

repetitive inspections for airplanes with more than 70,000 total flight cycles.

Also, since the issuance of AD 2000-17-04, we have received damage reports on 75 percent of the airplanes on which the inspections required by that AD had been done, and almost half of the reports indicated that damage was found. The reports indicate that 18 airplanes had cracking damage on the upper and lower rows of the lap joint, and 19 airplanes had corrosion damage with some of the corrosion extending the entire length of the lap joint. On one airplane, a 25-inch section of the lap joint was very corroded. Other corrosion damage of the lap joints, which was due to improper repairs, was also reported. Skin corrosion of the circumferential joints was also found. Such conditions, if not detected and corrected, could result in sudden fracture and failure of a lap joint or circumferential joint and rapid decompression of the airplane fuselage.

Explanation of Relevant Service Information

We have reviewed and approved Boeing Alert Service Bulletin 737-53A1224, Revision 1, dated March 14, 2002, which describes procedures for inspections (eddy current, nondestructive test, and detailed) to detect discrepancies (*i.e.*, cracks, pillowing, corrosion, delamination, or loose or missing fasteners) in the upper and lower skins of the fuselage lap joint and circumferential joint, and repair of any discrepancies. The service bulletin also describes procedures for a terminating modification, which includes removal of the upper and lower skins along the full length of the three-row lap joint and repair of the production joint. To ensure that the lap joint repair is structurally sound, the service bulletin describes procedures to inspect to find any additional existing skin damage and repair damage (corrosion, cracking, excessive blendouts, disbonding). The terminating modification involves repair of the entire length of all lap joints between body stations 259.5 and 1016. Accomplishment of the actions specified in the service bulletin is intended to adequately address the identified unsafe condition.

Explanation of Requirements of Proposed Rule

Since an unsafe condition has been identified that is likely to exist or develop on other products of this same type design, the proposed AD would supersede AD 2000-17-04 to continue to require inspections to detect discrepancies in the upper and lower

skins of the fuselage lap joint, and repair if necessary. This new action would add new inspections, reduce the repetitive inspection intervals for certain airplanes, and mandate a terminating modification. The actions would be required to be accomplished in accordance with the service bulletin described previously, except as discussed below.

Difference Between Alert Service Bulletin and This AD

Although the service bulletin specifies that the manufacturer may be contacted for disposition of certain repair conditions, this AD requires the repair of those conditions to be accomplished in accordance with a method approved by the FAA, or in accordance with data meeting the type certification basis of the airplane approved by a Boeing Company Designated Engineering Representative who has been authorized by the FAA to make such findings.

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

On July 10, 2002, the FAA issued a new version of 14 CFR part 39 (67 FR 47997, July 22, 2002), which governs the FAA's airworthiness directives system. The regulation now includes material that relates to altered products, special flight permits, and alternative methods of compliance. Because we have now included this material in part 39, we no longer need to include it in each individual AD; therefore, paragraph (d) and Note 1 of AD 2000-17-04 are not included in this proposed AD. However, this proposed AD identifies the office authorized to approve alternative methods of compliance.

Cost Impact

There are approximately 291 airplanes of the affected design in the worldwide fleet. The FAA estimates that 60 airplanes of U.S. registry would be affected by this proposed AD.

The inspections that are currently required by AD 2000-17-04 take approximately 575 work hours per airplane to accomplish, at an average labor rate of \$60 per work hour. Based on these figures, the cost impact of the currently required inspections on U.S. operators is estimated to be \$2,070,000, or \$34,500 per airplane.

The new inspections that are proposed in this AD action would take approximately 341 work hours per airplane to accomplish, at an average labor rate of \$60 per work hour. Based on these figures, the cost impact of the proposed inspections on U.S. operators

is estimated to be \$1,227,600, or \$20,460 per airplane.

The terminating modification that is proposed in this AD action would take approximately 15,000 work hours per airplane to accomplish, at an average labor rate of \$60 per work hour. Based on these figures, the cost impact of the proposed modification on U.S. operators is estimated to be \$54,000,000, or \$900,000 per airplane.

The cost impact figures discussed above are based on assumptions that no operator has yet accomplished any of the current or proposed requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted. The cost impact figures discussed in AD rulemaking actions represent only the time necessary to perform the specific actions actually required by the AD. These figures typically do not include incidental costs, such as the time required to gain access and close up, planning time, or time necessitated by other administrative actions.

Regulatory Impact

The regulations proposed herein 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. Therefore, it is determined that this proposal would not have federalism implications under Executive Order 13132.

For the reasons discussed above, I certify that this proposed regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A copy of the draft regulatory evaluation prepared for this action is contained in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption **ADDRESSES**.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows: