

burning of wiring insulation and cause smoke in the cockpit. Such a condition could

lead to the inability to properly control the airplane.

What Must I Do To Address This Problem?

(e) To address this problem, you must accomplish the following:

Actions	Compliance	Procedures
(1) Remove the following parts: (i) The pilot's circuit breaker panel assembly (part-number (P/N) 102228-002); (ii) The co-pilot's circuit breaker panel assembly (P/N 102228-006); (iii) The dimmer lighting module assembly (P/N 102226-002); (iv) The stall vane heat module assembly (P/N 102227-002); and (v) The propeller heat module assembly (P/N 102227-006)	Within the next 100 hours time-in-service (TIS) after the effective date of this AD.	Per the instructions in Piper Service Bulletin No. 1132, dated June 4, 2003.
(2) Return the circuit breaker panels and the remote modules identified in paragraph (e)(1) of this AD to the manufacturer listed in paragraph (g) of this AD for modification.	Prior to further flight after doing the actions required in paragraph (e)(1) of this AD.	Per the instructions in Piper Service Bulletin No. 1132, dated June 4, 2003.
(3) Visually inspect all remaining exposed wires and equipment for evidence of heat damage and repair any damage found.	Prior to further flight after doing the actions required in paragraph (c)(1) of this AD.	Per the instructions in Piper Service Bulletin No. 1132, dated June 4, 2003.
(4) Install the modified circuit breaker panel assemblies and the remote modules received from the manufacturer.	Prior to further flight after doing the actions required in paragraphs (e)(1), (e)(2), and (e)(3) of this AD.	Use the instructions in Piper Service Bulletin No. 1132, dated June 4, 2003.
(5) Do not install any part referenced in paragraph (e)(1) of this AD unless it has been modified per Piper Service Bulletin No. 1132, dated June 4, 2003.	As of the effective date of this AD	Not applicable.

What About Alternative Methods of Compliance?

(f) You may request a different method of compliance or a different compliance time for this AD by following the procedures in 14 CFR 39.13. Send your request to the Manager, Atlanta Aircraft Certification Office (ACO), FAA. For information on any already approved alternative methods of compliance, contact Kenneth B. Mobley, Aerospace Engineer, FAA, Atlanta Aircraft Certification Office, One Crown Center, 1895 Phoenix Boulevard, Suite 450, Atlanta, Georgia 30349; telephone: (770) 703-6046; facsimile: (770) 703-6097.

How Do I Get Copies of the Documents Referenced in This AD?

(g) You may get copies of the documents referenced in this AD from The New Piper Aircraft, Inc., Customer Services, 2926 Piper Drive, Vero Beach, Florida 32960; telephone: (772) 567-4361; facsimile: (772) 978-6584. You may view these documents at FAA, Central Region, Office of the Regional Counsel, 901 Locust, Room 506, Kansas City, Missouri 64106.

Issued in Kansas City, Missouri, on October 3, 2003.

Michael Gallagher,

Manager, Small Airplane Directorate, Aircraft Certification Service.

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BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2003-NE-31-AD]

RIN 2120-AA64

Airworthiness Directives; Rolls-Royce plc RB211-535 Turboprop Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for Rolls-Royce plc (RR) models RB211-535C-37, RB211-535E4-37, RB211-535E4-B-37, and RB211-535E4-B-75 turboprop engines with radial drive steady bearing part number (P/N) LK76084 installed. This proposed AD would require initial and repetitive visual inspections of the engine oil scavenge filter for evidence of radial drive steady bearing failure, and if necessary radial drive steady bearing inspection for damage and evidence of bearing debris. This proposed AD is prompted by reports of seven low time failures of radial drive steady bearings within a four-month period. We are proposing this AD to prevent a possible dual-engine in-flight shutdown caused by radial drive steady bearing failure.

DATES: We must receive any comments on this proposed AD by December 8, 2003.

ADDRESSES: Use one of the following addresses to submit comments on this proposed AD:

- *By mail:* Federal Aviation Administration (FAA), New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 2003-NE-31-AD, 12 New England Executive Park, Burlington, MA 01803-5299.

- *By fax:* (781) 238-7055.

- *By e-mail:* 9-ane-adcomment@faa.gov.

You can get the service information identified in this proposed AD from Rolls-Royce plc, P.O. Box 31 Derby, DE24 8BJ, United Kingdom (UK); telephone 011-44-1332-242424; fax 011-44-1332-249936.

You may examine the AD docket, by appointment, at the FAA, New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA.

FOR FURTHER INFORMATION CONTACT: Ian Dargin, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone (781) 238-7178; fax (781) 238-7199.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to submit any written relevant data, views, or arguments regarding this proposal. Send your comments to an address listed under **ADDRESSES**. Include "AD Docket No. 2003-NE-31-AD" in the subject line of your comments. If you want us to acknowledge receipt of your mailed comments, send us a self-addressed, stamped postcard with the docket number written on it; we will date-stamp your postcard and mail it back to you. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of the proposed AD. If a person contacts us verbally, and that contact relates to a substantive part of this proposed AD, we will summarize the contact and place the summary in the docket. We will consider all comments received by the closing date and may amend the proposed AD in light of those comments.

We are reviewing the writing style we currently use in regulatory documents. We are interested in your comments on whether the style of this document is clear, and your suggestions to improve the clarity of our communications that affect you. You may get more information about plain language at <http://www.faa.gov/language> and <http://www.plainlanguage.gov>.

Examining the AD Docket

You may examine the AD Docket (including any comments and service information), by appointment, between 8 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. See **ADDRESSES** for the location.

Discussion

The Civil Aviation Authority (CAA), which is the airworthiness authority for the U.K., recently notified the FAA that an unsafe condition may exist on RR models RB211-535C-37, RB211-535E4-37, RB211-535E4-B-37, and RB211-535E4-B-75 turbofan engines with radial drive steady bearing P/N LK76084 installed. The CAA received reports of seven low time failures of radial drive steady bearings within a four-month period. These failures were not detected through routine magnetic chip detector monitoring because the failed bronze bearing cages are nonmagnetic, and the cage failure mode is rapid.

Relevant Service Information

We have reviewed and approved the technical contents of RR Mandatory Service Bulletin (MSB) No. RB.211-72-C815, Revision 3, dated October 5, 2000, that describes procedures for scavenge filter inspection, and if necessary, radial

drive steady bearing inspection for failure debris. The CAA classified this MSB as mandatory and issued airworthiness directive 005-07-99, dated July 30, 1999, in order to ensure the airworthiness of these RR models RB211-535C-37, RB211-535E4-37, RB211-535E4-B-37, and RB211-535E4-B-75 turbofan engines in the U.K.

Differences Between This Proposed AD and the Manufacturer's Service Information

Although RR MSB No. RB.211-72-C815, Revision 3, dated October 5, 2000, Accomplishment Instructions require an engine acceptance inspection, this proposal does not require an engine acceptance inspection because pre-Service Bulletin RB.211-72-C925 new or low time radial drive steady bearings are no longer available. Also, instead of the MSB requirement that inspections be triggered when a continuous illumination of the filter blockage warning light occurs, this proposal adds a repetitive inspection at 500 engine operating hour intervals after initial inspection to coincide with every airframe "A" check.

FAA's Determination and Requirements of the Proposed AD

These RR models RB211-535C-37, RB211-535E4-37, RB211-535E4-B-37, and RB211-535E4-B-75 turbofan engines, manufactured in the U.K., are type-certificated for operation in the United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the CAA has kept us informed of the situation described above. We have examined the CAA's findings, reviewed all available information, and determined that AD action is necessary for products of this type design that are certificated for operation in the United States. Therefore, we are proposing this AD, which would require initial and repetitive visual inspections of the engine oil scavenge filter for evidence of radial drive steady bearing failure, and if necessary, radial drive steady bearing inspection for damage and evidence of bearing debris. Radial drive steady bearings with engine operating hours of 3,000 or more are not affected by this proposed AD. The proposed AD would require you to use the service information described previously to perform these actions.

Changes to 14 CFR Part 39—Effect on the Proposed AD

On July 10, 2002, we published a new version of 14 CFR part 39 (67 FR 47997, July 22, 2002), which governs the FAA's AD system. This regulation now includes material that relates to altered products, special flight permits, and alternative methods of compliance. This material previously was included in each individual AD. Since this material is included in 14 CFR part 39, we will not include it in future AD actions.

Costs of Compliance

There are about 1,078 RR model RB211-535C-37, RB211-535E4-37, RB211-535E4-B-37, and RB211-535E4-B-75 turbofan engines of the affected design in the worldwide fleet. We estimate that 288 of these model engines installed on airplanes of U.S. registry would be affected by this proposed AD. We also estimate that it would take about four work hours per engine to perform the proposed actions, and that the average labor rate is \$65 per work hour. Required replacement scavenge filters would cost about \$100 per engine. Based on these figures, we estimate the total cost of one inspection per year in the proposed AD, to U.S. operators to be \$97,920.

Regulatory Findings

We have 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 that the 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. Would not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared a summary of the costs to comply with this proposal and placed it in the AD Docket. You may get a copy of this summary by sending a request to us at the address listed under **ADDRESSES**. Include "AD Docket No. 2003-NE-31-AD" in your request.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the Federal Aviation Administration 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:

Rolls-Royce plc: Docket No. 2003-NE-31-AD.

Comments Due Date

(a) The FAA must receive comments on this airworthiness directive (AD) action by December 8, 2003.

Affected ADs

(b) None.

Applicability

(c) This AD applies to Rolls-Royce plc (RR) models RB211-535C-37, RB211-535E4-37, RB211-535E4-B-37, and RB211-535E4-B-75 turbofan engines with radial drive steady bearing part number LK76084 installed with fewer than 3,000 engine operating hours accumulated on the bearing. Radial drive steady bearings with engine operating hours of 3,000 or more are not affected by this proposed AD. These engines are installed on, but not limited to Boeing 757 and Tupolev Tu204 airplanes.

Unsafe Condition

(d) This AD was prompted by reports of seven low time failures of radial drive steady bearings within a four-month period. We are issuing this AD to prevent a possible dual-engine in-flight shutdown caused by radial drive steady bearing failure.

Compliance

(e) You are responsible for having the actions required by this AD performed within the compliance times specified unless the actions have already been done.

Initial Visual Inspection

(f) Perform an initial inspection of the engine scavenge filter for evidence of radial drive steady bearing failure, within 300 engine operating hours or 45 days after the effective date of this AD, whichever occurs first, and replace parts as necessary. Use paragraph 3.B. of Accomplishment Instructions of RR Mandatory Service Bulletin (MSB) No. RB.211-72-C815, Revision 3, dated October 5, 2000, to do the inspection and parts replacements.

Repetitive Visual Inspections

(g) Thereafter, for radial drive steady bearings with less than 3,000 engine operating hours, perform repetitive inspections of the engine scavenge filter for

evidence of radial drive steady bearing failure, at intervals not to exceed 500 engine operating hours since the previous inspection, and replace parts as necessary. Use paragraph 3.C. of Accomplishment Instructions of RR MSB No. RB.211-72-C815, Revision 3, dated October 5, 2000, to do the inspections and parts replacements.

Rejected Bearings

(h) Send rejected bearings, together with the associated scavenge filter, to Rolls-Royce for analysis.

Reporting Requirements

(i) The Office of Management and Budget (OMB) has approved the reporting requirements specified in paragraph 3. of RR MSB No. RB.211-72-C815, Revision 3, dated October 5, 2000, and assigned OMB control number 2120-0056.

Alternative Methods of Compliance

(j) You must request AMOCs as specified in 14 CFR 39.19. All AMOCs must be approved by the Manager, Engine Certification Office, FAA, 12 New England Executive Park, Burlington, MA 01803-5299.

Material Incorporated by Reference

(k) You must use Rolls-Royce plc Mandatory Service Bulletin No. RB.211-72-C815, Revision 3, dated October 5, 2000, to perform the inspections and parts replacements required by this AD. Approval of incorporation by reference from the Office of the Federal Register is pending.

Related Information

(l) CAA airworthiness directive 005-07-99, dated July 30, 1999, also addresses the subject of this AD.

Issued in Burlington, Massachusetts, on October 3, 2003

Jay J. Pardee,

Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 03-25578 Filed 10-8-03; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 36

RIN 2900-AL54

Loan Guaranty: Hybrid Adjustable Rate Mortgages

AGENCY: Department of Veterans Affairs.
ACTION: Proposed rule.

SUMMARY: The Department of Veterans Affairs (VA) proposes to amend its loan guaranty regulations by making two changes to conform to the Veterans Benefits Act of 2002. To implement section 303 of the law, VA proposes to incorporate into the regulations a new authority for hybrid adjustable rate mortgages. This will allow VA to guarantee loans with interest rates that

remain fixed for a period of not less than the first three years of the loan, after which the rate can be adjusted annually. To implement section 307 of the law, VA proposes to increase the fee paid for assuming a VA guaranteed loan from .50 percent to 1.00 percent of the loan amount. The fee increase is already being carried out under the authority of the statute.

DATES: Comments must be received on or before November 10, 2003.

ADDRESSES: Mail or hand deliver written comments to: Director, Regulations Management (00REG1), Department of Veterans Affairs, 810 Vermont Avenue, NW., Room 1068, Washington, DC 20420; or fax comments to (202) 273-9026; or e-mail comments to OGCRegulations@mail.va.gov.

Comments should indicate that they are submitted in response to "RIN 2900-AL54." All written comments received will be available for public inspection at the above address in the Office of Regulations Management, Room 1063B, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays). Please call (202) 273-9515 for an appointment.

FOR FURTHER INFORMATION CONTACT: Mr. Robert D. Finneran, Assistant Director for Policy and Valuation (262), Loan Guaranty Service, Veterans Benefits Administration, Department of Veterans Affairs, Washington, DC 20420, (202) 273-7368.

SUPPLEMENTARY INFORMATION:

A. Background

Under 38 U.S.C. chapter 37, VA guarantees loans made by private lenders to veterans for the purchase, construction, and refinancing of homes owned and occupied by veterans. Prior to fiscal year 1993, VA had authority to guarantee fixed rate mortgages only. During fiscal years 1993, 1994, and 1995 VA was authorized to guarantee loans with adjustable interest rates. These rates were adjusted on an annual basis, except that the first adjustment had to occur no sooner than 12 months nor later than 18 months from the date of the borrower's first mortgage payment. Authority for these loans expired at the end of fiscal year 1995.

Section 303 of Pub. L. 107-330 authorizes a demonstration project during fiscal years 2004 and 2005, whereby VA will guarantee loans with hybrid adjustable interest rates. Effective October 1, 2003, or as soon thereafter as practicable, VA proposes to guarantee loans that have interest rate adjustment provisions that (1) specify an initial rate that is fixed for a period of not less than the first three years of