a substantial portion of multiple concerns, and concerns owned by such investors conduct business with each other (such as subcontracts or joint ventures), or share resources, equipment, locations or employees with one another, or provide loan guaranties or other financial or managerial support to each other.

(iv) SBA will find affiliation based upon economic dependence if the concern in question derived more than 85% of its receipts from another concern over the previous three fiscal years, unless the concern has been in business for a short amount of time and has a plan to lessen its dependence on the other concern.

(5) *Affiliation based on the newly organized concern rule.* Affiliation may arise where current or former officers, directors, principal stockholders, managing members, or key employees of one concern organize a new concern in the same or related industry or field of operation, and serve as the new concern's officers, directors, principal stockholders, managing members, or key employees, and the original concern is furnishing or will furnish the new concern with contracts, financial or technical assistance, indemnification on bid or performance bonds, and/or other facilities, whether for a fee or otherwise. A concern may rebut such an affiliation determination by demonstrating a clear line of fracture between the two concerns. For the purpose of this rule, a “key employee” is an employee who, because of his/her position in the concern, has a critical influence in or substantive control over the operations or management of the concern. A concern will be considered “new” for the purpose of this rule if it has been actively operating continuously for two years or less.

(6) *Affiliation based on totality of the circumstances.* In determining whether affiliation exists, SBA will consider the totality of the circumstances, and may find affiliation even though no single factor is sufficient to constitute affiliation.

(7) *Affiliation based on franchise agreements.* (i) The restraints imposed on a franchisee by its franchise agreement generally will not be considered in determining whether the franchisor is affiliated with an applicant

franchisee provided the applicant franchisee has the right to profit from its efforts and bears the risk of loss commensurate with ownership. SBA will only consider the franchise agreements of the applicant concern. SBA will maintain a centralized list of franchise and other similar agreements that are eligible for SBA financial assistance, which will identify any additional documentation necessary to resolve any eligibility or affiliation issues between the franchisor and the small business applicant.

(ii) For purposes of this section, “franchise” means any continuing commercial relationship or arrangement, whatever it may be called, that meets the Federal Trade Commission definition of “franchise” in 16 CFR 436.

\* \* \* \*

■ 20. Amend § 121.302 by revising paragraphs (a) and (b) to read as follows:

**§ 121.302 When does SBA determine the size status of an applicant?**

(a) The size status of an applicant for SBA financial assistance is determined as of the date the application for financial assistance is accepted for processing by SBA, except for applications under the Preferred Lenders Program (PLP), the SBA Express Loan Program (SBA Express), the Export Express Loan Program (Export Express), the Disaster Loan Program, the SBIC Program, and the New Markets Venture Capital (NMVC) Program.

(b) For PLP, SBA Express, and Export Express, size is determined as of the date of approval of the loan by the Lender.

\* \* \* \*

Dated: September 18, 2018.

**Linda E. McMahon,**  
Administrator.

[FR Doc. 2018–20869 Filed 9–27–18; 8:45 am]

**BILLING CODE 8025–01–P**

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 39**

[Docket No. FAA–2018–0803; Product Identifier 2018–NM–098–AD]

**RIN 2120–AA64**

**Airworthiness Directives; The Boeing Company Airplanes**

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

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

**SUMMARY:** We propose to adopt a new airworthiness directive (AD) for all The Boeing Company Model 727 airplanes. This proposed AD was prompted by a report of cracking in the inboard lower flange and adjacent web near the forward attachment of the outboard flap track at a certain position on a Model 737-300 airplane. The flap tracks of Model 737-300 airplanes are similar to the flap tracks of Model 727 airplanes. This proposed AD would require repetitive detailed inspections and surface high frequency eddy current (HFEC) inspections of each outboard flap track at certain positions for any crack and discrepancy, and applicable on-condition actions. We are proposing this AD to address the unsafe condition on these products.

**DATES:** We must receive comments on this proposed AD by November 13, 2018.

**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.

For service information identified in this NPRM, contact Boeing Commercial Airplanes, Attention: Contractual & Data Services (C&DS), 2600 Westminister Blvd., MC 110-SK57, Seal Beach, CA 90740-5600; telephone 562-797-1717; internet <https://www.myboeingfleet.com>. You may view this referenced service information at the FAA, Transport Standards Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206-231-3195. It is also available on the internet at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2018-0803.

#### 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-2018-0803; 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 in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

#### FOR FURTHER INFORMATION CONTACT:

Muoi Vuong, Aerospace Engineer, Airframe Section, FAA, Los Angeles ACO Branch, 3960 Paramount Boulevard, Lakewood, CA 90712-4137; phone: 562-627-5205; fax: 562-627-5210; email: [muoi.vuong@faa.gov](mailto:muoi.vuong@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-2018-0803; Product Identifier 2018-NM-098-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 proposed AD.

##### Discussion

We have received a report indicating cracking in the inboard lower flange and adjacent web near the forward attachment of the outboard flap track at position 8, which was found during a tear down of a Model 737-300 airplane. The flap tracks of Model 737-300 airplanes are similar to the flap tracks of Model 727 airplanes. This condition, if not addressed, could result in the inability of a principal structural element to sustain required flight load, which could result in loss of the outboard trailing edge flap and reduced controllability of the airplane.

##### Related Rulemaking

We have issued AD 2018-18-13, Amendment 39-19392 (83 FR 46380, September 13, 2018) (“AD 2018-18-13”), for The Boeing Company Model 737-100, -200, -200C, -300, -400, -500 series airplanes. AD 2018-18-13 requires an inspection to determine the part number of the wing outboard flap track assembly; repetitive inspections of each affected wing outboard flap track

for discrepancies, and applicable on-condition actions; and repetitive overhaul of each wing outboard flap track. AD 2018-18-13 addresses cracking of the rear spar attachment, and cracking of the wing outboard flap tracks. Cracking in the area between the forward and rear spar attachments of the wing outboard flap tracks could lead to the inability of a principal structural element to sustain required flight load, and result in loss of the outboard trailing edge flap and consequent reduced controllability of the airplane.

##### Related Service Information Under 1 CFR Part 51

We reviewed Boeing Alert Requirements Bulletin 727-57A0188 RB, dated May 31, 2018. The service information describes procedures for repetitive detailed inspections for discrepancies and surface HFEC inspections for cracks of each outboard flap track at positions 1, 2, 7, and 8, and applicable on-condition actions. On-condition actions include repairs and installation of a new or serviceable flap track. This service information is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

##### 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 accomplishment of the actions identified in Boeing Alert Requirements Bulletin 727-57A0188 RB, dated May 31, 2018, described previously, except for any differences identified as exceptions in the regulatory text of this proposed AD.

For information on the procedures and compliance times, see this service information at <http://www.regulations.gov> by searching for and locating Docket No. FAA-2018-0803.

##### Explanation of Requirements Bulletin

The FAA worked in conjunction with industry, under the Airworthiness Directives Implementation Aviation Rulemaking Committee (AD ARC), to enhance the AD system. One enhancement is a process for annotating which steps in the service information are “required for compliance” (RC) with

an AD. Boeing has implemented this RC concept into Boeing service bulletins.

In an effort to further improve the quality of ADs and AD-related Boeing service information, a joint process improvement initiative was worked between the FAA and Boeing. The initiative resulted in the development of

a new process in which the service information more clearly identifies the actions needed to address the unsafe condition in the “Accomplishment Instructions.” The new process results in a Boeing Requirements Bulletin, which contains only the actions needed

to address the unsafe condition (*i.e.*, only the RC actions).

#### Costs of Compliance

We estimate that this proposed AD affects 16 airplanes of U.S. registry. We estimate the following costs to comply with this proposed AD:

#### ESTIMATED COSTS FOR REQUIRED ACTIONS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Inspections .....	113 work-hours × \$85 per hour = \$9,605 per inspection cycle.	\$0	\$9,605 per inspection cycle.	\$153,680 per inspection cycle.

We have received no definitive data that would enable us to provide cost estimates for the on-condition actions specified in this proposed AD.

#### 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 proposed 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 transport category airplanes and associated appliances to the Director of the System Oversight 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):

**The Boeing Company:** Docket No. FAA–2018–0803; Product Identifier 2018–NM–098–AD.

##### (a) Comments Due Date

We must receive comments by November 13, 2018.

##### (b) Affected ADs

None.

#### (c) Applicability

This AD applies to all The Boeing Company Model 727, 727–100, 727–100C, 727–200, 727–200F, and 727C series airplanes, certificated in any category.

#### (d) Subject

Air Transport Association (ATA) of America Code 57, Wings.

#### (e) Unsafe Condition

This AD was prompted by a report of cracking in the inboard lower flange and adjacent web near the forward attachment of the outboard flap track at position 8 on a Model 737–300 airplane. The flap tracks of Model 737–300 airplanes are similar to the flap tracks of Model 727 airplanes. We are issuing this AD to address the inability of a principal structural element to sustain required flight load, which could result in loss of the outboard trailing edge flap and reduced controllability of the airplane.

#### (f) Compliance

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

#### (g) Required Actions

Except as required by paragraph (h) of this AD: At the applicable times specified in the “Compliance” paragraph of Boeing Alert Requirements Bulletin 727–57A0188 RB, dated May 31, 2018, do all applicable actions identified in, and in accordance with, the Accomplishment Instructions of Boeing Alert Requirements Bulletin 727–57A0188 RB, dated May 31, 2018.

##### Note 1 to paragraph (g) of this AD:

Guidance for accomplishing the actions required by this AD can be found in Boeing Alert Service Bulletin 727–57A0188, dated May 31, 2018, which is referred to in Boeing Alert Requirements Bulletin 727–57A0188 RB, dated May 31, 2018.

#### (h) Exceptions to Service Information Specifications

(1) For purposes of determining compliance with the requirements of this AD: Where Boeing Alert Requirements Bulletin 727–57A0188 RB, dated May 31, 2018, uses the phrase “the original issue date of Requirements Bulletin 727–57A0188 RB,” this AD requires using “the effective date of this AD.”

(2) Where Boeing Requirements Bulletin 727–57A0188 RB, dated May 31, 2018, specifies contacting Boeing for repair instructions, this AD requires repair before further flight using a method approved in accordance with the procedures specified in paragraph (j) of this AD.

#### (i) Parts Installation Limitation

As of the effective date of this AD, no person may install, on any airplane, a wing outboard flap track having a part number listed in paragraph 1.B. of Boeing Alert Requirements Bulletin 727–57A0188 RB, dated May 31, 2018, unless the inspections and applicable on-condition actions specified in the Accomplishment Instructions of Boeing Alert Requirements Bulletin 727–57A0188 RB, dated May 31, 2018, are accomplished concurrently with the installation of the part on the airplane.

#### (j) Alternative Methods of Compliance (AMOCs)

(1) The Manager, Los Angeles 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 (k)(1) of this AD. Information may be emailed to: *9-ANM-LAACO-AMOC-Requests@faa.gov*.

(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.

(3) An AMOC that provides an acceptable level of safety may be used for any repair, modification, or alteration required by this AD if it is approved by the Boeing Commercial Airplanes Organization Designation Authorization (ODA) that has been authorized by the Manager, Los Angeles ACO Branch, FAA, to make those findings. To be approved, the repair method, modification deviation, or alteration deviation must meet the certification basis of the airplane, and the approval must specifically refer to this AD.

#### (k) Related Information

(1) For more information about this AD, contact Muoi Vuong, Aerospace Engineer, Airframe Section, FAA, Los Angeles ACO Branch, 3960 Paramount Boulevard, Lakewood, CA 90712–4137; phone: 562–627–5205; fax: 562–627–5210; email: *muoi.vuong@faa.gov*.

(2) For service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Contractual & Data Services (C&DS), 2600 Westminister Blvd., MC 110–SK57, Seal Beach, CA 90740–5600; telephone 562–797–1717; internet *https://www.myboeingfleet.com*. You may view this referenced service information at the FAA, Transport Standards Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206–231–3195.

Issued in Des Moines, Washington, on September 14, 2018.

**John P. Piccola,**

*Acting Director, System Oversight Division, Aircraft Certification Service.*

[FR Doc. 2018–20920 Filed 9–27–18; 8:45 am]

**BILLING CODE 4910–13–P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

**[Docket No. FAA–2018–0802; Product Identifier 2018–NM–082–AD]**

**RIN 2120–AA64**

#### **Airworthiness Directives; Fokker Services B.V. Airplanes**

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

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

**SUMMARY:** We propose to adopt a new airworthiness directive (AD) for all Fokker Services B.V. Model F28 Mark 0070 and 0100 airplanes. This proposed AD was prompted by reports of electrical arcing between the auxiliary power unit (APU) starter motor positive terminal and the APU fuel drain line. This proposed AD would require the removal of certain clamps and replacement of the flexible APU fuel drain line. We are proposing this AD to address the unsafe condition on these products.

**DATES:** We must receive comments on this proposed AD by November 13, 2018.

**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.

For service information identified in this NPRM, contact Fokker Services B.V., Technical Services Dept., P.O. Box 1357, 2130 EL Hoofddorp, the Netherlands; telephone +31 (0)88–6280–350; fax +31 (0)88–6280–111; email *technicalservices@fokker.com*; internet *http://www.myfokkerfleet.com*. You may

view this service information at the FAA, Transport Standards Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206–231–3195.

#### 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–2018–0802; 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 in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

**FOR FURTHER INFORMATION CONTACT:** Tom Rodriguez, Aerospace Engineer, International Section, Transport Standards Branch, FAA, 2200 South 216th St., Des Moines, WA 98198; telephone and fax 206–231–3226.

#### **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–2018–0802; Product Identifier 2018–NM–082–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**

The European Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Union, has issued EASA Airworthiness Directive 2017–0008, dated January 16, 2017 (referred to after this as the Mandatory Continuing Airworthiness Information, or “the MCAI”), to correct an unsafe condition for all Fokker Services B.V. Model F28 Mark 0070 and 0100 airplanes. The MCAI states:

Reports were received of electrical arcing between the auxiliary power unit (APU) starter motor positive terminal and the APU