

(2) The term “most recent financial statement available” means a covered financial company’s:

(i) Most recent financial statement filed with the Securities and Exchange Commission or any other regulatory body;

(ii) Most recent financial statement audited by an independent CPA firm; or

(iii) Other available financial statements. The FDIC and the Treasury will jointly determine the most pertinent of the above financial statements, taking into consideration the timeliness and reliability of the statements being considered.

(3) The term “obligation” means, with respect to any covered financial company:

(i) Any guarantee issued by the FDIC on behalf of the covered financial company;

(ii) Any amount borrowed pursuant to section 210(n)(5)(A) of the Dodd-Frank Act; and

(iii) Any other obligation with respect to the covered financial company for which the FDIC has a direct or contingent liability to pay any amount.

(4) The term “total consolidated assets of each covered financial company that are available for repayment” means the difference between:

(i) The total assets of the covered financial company on a consolidated basis that are available for liquidation during the operation of the receivership; and

(ii) To the extent included in paragraph (b)(4)(i) of this section, all assets that are separated from, or made unavailable to, the covered financial company by a statutory or regulatory barrier that prevents the covered financial company from possessing or selling assets and using the proceeds from the sale of such assets.

Department of the Treasury

Authority and Issuance

For the reasons set forth in the preamble, Treasury proposes to amend Title 31, Chapter I of the Code of Federal Regulations by adding a new part 149 as set forth below:

PART 149—CALCULATION OF MAXIMUM OBLIGATION LIMIT

Sec.

149.1 Authority and purpose.

149.2 Definitions.

149.3 Maximum obligation limitation.

Authority: 31 U.S.C. 321 and 12 U.S.C. 5390.

§ 149.1 Authority and purpose.

(a) *Authority.* This part is issued by the Federal Deposit Insurance

Corporation (FDIC) and the Secretary of the Department of the Treasury (Treasury) under section 210(n)(7) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Act).

(b) *Purpose.* The purpose of this part is to issue implementing regulations as required by the Act. The part governs the calculation of the maximum obligation limitation which limits the aggregate amount of outstanding obligations the FDIC may issue or incur in connection with the orderly liquidation of a covered financial company.

§ 149.2 Definitions.

As used in this part:

Fair value. The term “fair value” means the expected total aggregate value of each asset, or group of assets that are managed within a portfolio of a covered financial company on a consolidated basis if such asset, or group of assets, was sold or otherwise disposed of in an orderly transaction.

Most recent financial statement available. (1) The term “most recent financial statement available” means a covered financial company’s—

(i) Most recent financial statement filed with the Securities and Exchange Commission or any other regulatory body;

(ii) Most recent financial statement audited by an independent CPA firm; or

(iii) Other available financial statements.

(2) The FDIC and the Treasury will jointly determine the most pertinent of the above financial statements, taking into consideration the timeliness and reliability of the statements being considered.

Obligation. The term “obligation” means, with respect to any covered financial company—

(1) Any guarantee issued by the FDIC on behalf of the covered financial company;

(2) Any amount borrowed pursuant to section 210(n)(5)(A) of the Act; and

(3) Any other obligation with respect to the covered financial company for which the FDIC has a direct or contingent liability to pay any amount.

Total consolidated assets of each covered financial company that are available for repayment. The term “total consolidated assets of each covered financial company that are available for repayment” means the difference between:

(1) The total assets of the covered financial company on a consolidated basis that are available for liquidation during the operation of the receivership; and

(2) To the extent included in paragraph (1) of this definition, all

assets that are separated from, or made unavailable to, the covered financial company by a statutory or regulatory barrier that prevents the covered financial company from possessing or selling assets and using the proceeds from the sale of such assets.

§ 149.3 Maximum obligation limitation.

The FDIC shall not, in connection with the orderly liquidation of a covered financial company, issue or incur any obligation, if, after issuing or incurring the obligation, the aggregate amount of such obligations outstanding for each covered financial company would exceed—

(a) An amount that is equal to 10 percent of the total consolidated assets of the covered financial company, based on the most recent financial statement available, during the 30-day period immediately following the date of appointment of the FDIC as receiver (or a shorter time period if the FDIC has calculated the amount described under paragraph (b) of this section); and

(b) The amount that is equal to 90 percent of the fair value of the total consolidated assets of each covered financial company that are available for repayment, after the time period described in paragraph (a) of this section.

Dated at Washington, DC, this 6th day of July 2011.

By order of the Board of Directors.
Federal Deposit Insurance Corporation.

Valerie J. Best,

Assistant Executive Secretary.

Dated: November 14, 2011.

By the Department of the Treasury.

Alastair Fitzpayne,

Deputy Chief of Staff and Executive Secretary.

[FR Doc. 2011-29993 Filed 11-23-11; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2011-0959; Directorate Identifier 2011-NE-25-AD]

RIN 2120-AA64

Airworthiness Directives; Rolls-Royce plc (RR) RB211 Trent 800 Series Turbofan Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: We propose to adopt a new airworthiness directive (AD) for the

products listed above. This proposed AD results from mandatory continuing airworthiness information (MCAI) issued by an aviation authority of another country to identify and correct an unsafe condition on an aviation product. The MCAI describes the unsafe condition as:

Routine inspections have revealed cracking on the head sections of two Trent 800 front combustion liners.

We are proposing this AD to prevent uncontained engine failure and damage to the airplane.

DATES: We must receive comments on this proposed AD by January 24, 2012.

ADDRESSES: You may send comments by any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov> and follow the instructions for sending your comments electronically.

- *Mail:* Docket Management Facility, U.S. Department of Transportation, 1200 New Jersey Avenue SE., West Building Ground Floor, Room W12-140, Washington, DC 20590-0001.

- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

- *Fax:* (202) 493-2251.

Contact Rolls-Royce plc, P.O. Box 31, Derby, DE24 8BJ, United Kingdom; phone: 011 44 1332 242424; fax: 011 44 1332 249936; email: http://www.rolls-royce.com/contact/civil_team.jsp; or Web: <https://www.aeromanager.com>, for the service information identified in this proposed AD.

Examining the AD Docket

You may examine the AD docket on the Internet at <http://www.regulations.gov>; or in person at the Docket Operations office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this proposed AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Operations office (phone: (800) 647-5527) is the same as the Mail address provided in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT:

Alan Strom, Aerospace Engineer, Engine Certification Office, FAA, Engine & Propeller Directorate, 12 New England Executive Park; Burlington, MA 01803; email: alan.strom@faa.gov; phone: (781) 238-7143; fax: (781) 238-7199.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposed AD. Send your comments to an address listed under the **ADDRESSES** section. Include “Docket No. FAA-2011-0959; Directorate Identifier 2011-NE-25-AD” at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. We will consider all comments received by the closing date and may amend this proposed AD based on 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 with FAA personnel concerning this proposed AD. Using the search function of the Web site, anyone can find and read the comments in any of our dockets, including, if provided, the name of the individual who sent the comment (or signed the comment on behalf of an association, business, labor union, etc.). You may review the DOT’s complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477-78).

Discussion

The European Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Community, has issued EASA Airworthiness Directive 2011-0080, dated May 6, 2011 (referred to after this as “the MCAI”), to correct an unsafe condition for the specified products. The MCAI states:

Routine inspections have revealed cracking on the head sections of two Trent 800 front combustion liners.

This condition, if not detected and corrected, could lead to hot gas breakout with subsequent downstream component release potentially leading to uncontained high energy debris, possibly resulting in damage to the aeroplane or injury to persons on the ground.

We are proposing this AD to prevent uncontained engine failure and damage to the airplane.

Relevant Service Information

Rolls-Royce plc has issued Alert Service Bulletin RB.211-72-AG456, dated September 9, 2010. The actions described in this service information are intended to correct the unsafe condition identified in the MCAI.

FAA’s Determination and Requirements of This Proposed AD

This product has been approved by the aviation authority of the United Kingdom, and is approved for operation in the United States. Pursuant to our bilateral agreement with the United Kingdom, they have notified us of the unsafe condition described in the MCAI and service information referenced above. We are proposing this AD because we evaluated all information provided by EASA, and determined the unsafe condition exists and is likely to exist or develop on other products of the same type design.

Costs of Compliance

We estimate that this proposed AD would affect about 125 products of U.S. registry. We also estimate that it would take about 10 work-hours per product to inspect and 10 additional work-hours for those combustion liners that require replacement. The average labor rate is \$85 per work-hour. Required parts would cost about \$525,000 per product. We expect that four front combustion liners will require replacement. Based on these figures, we estimate the cost of the proposed AD on U.S. operators to be \$2,209,650.

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.

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); and
3. 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.

We prepared a regulatory evaluation of the estimated costs to comply with this proposed AD and placed it in the AD docket.

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 AD:

Rolls-Royce plc: Docket No. FAA–2011–0959; Directorate Identifier 2011–NE–25–AD.

(a) Comments Due Date

We must receive comments by January 24, 2012.

(b) Affected Airworthiness Directives (ADs)

None.

(c) Applicability

This AD applies to Rolls-Royce plc (RR) RB211 Trent 800 turbofan engines, all models, all serial numbers.

(d) Reason

(1) This AD results from mandatory continuing airworthiness information (MCAI) issued by an aviation authority of another country to identify and correct an unsafe condition on an aviation product. The MCAI describes the unsafe condition as:

Routine inspections have revealed cracking on the head sections of two Trent 800 front combustion liners.

This condition, if not detected and corrected, could lead to hot gas breakout with subsequent downstream component release potentially leading to uncontained high energy debris, possibly resulting in damage to the aeroplane or injury to persons on the ground.

(2) We are issuing this AD to prevent uncontained engine failure and damage to the airplane.

(e) Actions and Compliance

Unless already done, do the following actions.

(f) Initial Inspection

(1) Within 1,000 flight cycles (FCs) after the effective date of this AD, inspect the front combustion liner head section for cracking. Use paragraph 3.A, except for 3.A.(1)(a)(i), of the On-Wing Accomplishment Instructions of RR Alert Service Bulletin (ASB) RB.211–72–AG456, dated September 9, 2010, to do your inspections.

(2) If you find cracking, remove the front combustion liner head section from service at the next shop visit. Until the next shop visit, take the corrective actions listed in Table 1 of this AD, as applicable.

TABLE 1—INSPECTION FINDINGS AND FOLLOW-ON ACTIONS

Inspection findings	Action(s) and compliance time(s)
(i) Cumulative crack length up to 150 mm (up to 2 heatshields)	Reduce the inspection intervals to 250 FCs.
(ii) Cumulative crack length 150 mm to 300 mm (up to 4 heatshields)	Reduce the inspection intervals to 100 FCs.
(iii) Cumulative crack length 300 mm to 450 mm (up to 6 heatshields)	Remove the engine within 50 FCs.
(iv) Cumulative crack length 450 mm to 900 mm (up to 12 heatshields)	Replace the engine within 5 FCs.
(v) Cumulative crack length greater than 900 mm (more than 12 heatshields) ...	Replace the engine before next flight.

(g) Repetitive Inspections

(1) At intervals not to exceed 2,000 FCs, inspect the front combustion liner head section for cracking. Use paragraph 3.A, except for 3.A.(1)(a)(i), of the On-Wing Accomplishment Instructions of RR ASB RB.211–72–AG456, dated September 9, 2010, to do your inspection.

(i) If you find cracking, remove the front combustion liner head section at the next shop visit. Until the next shop visit, take the corrective actions as detailed in Table 1 of this AD, as applicable.

(2) For engines not found to have cracks in the front combustion liner head section in accordance with paragraphs (f)(1), (f)(2), or (g)(1) of this AD, at every shop visit after the effective date of this AD, inspect the front combustion liner head section for cracking. Use paragraph B.(2), except B.(2)(a)(i), of the In-shop Accomplishment Instructions of RR ASB RB.211–72–AG456, dated September 9, 2010, to do the inspections.

(3) Accomplishment of a shop visit inspection as required by paragraph (g)(2) of this AD may substitute for the accomplishment of an on-wing inspection as required by paragraph (f)(1) or (g)(1) of this AD.

(h) Definition of Shop Visit

For the purpose of this AD, the term shop visit means the induction of an engine into the shop for maintenance where the front combustion liner is exposed or when the engine has been removed from service as a result of paragraph (f)(2) or (g)(1)(i) of this AD.

(i) Alternative Methods of Compliance (AMOCs)

The Manager, Engine Certification Office, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19.

(j) Related Information

(1) Refer to MCAI Airworthiness Directive 2011–0080, dated May 6, 2011, and RR ASB RB.211–72–AG456, dated September 9, 2010, for related information. Contact Rolls-Royce plc, P.O. Box 31, Derby, DE24 8BJ, United Kingdom; phone: 011 44 1332 242424; fax: 011 44 1332 249936; email: http://www.rolls-royce.com/contact/civil_team.jsp; or Web: <https://www.aeromanager.com>, for a copy of this service information.

(2) Contact Alan Strom, Aerospace Engineer, Engine Certification Office, FAA, Engine & Propeller Directorate, 12 New

England Executive Park; Burlington, MA 01803; email: alan.strom@faa.gov; phone: (781) 238–7143; fax: (781) 238–7199, for more information about this AD.

Issued in Burlington, Massachusetts, on November 10, 2011.

Peter A. White,
Manager, Engine & Propeller Directorate,
Aircraft Certification Service.

[FR Doc. 2011–30060 Filed 11–23–11; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG–102988–11]

RIN 1545–BK05

Basis Reporting by Securities Brokers and Basis Determination for Debt Instruments and Options

AGENCY: Internal Revenue Service (IRS), Treasury.