

**§ 545.103 [Redesignated as § 560.115]**

2. Section 545.103 is redesignated as § 560.115 and revised to read as follows:

**§ 560.115 Suretyship and guaranty.**

(a) *May a savings association act as surety or guarantor?* To the extent that a savings association has legal authority to do so, it may enter into an agreement to act as surety or guarantor if the agreement meets the requirements of this section.

(b) *What is a suretyship or guaranty agreement?* Under a suretyship or guaranty agreement, a savings association is bound with its principal to pay or perform an obligation to a third person. Under a guaranty agreement, a savings association agrees to satisfy the obligation of the principal only if the principal fails to pay or perform.

(c) *What requirements apply to these agreements?* A savings association may enter into a suretyship or guaranty agreement if the agreement meets each of the following requirements:

(1) The savings association's obligations under the agreement are limited to a fixed dollar amount and are limited in duration.

(2) The savings association's performance under the agreement would create a loan or other investment that is authorized under applicable law.

(3) The savings association's obligation under the agreement is treated as a contractual commitment to advance funds to the principal under § 560.93 of this part and § 563.43 of this chapter.

(4) The savings association must take and maintain a perfected security interest in collateral sufficient to cover its total obligation under the agreement.

(d) *What collateral is sufficient?*

(1) The savings association must take and maintain a perfected security interest in real estate or marketable securities equal to at least 110 percent of its obligation under the agreement, except as provided in paragraph (d)(2) of this section.

(i) If the collateral is real estate, the savings association must establish the value by a signed appraisal consistent with part 564 of this chapter. The savings association must consider the value of prior mortgages, liens or other encumbrances on the property, except those held by the principal to the suretyship or guaranty agreement.

(ii) If the collateral is marketable securities, the savings association must be authorized to invest in that security taken as collateral. The savings association must ensure that the value of the security is 110 percent of the

obligation at all times during the term of agreement.

(2) The savings association may take and maintain a perfected security interest in collateral which is at all times equal to at least 100 percent of its obligation, if the collateral is:

(i) Cash;

(ii) Obligations of the United States or its agencies;

(iii) Obligations fully guaranteed by the United States or its agencies as to principal and interest; or

(iv) Notes, drafts, or bills of exchange or bankers' acceptances that are eligible for rediscount or purchase by a Federal Reserve Bank.

3. Section 560.45 is added to subpart A to read as follows:

**§ 560.45 Suretyship and guaranty authority.**

A Federal savings association is authorized to enter into an agreement to act as surety or guaranty, subject to the restrictions in § 560.115 of this part.

4. Section 560.50 is added to subpart A to read as follows:

**§ 560.50 Letters of credit and other independent undertakings—authority.**

A Federal savings association is authorized to issue letters of credit and may issue such other independent undertakings as are approved by the OTS, subject to the restrictions in § 560.120 of this part.

Dated: September 14, 1998.

By the Office of Thrift Supervision.

**Ellen Seidman,**

*Director.*

[FR Doc. 98-25022 Filed 9-17-98; 8:45 am]

BILLING CODE 6720-01-P

**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Part 39**

[Docket No. 98-ANE-19-AD]

RIN 2120-AA64

**Airworthiness Directives; General Electric Aircraft Engines CF34 Series Turbofan 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 General Electric Aircraft Engines (GE) CF34 series turbofan engines. This proposal would require rework of the

main fuel control (MFC) to add a flange vent groove and installation of a reworked MFC with improved overspeed protection. This proposal is prompted by reports of rapid uncommanded engine acceleration events. The actions specified by the proposed AD are intended to prevent uncommanded engine accelerations, which could result in an engine overspeed, uncontained engine failure, and damage to the aircraft.

**DATES:** Comments must be received by November 17, 1998.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 98-ANE-19-AD, 12 New England Executive Park, Burlington, MA 01803-5299. Comments may also be sent via the Internet using the following address: "9-ad-engineprop@faa.dot.gov". Comments sent via the Internet must contain the docket number in the subject line. Comments may be inspected at this location between 8:00 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 GEAE Technical Publications, Attention: N. Hanna MZ340M2, 1000 Western Avenue, Lynn, MA. 01910. 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:** Norman Brown, Controls Specialist, Engine Certification Office, ANE-141, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone (781) 238-7129, 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 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 notice 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 notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 98-ANE-19-AD." The postcard will be date stamped and returned to the commenter.

#### Availability of NPRMs

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. 98-ANE-19-AD, 12 New England Executive Park, Burlington, MA 01803-5299.

#### Discussion

The Federal Aviation Administration (FAA) has received reports of rapid uncommanded engine acceleration events on certain General Electric Aircraft Engines (GE) CF34-3A1, CF34-3B and CF34-3B1 series turbofan engines. Subsequent investigations have revealed that fuel seepage may become trapped between the main fuel control (MFC) and the main fuel pump flanges, resulting in an uncommanded engine acceleration, and also preventing a portion of the engine overspeed protection system from properly functioning. Under specific conditions, the trapped fuel can lead to an overspeed condition of sufficient severity to cause uncontained rotor failure. In addition, all GE CF34 series MFCs contain a feature that prevents a portion of the overspeed protection system, called the cutback schedule, from performing its intended function. The cutback schedule allows a rapid reduction in fuel flow in the event of increasing engine speed due to acceleration above the overspeed cutoff region. This feature can similarly permit an uncommanded engine acceleration to result in an overspeed and uncontained rotor failure. This condition, if not corrected, could result in uncontained engine failure, and damage to the aircraft.

The FAA has reviewed and approved the technical contents of GE CF34 Alert Service Bulletin (ASB) No. A73-18, Revision 1, dated September 24, 1997, and CF34 ASB No. A73-32, Revision 1, dated September 24, 1997, that describe procedures for reworking MFCs by adding a flange vent groove; and CF34

ASB No. A73-33, dated November 21, 1997, and CF34 ASB No. A73-19, Revision 1, dated February 20, 1998, that describe procedures for installation of a reworked MFC with improved overspeed protection.

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, within 800 hours time in service (TIS), or 120 days after the effective date of this AD, whichever occurs first, installation of a reworked MFC incorporating a flange vent groove. In addition, this proposed AD would require installation of a reworked MFC with improved overspeed protection: for CF34-3A1 and -3B1 series engines, installed on Canadair Regional Jet aircraft, within 4,000 hours TIS after the effective date of this AD, or 24 months after the effective date of this AD, whichever occurs first; and for CF34-1A, -3A, 3A1, -3A2, and -3B series engines, installed on Canadair Challenger aircraft, at the next hot section inspection, or 5 years after the effective date of this AD, whichever occurs first. The different calendar times were determined based upon engine utilization rates during Regional Jet and Challenger aircraft operation, and based upon shop and parts availability. The actions would be required to be accomplished in accordance with the SBs described previously.

There are approximately 1,310 engines of the affected design in the worldwide fleet. The FAA estimates that 450 engines installed on aircraft of U.S. registry would be affected by this proposed AD, that it would take approximately 21 work hours per engine to accomplish the proposed actions, and that the average labor rate is \$60 per work hour. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$567,000. The manufacturer has advised the FAA that labor allowances may be provided.

The regulations proposed herein would not have substantial direct effects 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. Therefore, in accordance with Executive Order 12612, it is determined that this proposal would not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

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:

**General Electric Aircraft Engines:** Docket No. 98-ANE-19-AD.

**Applicability:** General Electric Aircraft Engines (GE) CF34-1A, CF34-3A, -3A1, -3A2, and CF34-3B and -3B1 series turbofan engines, installed on but not limited to Canadair aircraft models CL-600-2A12, -2B16, and -2B19.

**Note 1:** This airworthiness directive (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:** Required as indicated, unless accomplished previously.

To prevent uncommanded engine accelerations, which could result in an engine overspeed, uncontained engine failure, and damage to the aircraft, accomplish the following:

(a) For all CF34-3A1 -3B, and -3B1 engines, with main fuel control (MFC) part

number 6078T55P02, P03, P04, P05, P06, P07, P08, P09, or P10 installed, within 800 hours time in service (TIS), or 120 days after the effective date of this AD, whichever occurs first, install an MFC with a flange vent groove reworked in accordance with the Accomplishment Instructions of GE CF34 Alert Service Bulletin (ASB) No. A73-18, Revision 1, dated September 24, 1997, or CF34 ASB No. A73-32, Revision 1, dated September 24, 1997, as applicable.

(b) Install a reworked MFC with improved overspeed protection as follows:

(1) For all CF34-1A, -3A, and -3A2, series engines, install MFC part number 6047T74P11, 6047T74P12, or 6091T07P02, at the next hot section inspection, or 60 months after the effective date of this AD, whichever occurs first, in accordance with the Accomplishment Instructions of GE CF34 ASB No. A73-33, dated November 21, 1997.

(2) For CF34-3A1, and -3B series engines, installed on Canadair aircraft models CL601 or CL604 (Challenger aircraft), install MFC part number 6078T55P12, 6078T55P13, 6078T55P14, 6078T55P15, or 6078T55P16, at the next hot section inspection, or 60 months after the effective date of this AD, whichever occurs first, in accordance with the Accomplishment Instructions of GE CF34 ASB No. A73-33, dated November 21, 1997.

(3) For CF34-3A1 and -3B1 series engines, installed on Canadair aircraft model CL601R (Regional Jet aircraft), install MFC part number 6078T55P12, 6078T55P13, 6078T55P14, 6078T55P15, or 6078T55P16, within 4,000 hours TIS after the effective date of this AD, or 24 months after the effective date of this AD, whichever occurs first, in accordance with the Accomplishment Instructions of GE CF34 ASB No. A73-19, Revision 1, dated February 20, 1998.

(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, Engine Certification Office. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Engine Certification Office.

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

(d) 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 aircraft to a location where the requirements of this AD can be accomplished.

Issued in Burlington, Massachusetts, on September 11, 1998.

**David A. Downey,**

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

[FR Doc. 98-25009 Filed 9-17-98; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 98-ANE-56-AD]

RIN 2120-AA64

#### Airworthiness Directives; CFM International CFM56-5 Series Turbofan 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 CFM International CFM56-5 series turbofan engines. This proposal would reduce the low cycle fatigue (LCF) retirement lives for certain high pressure turbine rotor (HPTR) front air seals, and provide a drawdown schedule for those affected parts with reduced LCF retirement lives. This proposal is prompted by results of a refined life analysis performed by the manufacturer that revealed minimum calculated LCF lives significantly lower than the published LCF retirement lives. The actions specified by the proposed AD are intended to prevent a LCF failure of the HPTR front air seal, which could result in an uncontained engine failure and damage to the aircraft.

**DATES:** Comments must be received by October 19, 1998.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 98-ANE-56-AD, 12 New England Executive Park, Burlington, MA 01803-5299. Comments may also be sent via the Internet using the following address: "9-ad-engineprop@faa.dot.gov". Comments sent via the Internet must contain the docket number in the subject line. Comments may be inspected at this location between 8:00 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 CFM International, Technical Publications Department, 1 Neumann Way, Cincinnati, OH 45215; telephone (513) 552-2981, fax (513) 552-2816. 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:

Robert Ganley, Aerospace Engineer, Engine Certification Office, FAA, Engine

and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone (781) 238-7138; 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 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 notice 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 notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 98-ANE-56-AD." The postcard will be date stamped and returned to the commenter.

##### Availability of NPRMs

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. 98-ANE-56-AD, 12 New England Executive Park, Burlington, MA 01803-5299.

##### Discussion

During a routine engine shop visit, a crack was detected in a CFM International CFM56-5 high pressure turbine rotor (HPTR) front air seal. Investigation revealed that the crack initiated from a nick in the scallop fillet. Review of the manufacturing records revealed documented surface nicks in the scallop area of the cracked seal, as well as three other seals. As a precaution, these three additional seals were removed from service. As part of this investigation, CFM International also performed a study using updated lifing analyses that revealed that certain