Act, as amended (12 U.S.C. 1729(f)), which exceed $5,000, exclusive of interest, and which are determined by the Director, Office of the Federal Savings and Loan Insurance Corporation, the Comptroller, or the General Counsel to be uncollectible in full, shall be referred to the Board with a recommendation as to whether the claim should be compromised, collection action suspended or terminated, or other action taken thereon.

(Sec. 17, 47 Stat. 736, as amended; 12 U.S.C. 1437. Sec. 402, 48 Stat. 1256, as amended; 12 U.S.C. 1725. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR, 1943-48 Comp., p. 1071)

By the Federal Home Loan Bank Board.

[SEAL] JACK CARTER, *Secretary.*

[F.R. Doc. 68-11344; Filed, Sept. 17, 1968; 8:50 a.m.]

SUBCHAPTER D—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

[No. 22,108]

PART 563—OPERATIONS

Accounting Requirements

SEPTEMBER 12, 1968.

Resolved that the Federal Home Loan Bank Board determines that it is advisable to amend § 563.23-1 of the rules and regulations for Insurance of Accounts (12 CFR 563.23-1) for the following purpose:

(1) Notice and public procedure were duly afforded (33 F.R. 580) in connection with an amendment of said section and on August 8, 1968, following such notice and public procedure, the Board adopted a final amendment of such section (33 F.R. 11744).

(2) The Board has reconsidered paragraph (e) of § 563.23-1 as it was included in its action of August 8, 1968, and has concluded that the adoption of the rules specified in said paragraph (e) may indirectly inhibit the availability of funds in some areas for home mortgage loans.

Resolved further that, upon the basis of reconsideration, the Federal Home Loan Bank Board hereby amends its action of August 8, 1968, by amending paragraph (e) of § 563.23-1 of the rules and regulations for Insurance of Accounts (12 CFR 563.23-1) as contained therein, to read as follows, effective September 30, 1968:

§ 563.23-1 Premiums, charges, and credits with respect to mortgage loans; sale of real estate owned; and related items.

* * * * *

(e) *Sale or payoff of loans.* If a loan is paid off or sold at par, the balance of any capitalized premium or deferred credit shall continue to be treated as prescribed in paragraph (a), (b), or (d) of this section. If a mortgage loan owned by an insured institution is sold at a premium, such premium shall be offset against any remaining premium capitalized when such loan was acquired and any net premium on the sale remaining after such offset shall be credited to such institution's income for the accounting period in which the loan is sold. If a mortgage loan owned by an insured institution is sold at a loss or at a discount, such loss or discount shall be charged to the balance of any acquisition credits or purchase discount applicable to such loan that remains deferred at the time of such sale, and any balance of acquisition credits or purchase discount in excess of such loss or discount shall continue to be deferred as provided in paragraphs (b) and (d) of this section; any loss or discount in excess of such balance shall be charged to such institution's expense for the accounting period in which the loan is sold or to surplus, undivided profits, or reserves.

* * * * *

(Secs. 402, 403, 48 Stat. 1256, 1257, as amended; 12 U.S.C. 1725, 1726. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR, 1943-48 Comp., p. 1071)

Resolved further that, since notice and public procedure were recently afforded on the amendment of said § 563.23-1, the Board hereby finds that additional notice and public procedure on the amendment herein adopted are unnecessary, and, since the amendment relieves restriction, publication of said amendment for not less than 30 days prior to the effective date is unnecessary, and said amendment shall become effective as hereinbefore set forth.

By the Federal Home Loan Bank Board.

[SEAL] JACK CARTER, *Secretary.*

[F.R. Doc. 68-11345; Filed, Sept. 17, 1968; 8:50 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Reg. Docket No. 9135; Special Federal Aviation Reg. No. 21]

SOUTHERN RHODESIA

Aviation Sanctions

The purpose of this special regulation is to prohibit: (1) The carriage on aircraft registered under U.S. laws, or under charter to any person subject to U.S. jurisdiction, of certain commodities or products either originating in Southern Rhodesia, except for licensed items, or any commodity or product, consigned to anyone for business carried on in or operated from that country, except for licensed items; and (2) the operation of any aircraft by a U.S. air carrier, or operation by any person of any aircraft owned or chartered by any person subject to U.S. jurisdiction, to or from Southern Rhodesia or in coordination with an airline company constituted, or aircraft registered, in that country.

This regulation implements Executive Order 11419, dated July 29, 1968 (33 F.R. 10837), that delegated to the Secretary of Transportation the function and responsibility of enforcement relating to the operation of air carriers and aircraft and the carriage on aircraft of any commodities or products the carriage of which is prohibited by section 1 of Executive Order No. 11322 of January 5, 1967. The Secretary of Transportation has redelegated that function and rsponsibility to the Administrator (33 F.R. 12963).

Because of the emergency nature of this matter, I find that notice and public procedure on this special regulation would be impracticable and that it may be made effective on less than 30 days' notice.

In consideration of the foregoing, the following Special Federal Aviation Regulation is hereby adopted to become effective September 18, 1968.

Sec.
1 Definitions.
2 Prohibited carriage.
3 Application for adjustment or exceptions.
4 Records.
5 Reports.
6 Violations.

1. *Definitions.* For the purposes of this special regulation—

(a) "Person subject to the jurisdiction of the United States" includes—

(1) Any person, wherever located, who is a citizen or resident of the United States;

(2) Any person actually within the United States;

(3) Any corporation organized under the laws of the United States or any State or possession, Puerto Rico, the District of Columbia, the Virgin Islands, or the Canal Zone; and

(4) Any partnership, association corporation, or other organization organized under the laws of, or having its principal place of business in, Southern Rhodesia, which is owned or controlled by any persons described in subparagraph (1), (2), or (3) of this paragraph.

(b) "Person" includes an individual, partnership, association, corporation, or other organization.

(c) "Administrator" means the Federal Aviation Administrator or any person to whom he has delegated his authority in the matter concerned.

(d) "United States air carrier" means a citizen of the United States who undertakes directly, by lease, or other arrangement, to engage in air transportation.

2. *Prohibited carriage.* (a) No person may carry on any aircraft registered under the laws of the United States, or under charter to any person subject to the jurisdiction of the United States, any of the following commodities or products unless there is in effect a license for the shipment or importation of that commodity or product under the Rhodesian Sanctions Regulations issued by the Secretary of the Treasury (33 F.R. 11524):

(1) Any commodity or product originating in Southern Rhodesia and exported therefrom after May 29, 1968;

(2) Ferrochrome produced in any country from chromium ore or concentrates originating in Southern Rhodesia and exported therefrom after December 16, 1966; or

(3) Any of the following commodities or products originating in Southern Rhodesia and exported therefrom after December 16, 1966: Asbestos, crudes, fibers, stucco, sand and refuse; chromium ore and concentrates thereof; ferrochromium and ferro-silicochromium; copper ore and concentrates

thereof; copper products; iron ore and concentrates thereof; pig iron, cast iron and spiegeleisen; hides, skins and leather; meat and meat products; sugar, syrups, and molasses, confectionery; and tobacco and tobacco products.

(b) No person may carry on any aircraft registered under the laws of the United States, or under charter to any person subject to the jurisdiction of the United States, any commodity or product consigned to any person or body in Southern Rhodesia, or to any person or body for the purposes of any business carried on in or operated from Southern Rhodesia, unless there is in effect a license for the shipment of that commodity or product under the Export Control Act of 1949, as amended, under section 414 of the Mutual Security Act of 1954, as amended, or under a license under the Rhodesian Sanctions Regulations issued by the Secretary of the Treasury.

(c) No U.S. air carrier may operate any aircraft, and no person may operate any aircraft owned or chartered by any person subject to the jurisdiction of the United States or registered under the laws of the United States—

(1) To or from Southern Rhodesia; or

(2) In coordination with any airline company constituted or operating, or aircraft registered, in Southern Rhodesia, whether by connecting flight, interline agreement, block booking, ticketing, or any other method of linking up.

(d) The prohibitions in this section apply to the owner, lessee, operator, or charterer of the aircraft, and any other officer, employee, or agent of any of them who participates in the prohibited carriage or operation.

(e) Any carriage or operation the purpose or effect of which is to evade any prohibition of this section is also prohibited.

3. *Application for adjustment or exception.* Any person affected by section 2(c) of this special regulation may file an application for an adjustment or exception upon the ground that the provision works an exceptional hardship upon him, arising from lawful transactions commenced before the issuance of Executive Order No. 11419 (July 29, 1968). The application may be made by letter or telegram addressed to the Administrator, Federal Aviation Administration, Washington, D.C. 20590. If authorization is requested, the application should specify any persons or materials to be carried, the places from which and to which the aircraft is to be operated, and, as to any materials to be carried, the name and address of the shipper and of the recipient, and the use to which the materials will be put. The application should also specify in detail the facts that support the applicant's claim for an exception. The Administrator, after such coordination with other agencies as he considers necessary, may grant or deny the application.

4. *Records.* (a) Each person engaging in any carriage or operation subject to this special regulation shall make a full and accurate record of each carriage or operation of this kind in which he engages, regardless of whether it is effected pursuant to license or otherwise, and shall keep the record available for examination for at least two years after the date of the carriage or operation.

(b) This section does not require any particular method of record keeping and does not require any change in the system of records customarily kept by the person concerned, so long as the records supply an adequate basis for examination. Records may be kept in the form of microfilm or other photographic copies.

5. *Reports.* Each person participating in any carriage or operation covered by this special regulation shall submit such reports of his activities under this special regulation as the Administrator may require.

6. *Penalties.* (a) Attention is directed to section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. sec. 287c), which provides in part:

Any person who willfully violates or evades or attempts to violate or evade any order, rule, or regulation issued by the President pursuant to subsection (a) of this section shall, upon conviction be fined not more than $10,000, or, if a natural person, be imprisoned for not more than 10 years, or both, and the officer, director, or agent of any corporation who knowingly participates in such violation or evasion shall be punished by a like fine, imprisonment, or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, or vehicle, or aircraft, concerned in such violation shall be forfeited to the United States. (Dec. 20, 1945, ch. 583, sec. 5, 59 Stat. 620; Oct. 10, 1949, ch. 660, sec. 3, 63 Stat. 735).

This section of the United Nations Participation Act of 1945 is applicable to violations of any provisions of this special regulation and to violations of the provisions of any ruling, regulation, order, direction, or instruction issued pursuant to this special regulation under section 5 of the United Nations Participation Act, E.O. 11322, and E.O. 11419.

(b) Attention is also directed to 18 U.S.C. 1001 which provides:

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both.

(E.O. 11322, Jan. 5, 1967; E.O. 11419, July 29, 1968; sec. 5, 59 Stat. 620, sec. 3, 63 Stat. 735, 22 U.S.C. sec. 287c)

Issued in Washington, D.C., on September 10, 1968.

D. D. THOMAS,
Acting Administrator.

[F.R. Doc. 68-11359; Filed, Sept. 17, 1968; 8:51 a.m.]

[Docket No. 8444; Amdt. Nos. 21-23; 27-3; 29-4; 43-9; 45-6; 91-61; 127-9]

CRITICAL ROTORCRAFT COMPONENTS

The purpose of these amendments to Parts 21, 27, 29, 43, 45, 91, and 127 of the Federal Aviation Regulations is to (1) permit rotorcraft manufacturers to adopt failsafe fatigue design practices for certain portions of the flight structure on condition that related fatigue crack detection procedures and inspection intervals are approved under the required fatigue evaluation as part of the type design and placed in a separate section of the rotorcraft maintenance manual, (2) require that the replacement times of certain critical components be similarly approved and placed in the separate section of the maintenance manual, (3) require that this section of the manual be referenced by placard in the rotorcraft, and (4) specifically require operators and maintenance personnel to comply with this section of the maintenance manual. The amendments will also require manufacturers to make certain revisions of the rotorcraft maintenance manual available to operators and require identification of certain critical components.

These amendments are based on a notice of proposed rule making (Notice No. 67-44) published in the FEDERAL REGISTER on October 11, 1967 (32 F.R. 14106).

A number of comments were received in response to Notice No. 67-44, most of which were in agreement with the proposal. The more pertinent of the comments that raised questions together with the changes in the proposal resulting therefrom are discussed hereinafter.

In view of the new sections that were proposed, one commentator suggested that existing §§ 27.307(a) and 29.307(a) be clarified by indicating that the structural analysis used in connection with proof of structure, be permitted to be either static or fatigue. The FAA agrees that such a change would more fully express the intent of the rule yet not imply a change in past practice in which fatigue evaluation has generally involved testing. The sections have been amended accordingly.

As previously stated in the preamble of the notice, the standards of new §§ 27.571, 29.571, 27.1529, and 25.1529 are intended to preserve the design objectives stated in Notice 65-42, Airframe Proposal 8, except for clarifying changes.

One commentator stated that use of the word "component" in the proposed §§ 27.571(a) and 29.571(a) could be interpreted as meaning that the entire fuselage, for example, and most of its elements are critical so that a formal fatigue evaluation would be required to be performed on each frame, stringer, panel, or combination. However, since not all parts of a flight structure, such as the fuselage, are likely to be critical in fatigue, it was suggested that the requirement be clarified to call for evaluation only of those considered critical. The FAA is in substantial agreement for it was not intended to require detailed evaluation of a portion of the structure for which no significant fatigue loading exists. The paragraph has been amended, therefore, to delete the word "component" and indicate that it is the critical portion of the flight structure that must be identified and evaluated. A further recommendation that the paragraph be amended to be applicable to failures which "would" be catastrophic rather than those which "could" be catastrophic has been rejected since this would imply that doubtful areas need not be included in the fatigue evaluation. In connection with the requirement for fatigue evaluation of flight structure, it was suggested that the intent be clarified so as not to extend the fatigue evaluation to noncritical parts. While the FAA agrees with the objective of this comment, it is believed that the revisions to §§ 27.571(a) and 29.571(a) discussed above sufficiently delineate the applicability without introducing the new term "noncritical."

As they were proposed, §§ 27.571(a)(3)(i) and 29.571(a)(3)(i) indicated that loads and stresses need be subjected to inflight measurement only throughout the range expected in operation where such range is less than the range of design limitations stated in §§ 27.309 and 29.309. It is apparent that such a generally stated alternative is at variance with other requirements inasmuch as design weight, rpm, airspeeds, and c.g. limits are attainable without extreme maneuvers and are, in general, explored in other phases of the flight test program. With maneuvering load factors, the situation is otherwise, however, and since it would be unrealistic in connection with fatigue evaluation to require measurement of loads and stresses at the limit maneuvering load factors, the alternative of using operational rather than design limits would there be applicable. To remove any ambiguity with reference to weight, rpm, airspeed, and c.g. limits, §§ 27.571(a)(3)(i) and 29.571(a)(3)(i) have been reworded to make it clear that it is for only maneuvering load factors that inflight measurements may be made with reference to values expected in operation.

The FAA agrees with a comment that the intent of §§ 27.571(d)(2) and 29.571(d)(2) is to distinguish the lesser of the limit and maximum attainable loads rather than designate one as being applicable. The parenthetical expression in the two sections has been amended to state "whichever is less".

Pointing out that some procedures are so simple and well known that actual demonstration should not be required, one commentator objected to the requirement that all procedures in the "Airworthiness Limitations" section of the Rotorcraft Maintenance Manual be shown to be practicable. Since the need for an actual demonstration should be determined on an individual basis, the requirement for a showing has been eliminated in §§ 27.1529(a)(2)(ii) and 29.1529(a)(2)(ii).

One of the comments received in response to the notice requested that the FAA specifically countermand the "administrative procedures" specified in the preamble. In this connection, the commentator referred to the preamble discussions in which the FAA indicated that if safety requires that the airworthiness limitations in the Rotorcraft Maintenance Manual must be made more severe, appropriate changes to the manual would be made by airworthiness directives. While the comment objected to the general use of airworthiness directives, it did indicate acceptance of telegraphic airworthiness directives for use in this regard.

As pointed out in the preamble to Notice 67-44, the inspection intervals, replacement times and related procedures set forth in the "Airworthiness Limitations" section of the Rotorcraft Maintenance Manual are limitations on the original approval of the type design. Thus, any changes to these limitations are, in effect, changes to the type design. In recognition of this fact, airworthiness directives have long been used by the FAA to prescribe changes to the service life limits for a product. However, it should be made clear that since the replacement times, inspection intervals, etc., would now be placed in a maintenance manual, the manufacturer's changes to the manual and subsequent dissemination to all operators would serve the purpose originally served by airworthiness directives. However, as the FAA pointed out in the preamble discussions, in those instances where a safety necessity exists, the airworthiness directive is the means by which FAA can assure that the operators have the revised limitations. Moreover, an airworthiness directive would also be required in those instances in which a manufacturer failed to issue revisions to the limitations which the FAA considered necessary in the interest of safety. Only in the latter instance would the FAA make changes to the manual by airworthiness directive. As the commentator correctly noted, approved revisions to the airworthiness limitations section of the maintenance manual have had the same legal effect as the original limitations and the issuance of airworthiness directives with respect to such limitations would not be inconsistent with that fact.

The FAA agrees with one final suggestion that service experience may be used in certain instances in a resubstantiation of the flight structure, as, for example, for a relaxation of a replacement time or inspection interval in the "Airworthiness Limitations" section of a Rotorcraft Maintenance Manual. It must be recognized, of course, that time extensions for parts, the failure of which would be catastrophic, cannot be based solely on failure rates or absence of failures in service. However, it is intended to permit appropriate use of service experience in reevaluating flight structure in accordance with §§ 27.571 and 29.571. In this connection, laboratory tests might be made on parts that have been used in service to determine whether the original assumptions were overly conservative.

Interested persons have been afforded an opportunity to participate in the making of this amendment, and due consideration has been given to all matter presented.

In consideration of the foregoing, Parts 21, 27, 29, 43, 45, 91, and 127 of the Federal Aviation Regulations are amended effective October 17, 1968, as follows:

PART 21—CERTIFICATION PROCEDURES FOR PRODUCTS AND PARTS

A. Part 21 is amended by adding a new § 21.50, following § 21.49, to read as follows:

§ 21.50 Rotorcraft Maintenance Manual: changes to the "Airworthiness Limitations" section.

The holder of a type certificate for a rotorcraft for which a Rotorcraft Maintenance Manual containing an "Airworthiness Limitations" section has been issued under § 27.1529(a)(2) or § 29.1529(a)(2) of this chapter, and who obtains approval of changes to any replacement time, inspection interval, or related procedure in that section of the manual, shall make those changes available upon request to any operator of the same type of rotorcraft.

PART 27—AIRWORTHINESS STANDARDS: NORMAL CATEGORY ROTORCRAFT

B. Part 27 is amended as follows:

1. Section 27.307(a) is amended to read as follows:

§ 27.307 Proof of structure.

(a) Compliance with the strength and deformation requirements of this subpart must be shown for each critical loading condition. Structural analysis (static or fatigue) may be used only if the structure conforms to those, for which experience has shown this method to be reliable. In other cases, substantiating load tests must be made.

* * * * *

§ 27.401 [Amended]

2. Section 27.401(c) is deleted.

§ 27.547 [Amended]

3. Section 27.547(b) is deleted.

§ 27.549 [Amended]

4. Section 27.549(e) is deleted.

5. A new heading "Fatigue Evaluation" is added following § 27.561, and a new § 27.571 is added under that heading to read as follows:

FATIGUE EVALUATION

§ 27.571 Fatigue evaluation of flight structure.

(a) *General.* Each portion of the flight structure (including rotors, controls, fuselage, and their related primary attachments) the failure of which could be catastrophic, must be identified and must be evaluated under paragraph (b), (c), (d), or (e) of this section. The following apply to each fatigue evaluation:

(1) The procedure for the evaluation must be approved.

(2) The locations of probable failure must be determined.

(3) Inflight measurement must be included in determining the following:

(i) Loads or stresses in all critical conditions throughout the range of limitations in § 27.309, except that maneuvering load factors need not exceed the maximum values expected in operation.

(ii) The effect of altitude upon these loads or stresses.

(4) The loading spectra must be as severe as those expected in operation and must be based on loads or stresses determined under subparagraph (3) of this paragraph.

(b) *Fatigue tolerance evaluation.* It must be shown that the fatigue tolerance of the structure ensures that the probability of catastrophic fatigue failure is extremely remote without establishing replacement times, inspection intervals or other procedures under § 27.1529(a)(2).

(c) *Replacement time evaluation.* It must be shown that the probability of catastrophic fatigue failure is extremely remote within a replacement time furnished under § 27.1529(a)(2).

(d) *Fail-safe evaluation.* The following apply to fail-safe evaluations:

(1) It must be shown that all partial failures will become readily detectable under inspection procedures furnished under § 27.1529(a)(2).

(2) The interval between the time when any partial failure becomes readily detectable under subparagraph (1) of this paragraph, and the time when any such failure is expected to reduce the remaining strength of the structure to limit or maximum attainable loads (whichever is less), must be determined.

(3) It must be shown that the interval determined under subparagraph (2) of this paragraph is long enough, in relation to the inspection intervals and related procedures furnished under § 27.1529(a)(2), to provide a probability of detection great enough to ensure that the probability of catastrophic failure is extremely remote.

(e) *Combination of replacement time and failsafe evaluations.* A component may be evaluated under a combination of paragraphs (c) and (d) of this section. For such component it must be shown that the probability of catastrophic failure is extremely remote with an approved combination of replacement time, inspection intervals, and related procedures furnished under § 27.1529(a)(2).

6. Section 27.1529 is amended to read as follows:

§ 27.1529 Rotorcraft Maintenance Manual.

(a) Each rotorcraft must be furnished with a Rotorcraft Maintenance Manual containing the following:

(1) All information that the applicant considers essential for proper maintenance, including replacement times for major components, if replacement is anticipated. Part numbers (or equivalent) must be furnished for major components for which a replacement time is furnished.

(2) The replacement times, inspection intervals, and related procedures approved under § 27.571, and the part number (or equivalent) of each component to which they apply. This section of the manual must be identified by the title "Airworthiness Limitations." The information and procedures in this section of the manual—

(i) Must be consistent with the information in the rest of the manual;

(ii) Must be practicable; and

(iii) Must indicate where "equivalent" procedures are to be permitted.

(b) The information in the "Airworthiness Limitations" section of the manual must be segregated and clearly distinguished from the rest of the manual.

7. Section 27.1559 is amended to read as follows:

§ 27.1559 Limitations placard.

There must be a placard in clear view of the pilot stating: "This (helicopter, gyrodyne, etc.) must be operated in compliance with the operating limitations specified in the FAA approved Rotorcraft Flight Manual." If the Rotorcraft Maintenance Manual contains an "Airworthiness Limitations" section issued under § 27.1529(a)(2), the placard must contain the following additional statement: "The 'Airworthiness Limitations' section of the Rotorcraft Maintenance Manual must be complied with."

PART 29—AIRWORTHINESS STANDARDS: TRANSPORT CATEGORY ROTORCRAFT

C. Part 29 is amended as follows:

1. Section 29.307(a) is amended to read as follows:

§ 29.307 Proof of structure.

(a) Compliance with the strength and deformation requirements of this subpart must be shown for each critical loading condition. Structural analysis (static or fatigue) may be used only if the structure conforms to those for which experience has shown this method to be reliable. In other cases, substantiating load tests must be made.

* * * * *

§ 29.401 [Amended]

2. Section 29.401(c) is deleted.

§ 29.547 [Amended]

3. Section 29.547(b) is deleted.

§ 29.549 [Amended]

4. Section 29.549(d) is deleted.

5. A new heading "Fatigue Evaluation" is added following § 29.561 and a new § 29.571 is added under that heading to read as follows:

FATIGUE EVALUATION

§ 29.571 Fatigue evaluation of flight structure.

(a) *General.* Each portion of the flight structure (the flight structure includes rotors, controls, fuselage, and their related primary attachments) the failure of which could be catastrophic, must be identified and must be evaluated under paragraph (b), (c), (d), or (e) of this section. The following apply to each fatigue evaluation:

(1) The procedure for the evaluation must be approved.

(2) The locations of probable failure must be determined.

(3) Inflight measurement must be included in determining the following:

(i) Loads or stresses in all critical conditions throughout the range of limitations in § 29.309, except that maneuvering load factors need not exceed the maximum values expected in operation.

(ii) The effect of altitude upon these loads or stresses.

(4) The loading spectra must be as severe as those expected in operation and must be based on loads or stresses determined under subparagraph (3) of this paragraph.

(b) *Fatigue tolerance evaluation.* It must be shown that the fatigue tolerance of the structure ensures that the probability of catastrophic fatigue failure is extremely remote without establishing replacement times, inspection intervals, or other procedures under § 29.1529(a)(2).

(c) *Replacement time evaluation.* It must be shown that the probability of catastrophic fatigue failure is extremely remote within a replacement time furnished under § 29.1529(a)(2).

(d) *Failsafe evaluation.* The following apply to failsafe evaluations:

(1) It must be shown that all partial failures will become readily detectable under inspection procedures furnished under § 29.1529(a)(2).

(2) The interval between the time when any partial failure becomes readily detectable under subparagraph (1) of this paragraph, and the time when any such failure is expected to reduce the remaining strength of the structure to limit or maximum attainable loads (whichever is less), must be determined.

(3) It must be shown that the interval determined under subparagraph (2) of this paragraph is long enough, in relation to the inspection intervals and related procedures furnished under § 29.1529(a)(2), to provide a probability of detection great enough to ensure that the probability of catastrophic failure is extremely remote.

(e) *Combination of replacement time and failsafe evaluations.* A component may be evaluated under a combination of paragraphs (c) and (d) of this section. For such component it must be shown that the probability of catastrophic failure is extremely remote with an approved combination of replacement time, inspection intervals, and related procedures furnished under § 29.1529(a)(2).

6. Section 29.1529 is amended to read as follows:

§ 29.1529 Rotorcraft Maintenance Manual.

(a) Each rotocraft must be furnished with a Rotocraft Maintenance Manual containing the following:

(1) All information that the applicant considers essential for proper maintenance, including replacement times for major components, if replacement is anticipated. Part numbers (or equivalent) must be furnished for major components for which a replacement time is furnished.

(2) The replacement times, inspection intervals, and related procedures approved under § 29.571 and the part number (or equivalent) of each component to which they apply. This section of the manual must be identified by the title "Airworthiness Limitations." The information and procedures in this section of the manual—

(i) Must be consistent with the information in the rest of the manual;

(ii) Must be practicable; and

(iii) Must indicate where "equivalent" procedures are to be permitted.

(b) The information in the "Airworthiness Limitations" section of the manual must be segregated and clearly distinguished from the rest of the manual.

7. Section 29.1559 is amended to read as follows:

§ 29.1559 **Limitations placard.**

There must be a placard in clear view of the pilot stating: "This (helicopter, gyrodyne, etc.) must be operated in compliance with the operating limitations specified in the FAA approved Rotorcraft Flight Manual." If the Rotorcraft Maintenance Manual contains an "Airworthiness Limitations" section issued under § 29.1529(a)(2), the placard must contain the following additional statement: "The 'Airworthiness Limitations' section of the Rotorcraft Maintenance Manual must be complied with."

PART 43—MAINTENANCE, PREVENTIVE MAINTENANCE, REBUILDING, AND ALTERATION

D. Part 43 is amended by adding a new § 43.16, following § 43.15, to read as follows:

§ 43.16 **Rotorcraft Maintenance Manual: "Airworthiness Limitations" section.**

For rotorcraft for which a Rotorcraft Maintenance Manual containing an "Airworthiness Limitations" section has been issued, each person performing an inspection or other work specified in that section of the manual shall perform the inspection or work in accordance with that section of the manual.

PART 45—IDENTIFICATION AND REGISTRATION MARKING

E. Part 45 is amended by adding a new § 45.14, following § 45.13, to read as follows:

§ 45.14 **Identification of critical components.**

Each person who produces a part for which a replacement time, inspection interval or related procedure is specified in the "Airworthiness Limitations" section of a Rotorcraft Maintenance Manual shall mark that component with a part number (or equivalent) and with a serial number (or equivalent).

PART 91—GENERAL OPERATING AND FLIGHT RULES

F. Part 91 is amended by adding a new paragraph (c) to § 91.163 to read as follows:

§ 91.163 **General.**

* * * * *

(c) No person may operate a rotorcraft for which a Rotorcraft Maintenance Manual containing an "Airworthiness Limitations" section has been issued, unless the replacement times, inspection intervals, and related procedures specified in that section of the manual are complied with.

PART 127—CERTIFICATION AND OPERATIONS OF SCHEDULED AIR CARRIERS WITH HELICOPTERS

6. Part 127 is amended by adding a new paragraph (b)(10) to § 127.134 to read as follows:

§ 127.134 **Manual requirements.**

(b) * * *

(10) For rotorcraft for which a Rotorcraft Maintenance Manual containing an "Airworthiness Limitations" section has been issued, procedures to ensure that the replacement times, inspection intervals, and related procedures specified in that section of the manual are complied with, including applicable changes to that section of the manual.

(Secs. 313(a), 601, 603, 604, 605, Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1421, 1423, 1424, 1425))

Issued in Washington, D.C., on September 10, 1968.

D. D. THOMAS,
Acting Administrator.

[F.R. Doc. 68-11297; Filed, Sept. 17, 1968; 8:46 a.m.]

[Docket No. 8728; Amdt. 153-3]

PART 153—ACQUISITION OF U.S. LAND FOR PUBLIC AIRPORTS

Covenants and Reverter Clause in Conveyances

The purpose of this amendment to Part 153 of the Federal Aviation Regulations is to add a new covenant and to revise existing covenants to be used in future conveyances of property interests in U.S. land for airport purposes; to revise the reverter clause to be used in those conveyances; and to adopt a definition of the term "airport purposes" that will ensure greater certainty in the operation of the covenants and reverter clause in these conveyances.

This amendment was proposed in Notice 68-2 that was issued on February 8, 1968, and published in the FEDERAL REGISTER on February 16, 1968 (33 F.R. 3078). The comments received in response to the notice expressed no views on the proposed new and revised covenants, or on the proposed definition of "airport purposes." However, the comments received supported the proposal to revise the reverter clause to make it operate 5 years, instead of 3 years, after the date of the conveyance. The FAA is adopting the amendments proposed for the reasons stated in the notice, but with some changes that are discussed below.

In Notice 68-2, the FAA stated that the covenants and the reverter clause now in § 153.13 "do not in terms deal with the contingencies of partial or delayed development which occur for excusable reasons." To remedy this situation, the FAA proposed to revise the reverter clause in § 153.13(b), to revise the covenants in § 153.13(a) (1), (6), and (7), and to add a new covenant. These changes are adopted as proposed in the notice with only minor changes in language that are not substantive in nature.

Section 16(b) of the Federal Airport Act requires that, when land is conveyed under that section, "each such conveyance shall be made on the condition that the property interest conveyed shall automatically revert to the United States in the event that the lands in question are not developed, or cease to be used, for airport purposes." Implementing this language, the reverter clause now in § 153.13(b) provides: "The property interest hereby conveyed shall automatically revert to the United States in the event that the lands in question are not developed for airport purposes within a period of 3 years from the date of conveyance * * *." As revised and adopted in new § 153.15, the reverter clause provides: "Any part of the property interest hereby conveyed that has not been developed for airport purposes within 5 years after the date of conveyance * * * shall automatically revert to the United States * * *." The new reverter clause deals with partial development by providing that the reverter operates only on the undeveloped part of the property interest conveyed. It also deals with delayed development by providing that the reverter operates 5 years, instead of 3 years, after the date of the conveyance.

To complement the reverter clause in new § 153.15, and as stated in the notice, the amended covenants "introduce a right of the Administrator, exercisable 1 year after conveyance, to enter upon and repossess any portion of the property interest conveyed that was not developed for airport purposes." The proposed covenants are adopted as new paragraphs (a) and (f) through (h) of revised § 153.13, that now contains only the covenants for Part 153 conveyances. Under new § 153.13(a), the grantee covenants, not only to use the property interest for airport purposes, but also to "develop that interest for airport purposes within 1 year after the date of this conveyance." If the grantee does not develop the interest within 1 year, under the covenant in new § 153.13(f), the Administrator may give notice requiring specific action toward development within a fixed time, and he may repeat, amend, or supplement these notices. If the grantee fails to complete action within the time fixed, the Administrator may exercise a right of entry as to all of the property interest conveyed, or in his discretion, as to the part of the property interest to which the breach relates. Under new § 153.13(g), if the grantee breaches a covenant other than that in § 153.13(a), the Administrator may exercise, without prior notice to the grantee, a similar right of entry as to all of the property interest, or in his discretion, as to the part of the property interest to which the breach relates. Under new § 153.13(h), the grantee covenants that, if the Administrator determines that the grantee has breached any covenant in the conveyance, his determination is conclusive of the facts. As in the past, the grantee also covenants to take any action that may be necessary to evidence transfer of title to the United States.

The term "airport purposes" is used in section 16 of the Federal Airport Act (quoted above) and in several sections