

2635.105, 2635.203(a), 2635.204(k),
2635.803.

- 2. Section 3601.102 is amended by:
 - a. Redesignating paragraphs (a)(1) through (a)(15) as paragraphs (a)(2) through (a)(16).
 - b. Adding a new paragraph (a)(1); and
 - c. Revising newly redesignated paragraphs (a)(10), (a)(11), (a)(12), and (a)(13).
- The addition and revisions read as follows:

§ 3601.102 Designation of separate agency components.

- (a) * * *
- (1) Armed Services Board of Contract Appeals;
- * * * * *
- (10) Defense Logistics Agency;
- (11) Defense Security Service;
- (12) Defense Threat Reduction Agency;
- (13) National Imagery and Mapping Agency;
- * * * * *

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2002-NM-150-AD; Amendment 39-13367; AD 2003-23-03]

RIN 2120-AA64

Airworthiness Directives; Boeing Model 737-100, -200, and -200C Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment supersedes an existing airworthiness directive (AD), applicable to certain Boeing Model 737-100, -200, and -200C series airplanes, that currently requires repetitive inspections to detect discrepancies in the upper and lower skins of the fuselage lap joint, and repair if necessary. This amendment adds new inspections, reduces the repetitive inspection intervals for certain airplanes, and mandates a terminating modification. The actions specified by this AD are intended to detect and correct discrepancies in the upper and lower skins of the fuselage lap joint and circumferential joint, which could result in sudden fracture and failure of a lap joint or circumferential joint and rapid decompression of the airplane fuselage. This action is intended to address the identified unsafe condition.

DATES: Effective December 23, 2003.

The incorporation by reference of Boeing Alert Service Bulletin 737-53A1224, Revision 1, dated March 14, 2002, as listed in the regulations, is approved by the Director of the Federal Register as of December 23, 2003.

The incorporation by reference of Boeing Alert Service Bulletin 737-53A1224, dated August 17, 2000, as listed in the regulations, was approved previously by the Director of the Federal Register as of September 11, 2000 (65 FR 51750, August 25, 2000).

ADDRESSES: The service information referenced in this AD may be obtained from Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124-2207. This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Suzanne Lucier, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 917-6438; fax (425) 917-6590.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) by superseding AD 2000-17-04, amendment 39-11878 (65 FR 51750, August 25, 2000), which is applicable to certain Boeing Model 737-100, -200, and -200C series airplanes, was published in the **Federal Register** on July 21, 2003 (68 FR 43045). The action proposed to require repetitive inspections to detect discrepancies in the upper and lower skins of the fuselage lap joint, and repair if necessary. The action proposed adding new inspections, reducing the repetitive inspection intervals for certain airplanes, and mandating a terminating modification.

Comments

Interested persons have been afforded an opportunity to participate in the making of this amendment. No comments were submitted in response to the proposal or the FAA's determination of the cost to the public.

Conclusion

The FAA has determined that air safety and the public interest require the adoption of the rule as proposed.

Change to Labor Rate Estimate

We have reviewed the figures we have used over the past several years to

calculate AD costs to operators. To account for various inflationary costs in the airline industry, we find it necessary to increase the labor rate used in these calculations from \$60 per work hour to \$65 per work hour. The cost impact information, below, reflects this increase in the specified hourly labor rate.

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 will be affected by this 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 \$65 per work hour. Based on these figures, the cost impact of the currently required inspections on U.S. operators is estimated to be \$2,242,500, or \$37,375 per airplane.

The new inspections that are required by this new AD will take approximately 341 work hours per airplane to accomplish, at an average labor rate of \$65 per work hour. Based on these figures, the cost impact of the new inspections of this AD on U.S. operators is estimated to be \$1,329,900, or \$22,165 per airplane.

The terminating modification that is required by this new AD will take approximately 15,000 work hours per airplane to accomplish, at an average labor rate of \$65 per work hour. Based on these figures, the cost impact of the modification of this AD on U.S. operators is estimated to be \$58,500,000, or \$975,000 per airplane.

The cost impact figures discussed above are based on assumptions that no operator has yet accomplished any of the 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 adopted herein 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. Therefore, it is determined that this final rule does not