

worth, each Bank's leverage and permanent capital ratios, and any other capital ratios, specified by FHFA.

(b) *Planning horizon.* Each regulated entity must use a planning horizon of at least nine quarters over which the impact of specified scenarios would be assessed.

(c) *Additional analytical techniques.* If FHFA determines that the stress test methodologies and practices of a regulated entity are deficient, FHFA may determine that additional or alternative analytical techniques and exercises are appropriate for a regulated entity to use in identifying, measuring, and monitoring risks to the financial soundness of the regulated entity, and require a regulated entity to implement such techniques and exercises in order to fulfill the requirements of this part. In addition, FHFA will issue guidance annually to describe the baseline, adverse, and severely adverse scenarios, and methodologies to be used in conducting the annual stress test.

(d) *Controls and oversight of stress testing processes.*—(1) The appropriate senior management of each regulated entity must ensure that the regulated entity establishes and maintains a system of controls, oversight, and documentation, including policies and procedures, designed to ensure that the stress testing processes used by the regulated entity are effective in meeting the requirements of this part. These policies and procedures must, at a minimum, describe the regulated entity's testing practices and methodologies, validation and use of stress test results, and processes for updating the regulated entity's stress testing practices consistent with relevant supervisory guidance;

(2) The board of directors, or a designated committee thereof, shall review and approve the policies and procedures established to comply with this part as frequently as economic conditions or the condition of the regulated entity warrants, but at least annually; and

(3) Senior management of the regulated entity and each member of the board of directors shall receive a summary of the stress test results.

§ 1238.5 Required report to FHFA and the FRB of stress test results and related information.

(a) *Report required for stress tests.* On or before February 5 of each year, the Enterprises must report the results of the stress tests required under § 1238.3 to FHFA, and to the FRB, in accordance with paragraph (b) of this section; and on or before April 30 of each year, the Banks must report the results of the

stress tests required under § 1238.3 to FHFA, and to the FRB, in accordance with paragraph (b) of this section;

(b) *Content of report for annual stress test.* Each regulated entity must file a report in the manner and form established by FHFA.

(c) *Confidential treatment of information submitted.* Reports submitted to FHFA under this part are FHFA property and records (as defined in 12 CFR part 1202 of this chapter). The reports are and include non-public information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of, FHFA in connection with the performance of the agency's responsibilities regulating or supervising its regulated entities. Disclosure of any reports submitted to FHFA or the information contained in any such report is prohibited unless authorized by this part, legal obligation, or otherwise by the Director of FHFA.

§ 1238.6 Post-assessment actions by regulated entities.

Each regulated entity shall take the results of the stress test conducted under § 1238.3 into account in making changes, as appropriate, to the regulated entity's capital structure (including the level and composition of capital); its exposures, concentrations, and risk positions; any plans for recovery and resolution; and to improve overall risk management. If a regulated entity is under FHFA conservatorship, any post-assessment actions shall require prior FHFA approval.

§ 1238.7 Publication of results by regulated entities.

(a) *Public disclosure of results required for stress tests of regulated entities.* The Enterprises must disclose publicly a summary of the stress test results for the severely adverse scenario not earlier than April 15 and not later than April 30 of each year. Each Bank must disclose publicly a summary of the stress test results for the severely adverse scenario not earlier than July 15 and not later than July 30 of each year. The summary may be published on the regulated entity's Web site or in any other form that is reasonably accessible to the public;

(b) *Information to be disclosed in the summary.* The information disclosed by each regulated entity shall, at a minimum, include—

(1) A description of the types of risks being included in the stress test;

(2) A high-level description of the scenario provided by FHFA, including key variables (such as GDP,

unemployment rate, housing prices, foreclosure rate, etc.);

(3) A general description of the methodologies employed to estimate losses, pre-provision net revenue, allowance for loan losses, and changes in capital positions over the planning horizon;

(4) A general description of the use of the required stress test as one element in a regulated entity's overall capital planning and capital adequacy assessment. If a regulated entity is under FHFA conservatorship, this description shall be coordinated with FHFA;

(5) Aggregate losses, pre-provision net revenue, allowance for loan losses, net income, net worth, and each Bank's leverage and permanent capital ratios, pro forma capital levels and capital ratios (including regulatory and any other capital ratios specified by FHFA) over the planning horizon, under the scenario; and

(6) Such other data fields, in such form (e.g., aggregated), as the Director may require.

§ 1238.8 Additional implementing action.

The Director may, in circumstances considered appropriate, require any regulated entity not subject to this part to conduct stress testing hereunder; and from time to time, issue such guidance and orders as may be necessary to facilitate implementation of this part.

Dated September 9, 2013.

Edward J. DeMarco,

Acting Director, Federal Housing Finance Agency.

[FR Doc. 2013-22586 Filed 9-25-13; 8:45 am]

BILLING CODE 8070-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2013-0597; Directorate Identifier 2013-CE-016-AD; Amendment 39-17593; AD 2013-19-11]

RIN 2120-AA64

Airworthiness Directives; Diamond Aircraft Industries GmbH Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: We are adopting a new airworthiness directive (AD) for Diamond Aircraft Industries GmbH Models DA 42, DA 42 NG, and DA 42 M-NG airplanes. 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 insufficient clearance between the rod end safety washer and the nose landing gear attachment lever causes the rod end to bend at each gear retraction sequence. We are issuing this AD to require actions to address the unsafe condition on these products.

DATES: This AD is effective October 31, 2013.

The Director of the Federal Register approved the incorporation by reference of certain publications listed in the AD as of October 31, 2013.

ADDRESSES: You may examine the AD on the Internet at <http://www.regulations.gov/#!docketDetail;D=FAA-2013-0597>; or in person at Document Management Facility, U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590.

For service information identified in this AD, contact Diamond Aircraft Industries GmbH, N.A. Otto-Str.5, A-2700 Wiener Neustadt, Austria; telephone: +43 2622 26700; fax: +43 2622 26780; email: office@diamond-air.at; Internet: <http://www.diamondaircraft.com/contact/technical.php>. You may review copies of the referenced service information at the FAA, Small Airplane Directorate, 901 Locust, Kansas City, Missouri 64106. For information on the availability of this material at the FAA, call (816) 329-4148.

FOR FURTHER INFORMATION CONTACT: Mike Kiesov, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4144; fax: (816) 329-4090; email: mike.kiesov@faa.gov.

SUPPLEMENTARY INFORMATION:

Discussion

We issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to include an AD that would apply to the specified products. That NPRM was published in the **Federal Register** on July 8, 2013 (78 FR 40642). That NPRM proposed to correct an unsafe condition for the specified products. The MCAI states:

An incident was reported where a Diamond DA 42 aeroplane experienced an un-commanded rudder input and yaw after landing gear retraction, followed by restricted rudder travel. This situation caused the pilot to misinterpret this as an engine power loss. The rudder restriction could be removed by

extending the landing gear and an uneventful landing was made.

Subsequent investigation results showed that the rod end of the nose landing gear (NLG) actuator, Part Number (P/N) X11-0006/2, had broken, causing the actuator to block the nearby rudder steering linkage. This failure was likely a result of insufficient clearance between the rod end safety washer and the NLG attachment lever, causing the rod end to bend at each gear retraction sequence.

This condition, if not detected and corrected, could result in reduced control of the aeroplane.

Prompted by this event, Diamond Aircraft Industries (DAI) issued Mandatory Service Bulletin (MSB) 42-099/MSB 42NG-035, including Work Instruction (WI) WI-MSB-42-099/WI-MSB 42NG-035 (published as a single document), providing instructions to identify and modify the affected NLG actuators, which includes installation of a new rod end bearing and safety washer.

For the reasons described above, this AD requires an inspection to identify the affected NLG actuators, P/N X11-0006/2, and, if an affected unit is installed, modification of the actuator.

This AD also prohibits installation of any affected P/N X11-0006/2 NLG actuators that may be held as spares, unless they are modified.

The MCAI references DAI MSB 42-099 and MSB 42NG-035 (co-published as one document), dated April 22, 2013, as the applicable service information. DAI subsequently issued revised Mandatory Service Bulletins MSB 42-099/1 and MSB 42NG-035/1 (co-published as one document), dated May 3, 2013, based on a change to the applicable P/N of the NLG actuator. This revision, MSB 42-099/1 and MSB 42NG-035/1 (co-published as one document), dated May 3, 2013, was referenced in the NPRM (78 FR 40642, July 8, 2013). You may examine the MCAI in the AD docket on the Internet at <http://www.regulations.gov/#!documentDetail;D=FAA-2013-0597-0002>.

Comments

We gave the public the opportunity to participate in developing this AD. We received no comments on the NPRM (78 FR 40642, July 8, 2013) or on the determination of the cost to the public.

Conclusion

We reviewed the relevant data and determined that air safety and the public interest require adopting this AD as proposed. We have determined that these minor changes:

- Are consistent with the intent that was proposed in the NPRM (78 FR 40642, July 8, 2013) for correcting the unsafe condition; and
- Do not add any additional burden upon the public than was already

proposed in the NPRM (78 FR 40642, July 8, 2013).

Costs of Compliance

We estimate that this AD will affect 170 products of U.S. registry. We also estimate that it would take about .5 work-hour per product to comply with the basic requirements of this AD. The average labor rate is \$85 per work-hour.

Based on these figures, we estimate the cost of the AD on U.S. operators to be \$7,225, or \$42.50 per product.

In addition, we estimate that any necessary follow-on actions would take 2.5 work-hours and require parts costing \$235, for a cost of \$447.50 per product. We have no way of determining the number of products that may need these actions.

According to the manufacturer, some of the costs of this AD may be covered under warranty, thereby reducing the cost impact on affected individuals. We do not control warranty coverage for affected individuals. As a result, we have included all costs in our cost estimate.

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 AD will not have federalism implications under Executive Order 13132. This AD will 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 AD:

- (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.

Examining the AD Docket

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

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 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:

2013-19-11 Diamond Aircraft Industries GmbH: Amendment 39-17593; Docket No. FAA-2013-0597; Directorate Identifier 2013-CE-016-AD.

(a) Effective Date

This airworthiness directive (AD) becomes effective October 31, 2013.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Diamond Aircraft Industries GmbH Models DA 42, DA 42 NG, and DA 42 M-NG airplanes, all serial numbers, certificated in any category.

(d) Subject

Air Transport Association of America (ATA) Code 32: Landing Gear.

(e) Reason

This AD was prompted by mandatory continuing airworthiness information (MCAI) originated 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 insufficient clearance between the rod end safety washer and the nose landing gear (NLG) attachment lever causes the rod end to bend at each gear retraction sequence. We are issuing this AD to detect and correct insufficient clearance between the rod end safety washer and the NLG attachment lever, which may cause the NLG actuator to break and possibly restrict rudder control, resulting in loss of control.

(f) Actions and Compliance

Unless already done, do the following actions as specified in paragraphs (f)(1) and (f)(2) of this AD:

(1) Within 100 hours time-in-service after October 31, 2013 (the effective date of this AD) or 6 calendar months after October 31, 2013 (the effective date of this AD), whichever occurs first, inspect the NLG actuator to identify the part number (P/N) and serial number (S/N). If a NLG actuator P/N X11-0006/2 is installed with a S/N between 0001 and 0155 (inclusive), modify the actuator by replacing the NLG rod end bearing and safety washer with new parts. Follow the INSTRUCTIONS section of Diamond Aircraft Industries GmbH Work Instructions WI-MSB 42-099 and WI-MSB 42NG-035 (co-published as one document), Revision 1, dated May 3, 2013, as specified in the Accomplishments/Instructions paragraph of Diamond Aircraft Industries GmbH Mandatory Service Bulletins MSB 42-099/1 and MSB 42NG-035/1 (co-published as one document), dated May 3, 2013.

(2) As of October 31, 2013 (the effective date of this AD), do not install on any airplane an NLG actuator P/N X11-0006/2 with a S/N between 0001 and 0155 (inclusive), unless the actuator has been modified following the INSTRUCTIONS section of Diamond Aircraft Industries GmbH Work Instructions WI-MSB 42-099 and WI-MSB 42NG-035 (co-published as one document), Revision 1, dated May 3, 2013, as specified in the Accomplishments/Instructions paragraph of Diamond Aircraft Industries GmbH Mandatory Service Bulletins MSB 42-099/1 and MSB 42NG-035/1 (co-published as one document), dated May 3, 2013.

(g) Other FAA AD Provisions

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, Standards Office, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. Send information to ATTN: Mike Kiesov, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4144; fax: (816) 329-4090; email: mike.kiesov@faa.gov. Before using any approved AMOC on any airplane to which the AMOC applies, notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

(2) *Airworthy Product:* For any requirement in this AD to obtain corrective actions from a manufacturer or other source, use these actions if they are FAA-approved. Corrective actions are considered FAA-approved if they are approved by the State of Design Authority (or their delegated agent). You are required to assure the product is airworthy before it is returned to service.

(h) Related Information

Refer to MCAI European Aviation Safety Agency (EASA) AD No.: 2013-0121, dated June 4, 2013, for more information. You may examine the MCAI in the AD docket on the Internet at <http://www.regulations.gov/#/documentDetail;D=FAA-2013-0597-0002>.

(i) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the service information listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this service information as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(i) Diamond Aircraft Industries GmbH Work Instruction WI-MSB 42-099, Revision 1, dated May 3, 2013; and

(ii) Diamond Aircraft Industries GmbH Work Instruction WI-MSB 42NG-035, Revision 1, dated May 3, 2013.

Note 1 to paragraph (i)(2)(i) and (i)(2)(ii): Diamond Aircraft Industries GmbH Work Instructions WI-MSB 42-099, Revision 1, dated May 3, 2013; and WI-MSB 42NG-035, Revision 1, dated May 3, 2013, are co-published as one document.

(iii) Diamond Aircraft Industries GmbH Mandatory Service Bulletin MSB 42-099/1, dated May 3, 2013; and

(iv) Diamond Aircraft Industries GmbH Mandatory Service Bulletin MSB 42NG-035/1, dated May 3, 2013.

Note 2 to paragraph (i)(2)(iii) and (i)(2)(iv): Diamond Aircraft Industries GmbH Mandatory Service Bulletins MSB 42-099/1, dated May 3, 2013; and MSB 42NG-035/1, dated May 3, 2013, are co-published as one document.

(3) For Diamond Aircraft Industries GmbH service information identified in this AD, contact Diamond Aircraft Industries GmbH, N.A. Otto-Str.5, A-2700 Wiener Neustadt, Austria; telephone: +43 2622 26700; fax: +43 2622 26780; email: office@diamond-air.at; Internet: <http://www.diamondaircraft.com/contact/technical.php>.

(4) You may view this service information at the FAA, Small Airplane Directorate, 901 Locust, Kansas City, Missouri 64106. For information on the availability of this material at the FAA, call (816) 329-4148.

(5) You may view this service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to <http://www.archives.gov/federal-register/cfr/ibr-locations.html>.

Issued in Kansas City, Missouri, on September 16, 2013.

Pat Mullen,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2013-22979 Filed 9-25-13; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 117

[Docket No. FAA-2013-0655]

Clarification of Implementation of Regulations and Exemption Policy With Regard to Early Implementation and Transition

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Clarification and Exemption Policy.

SUMMARY: The FAA has issued a final flight, duty, and rest rule that will go into effect on January 4, 2014. This document provides an interpretation clarifying that the new flight, duty, and rest rule will apply to a flight duty period that begins on or after January 4, 2014. This document also clarifies FAA policy with regard to: exemption petitions asking for an early implementation date for the requirements of part 117; and exemption petitions asking for an early transition to the requirements of part 117.

DATES: Send exemption requests to the docket on or before October 15, 2013.

ADDRESSES: Send exemption requests identified by docket number FAA-2013-0655 using any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov> and follow the online instructions for making your submission electronically.
 - *Mail:* Send the exemption petition to Docket Operations, M-30; U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE., Room W12-140, West Building Ground Floor, Washington, DC 20590-0001.
 - *Hand Delivery or Courier:* Take the exemption petition to Docket Operations in Room W12-140 of the West Building Ground Floor at 1200 New Jersey Avenue SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
 - *Fax:* Fax the exemption petition to Docket Operations at 202-493-2251.
- Docket:* Documents received may be read at <http://www.regulations.gov> at

any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W12-140 of the West Building Ground Floor at 1200 New Jersey Avenue SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: For technical questions, contact Dale E. Roberts, Air Transportation Division, Flight Standards Service, Federal Aviation Administration; email dale.e.roberts@faa.gov. For legal questions, contact Alex Zektser, Office of the Chief Counsel, Regulations Division, Federal Aviation Administration; email alex.zektser@faa.gov.

SUPPLEMENTARY INFORMATION:

Background

On January 4, 2012, the FAA published a final rule entitled, “Flightcrew Member Duty and Rest Requirements.”¹ In that rule, the FAA created a new part, part 117, which generally contains new flight, duty, and rest regulations for part 121 passenger operations and certain part 91 operations. Part 117 will go into effect on January 4, 2014.²

Recently, the FAA received questions about the exact time at which part 117 will apply to a certificate holder’s operations on or after January 4, 2014. The FAA also received a petition, submitted by Airlines for America (A4A) and the Regional Airline Association (RAA), asking for an industry-wide exemption to permit certificate-holder implementation of part 117 prior to January 4. In addition, representatives from American Airlines and A4A have met with FAA officials and requested that FAA consider allowing airlines to switch to part 117 in a phased approach over a multi-day period.

This document responds to the concerns raised in the implementation questions, the A4A/RAA exemption petition, and the American Airlines/A4A meeting. First, this document provides an interpretation clarifying at which point on or after January 4, 2014, a certificate holder must apply part 117 to its operations. Second, this document makes several findings with regard to exemption petitions from individual certificate holders asking for permission to implement part 117 prior to January 4. Third, this document clarifies FAA policy with regard to exemption

petitions from individual certificate holders asking for a phased transition to the requirements of part 117. Fourth, this document provides some guidelines to individual certificate holders for submitting exemption petitions for early implementation and/or early transition to part 117.

Discussion

A. Applicability of Part 117 on January 4, 2014

As stated above, part 117 will become effective on January 4, 2014.³ The regulatory text of part 117 does not contain a grandfather clause that would exempt operations that commence prior to January 4. Thus, part 117 could be interpreted as immediately applying to all part 121 passenger operations taking place at midnight on January 4.

However, such an interpretation would take a narrow view regarding how part 121 passenger operations are to transition to the new part 117 requirements. This is because § 117.25 requires that a flightcrew member be provided with a 10-hour rest period that includes an 8-hour sleep opportunity immediately prior to beginning a flight duty period (FDP) under part 117. If part 117 was to become immediately applicable on midnight January 4, flightcrew members conducting part 121 passenger operations at that time would be confronted with the requirements of § 117.25 in the middle of their duty day.

To avoid this scenario, the FAA clarifies the implementation of part 117 as follows. A flightcrew member who begins a duty day under part 121 prior to January 4, 2014 is allowed to complete that duty day on January 4 under the flight, duty, and rest rules in effect at the time that the duty day commenced. However, once the duty day ends and the flightcrew member is released to begin a rest period, that flightcrew member is then subject to the provisions of part 117.

We note that there are some provisions in the flight, duty, and rest regulations of part 121 that, in certain situations, require an extended rest period after a duty day ends.⁴ Accordingly, we emphasize that the rest period received by a flightcrew member switching from part 121 flight, duty, and rest rules to part 117 must comply with both § 117.25 and the pertinent flight, duty, and rest rules of part 121.⁵

³ *Id.*

⁴ See, e.g., 14 CFR 121.503(b) (requiring a 16-hour rest period if a pilot has flown for more than eight hours in a 24-consecutive-hour period).

⁵ We note, however, that the regulations do not require that the rest period provided under § 117.25 be kept separate from the rest period provided

¹ *Flightcrew Member Duty and Rest Requirements Final Rule*, 77 FR 330 (Jan. 4, 2012).

² *Flightcrew Member Duty and Rest Requirements; Technical Correction*, 78 FR 11090 (Feb. 15, 2013).