

(ii) Its tier 1 risk-based capital ratio as calculated under 12 CFR part 208, appendix A, as adjusted to include certain debt or equity instruments issued before May 19, 2010 as described in section 171(b)(4)(B) of the Dodd-Frank Act.

(b) Each bank holding company must hold capital commensurate with the level and nature of all risks to which the bank holding company is exposed.

(c) When a bank holding company subject to 12 CFR part 225, appendix E calculates its risk-based capital requirements under this appendix, the bank holding company must also refer to 12 CFR part 225, appendix E for supplemental rules to calculate risk-based capital requirements adjusted for market risk.

* * * * *

Federal Deposit Insurance Corporation

12 CFR Chapter III

Authority for Issuance

For the reasons stated in the common preamble, the Federal Deposit Insurance Corporation amends Part 325 of Chapter III of Title 12, Code of the Federal Regulations as follows:

PART 325—CAPITAL MAINTENANCE

■ 9. The authority citation for part 325 continues to read as follows:

Authority: 12 U.S.C. 1815(a), 1815(b), 1816, 1818(a), 1818(b), 1818(c), 1818(t), 1819(Tenth), 1828(c), 1828(d), 1828(i), 1828(n), 1828(o), 1831o, 1835, 3907, 3909, 4808; Pub. L. 102–233, 105 Stat. 1761, 1789, 1790 (12 U.S.C. 1831n note); Pub. L. 102–242, 105 Stat. 2236, as amended by Pub. L. 103–325, 108 Stat. 2160, 2233 (12 U.S.C. 1828 note); Pub. L. 102–242, 105 Stat. 2236, 2386, as amended by Pub. L. 102–550, 106 Stat. 3672, 4089 (12 U.S.C. 1828 note).

■ 10. Amend Appendix A to part 325 as follows:

- a. In section II.C, revise the first sentence of the introductory text;
- b. In sections II.D, and II.E, redesignate footnotes 45 through 50 as footnotes 46 through 51.
- c. In section II.C, Category 4, add new paragraph (d) and a new footnote 45.

Appendix A to Part 325—Statement of Policy on Risk-Based Capital

* * * * *

II. * * *

C. Risk Weights for Balance Sheet Assets (see Table II)

The risk based capital framework contains five risk weight categories—0 percent, 20 percent, 50 percent, 100 percent, and 200 percent. * * *

* * * * *

Category 4—100 Percent Risk Weight.

* * *

(d) Subject to the requirements below, a bank may assign an asset not included in the categories above to the risk weight category applicable under the capital guidelines for

bank holding companies (12 CFR part 225, appendix A), provided that all of the following conditions apply:

- (1) The bank is not authorized to hold the asset under applicable law other than debt previously contracted or similar authority; and
- (2) The risks associated with the asset are substantially similar to the risks of assets that are otherwise assigned to a risk weight category less than 100 percent under this appendix.

* * * * *

■ 11. In Appendix D to part 325:

- a. Revise section 3 to read as set forth below; and
- b. Remove section 21(e).

Appendix D to Part 325—Capital Adequacy Guidelines for Banks: Internal Ratings-Based and Advanced Measurement Approaches

Part I. General Provisions

* * * * *

Section 3. Minimum Risk-Based Capital Requirements

(a)(1) Except as modified by paragraph (c) of this section or by section 23 of this appendix, each bank must meet a minimum:

(i) Total risk-based capital ratio of 8.0 percent; and

(ii) Tier 1 risk-based capital ratio of 4.0 percent.

(2) A bank's total risk-based capital ratio is the lower of:

(i) Its total qualifying capital to total risk-weighted assets, and

(ii) Its total risk-based capital ratio as calculated under appendix A of this part.

(3) A bank's tier 1 risk-based capital ratio is the lower of:

(i) Its tier 1 capital to total risk-weighted assets, and

(ii) Its tier 1 risk-based capital ratio as calculated under appendix A of this part.

(b) Each bank must hold capital commensurate with the level and nature of all risks to which the bank is exposed.

(c) When a bank subject to appendix C of this part calculates its risk-based capital requirements under this appendix, the bank must also refer to appendix C of this part for supplemental rules to calculate risk-based capital requirements adjusted for market risk.

* * * * *

Dated: June 14, 2011.

John Walsh,
Comptroller of the Currency.

By order of the Board of Governors of the Federal Reserve System, June 14, 2011.

Jennifer J. Johnson,
Secretary of the Board.

Dated at Washington, DC, this 14th day of June 2011.

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

Robert E. Feldman,
Executive Secretary.

[FR Doc. 2011–15669 Filed 6–27–11; 8:45 am]

BILLING CODE 4810–33–P; 6210–01–P; 6714–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2011–0126; Directorate Identifier 2011–NE–03–AD; Amendment 39–16726; AD 2011–13–03]

RIN 2120–AA64

Airworthiness Directives: Lycoming Engines (Type Certificate Previously Held by Textron Lycoming) and Teledyne Continental Motors (TCM) Turbocharged Reciprocating Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments.

SUMMARY: We are adopting a new airworthiness directive (AD) for the products listed above. This AD requires inspecting certain Lycoming and TCM reciprocating engines with certain Hartzell Engine Technologies, LLC (HET) turbochargers installed, and disassembly and cleaning of the turbocharger center housing and rotating assembly (CHRA) cavities of affected turbochargers. This AD was prompted by a turbocharger failure due to machining debris left in the cavities of the CHRA during manufacture. We are issuing this AD to prevent seizure of the turbocharger turbine, which could result in damage to the engine, and smoke in the airplane cabin.

DATES: This AD is effective July 13, 2011.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of July 13, 2011.

We must receive comments on this AD by August 12, 2011.

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

- **Federal eRulemaking Portal:** Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.

- **Fax:** 202–493–2251.

- **Mail:** U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590.

- **Hand Delivery:** U.S. Department of Transportation, Docket Operations, M–

30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this AD, contact Hartzell Engine Technologies, LLC, 2900 Selma Highway, Montgomery, AL 36108, phone: 334-386-5400; fax: 334-386-5450. You may review copies of the referenced service information at the FAA, Engine & Propeller Directorate, 12 New England Executive Park, Burlington, MA. For information on the availability of this material at the FAA, call 781-238-7125.

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 this AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Office (phone: 800-647-5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT: Gary Wechsler, Aerospace Engineer, Atlanta Aircraft Certification Office, 1701 Columbia Avenue, College Park, GA 30337; phone: 404-474-5575; fax: 404-474-5606; e-mail: gary.wechsler@faa.gov.

SUPPLEMENTARY INFORMATION:

Discussion

HET recently informed us of a failure of one of their turbochargers installed on a TCM TSIO-550-K model reciprocating engine. HET identified the cause of the failure as machining debris left in the CHRA. HET also informed us that the debris was a by-product of manufacture that had not been removed. This debris, if present, could result in seizure of the turbocharger turbine, which could result in damage to the engine, and smoke in the airplane cabin.

Relevant Service Information

We reviewed Hartzell Engine Technologies, LLC Service Bulletin (SB) No. 040, Revision A, dated December 22, 2010. The SB describes procedures for identifying affected turbochargers, and performing a one-time disassembly, CHRA cleaning, and reassembly.

FAA's Determination

We are issuing this AD because we evaluated all the relevant information and determined the unsafe condition

described previously is likely to exist or develop in other turbochargers of the same type design.

AD Requirements

This AD requires accomplishing the cleaning specified in the service information described previously.

FAA's Justification and Determination of the Effective Date

An unsafe condition exists that requires the immediate adoption of this AD. The FAA has found that the risk to the flying public justifies waiving notice and comment prior to adoption of this rule because airplanes with no more than 50 hours time-in-service on new or overhauled affected turbochargers are at risk of the unsafe condition described in this AD. Therefore, we find that notice and opportunity for prior public comment are impracticable and that good cause exists for making this amendment effective in less than 30 days.

Comments Invited

This AD is a final rule that involves requirements affecting flight safety and was not preceded by notice and an opportunity for public comment. However, we invite you to send any written data, views, or arguments about this AD. Send your comments to an address listed under the **ADDRESSES** section. Include the docket number FAA-2011-0126 and Directorate Identifier 2011-NE-03-AD at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this AD. We will consider all comments received by the closing date and may amend this AD because of 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 we receive about this AD.

Costs of Compliance

We estimate that about 2,761 turbochargers are installed on Lycoming and TCM engines, installed on airplanes of U.S. registry. We also estimate it will take about 1 work-hour to inspect each turbocharger and that 264 turbochargers will fail inspection and require corrective action. Each corrective action will require 3 work-hours. The average labor rate is \$85 per work-hour. No additional parts are required. Based on these figures, we estimate the cost of the AD on U.S. operators to be \$391,765.

Our cost estimate is exclusive of possible warranty coverage.

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 turbochargers identified in this rulemaking action.

Regulatory Findings

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 that this AD:

- (1) Is not a "significant regulatory action" under Executive Order 12866,
- (2) Is not a "significant rule" under 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.

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 airworthiness directive (AD):

2011-13-03 Lycoming Engines (Type certificate previously held by Textron Lycoming) and Teledyne Continental Motors (TCM) Turbocharged Reciprocating Engines: Amendment 39-16726; Docket No. FAA-2011-0126; Directorate Identifier 2011-NE-03-AD.

Effective Date

(a) This AD is effective July 13, 2011.

Affected ADs

(b) None.

Applicability

(c) This AD applies to the Lycoming Engines and TCM turbocharged reciprocating engines listed in, but not limited to, Table 1 of this AD, with the following Hartzell Engine Technologies, LLC (HET) turbocharger models TA3601, TAO401, TAO402, TAO411, TAO413, T1879, T18A21, T18A44, THO867, and TEO659, installed:

(1) Newly manufactured turbochargers (otherwise known as the -0000 series) before serial number H-NJL00003, or rebuilt (otherwise known as the -9000 series) before serial number H-NJR00002; and

(2) With less than 50 hours time-in-service (TIS) on the effective date of this AD; and

(3) With a part number listed in Table 2 or Table 3 of this AD; and

(4) With a "slanted A" foundry mark located on the center housing and rotating assembly (CHRA).

TABLE 1—ENGINES AFFECTED

TSIO-520-BE.
TSIO-360-MB, SB.
TIO-540-AK1A.
L/TSIO-360-RB.
TIO-540-AE2A.
TSIO-360-H.
O-540-L3C5D.
TSIO-520-T.
L/TO-360-E1A6D.
TIO-540-AG1A.
TIO-540-AF1A.
TIO-540-AF1B.
TIO-540-AH1A.
TIO-541-E1D4.
TIO-541-E1C4.
TIGO-541-E.
GTSIO-520-F.
GTSIO-520-K.
GTSIO-520-D.
GTSIO-520-H.

TABLE 2—KAES TURBOCHARGER PART NUMBERS AFFECTED

406990-9004	407540-0003	407540-9003	407800-9003	408590-9012	048610-0001
465292-0001	465292-9001	465292-0002	465292-9002	465292-0004	465292-9004
465398-9002	466011-0002	466011-9002	466304-0003	466304-9003	466642-0001
466642-0002	466642-9002	466642-0005	466642-9005	466642-0006	466642-0007
408610-9001	465398-0002	466642-9001	N/A	N/A	N/A

TABLE 3—ORIGINAL EQUIPMENT TURBOCHARGER PART NUMBERS AFFECTED

637374-1	633274-4	635034-2	642518-4	646677	649151-1
649151-2	46C19836	46C19839	46C22924	C295001-0301	C295001-0304
LW-10191	LW-13310	LW-16254	N/A	N/A	N/A

(d) This AD does not require action for:

(1) Turbochargers with more than 50 hours TIS on the effective date of this AD.

(2) Turbochargers with a circled "JT" foundry mark on the CHRA.

(e) This AD does not apply to engines with new or overhauled turbochargers installed on or before September 2001.

Unsafe Condition

(f) This AD was prompted by a turbocharger failure due to machining debris that was not cleaned from the cavities of the center housing and rotating assembly (CHRA), during manufacture. We are issuing this AD to prevent seizure of the turbocharger turbine, which could result in damage to the engine, and smoke in the airplane cabin.

Compliance

(g) Unless already done, disassemble, clean, and reassemble the turbochargers affected by this AD as follows:

Turbochargers With Between 0 and 10 Hours TIS

(1) For affected turbochargers including overhauls, with between 0 and 10 hours TIS on the effective date of this AD, before further flight, disassemble the turbocharger, clean the CHRA center housing cavity, and reassemble the turbocharger.

Turbochargers With More Than 10 Hours TIS But Less Than 50 Hours TIS

(2) For affected turbochargers including overhauls, with more than 10 hours TIS but less than 50 hours TIS on the effective date of this AD, within the next 10 hours TIS, disassemble the turbocharger, clean the CHRA center housing cavity, and reassemble the turbocharger.

(3) Use paragraphs 1 through 10 of the CLEANING CHRA CENTER HOUSING section of Hartzell Engine Technologies, LLC SB No. 040, Revision A, dated December 22, 2010, to do the cleaning.

(4) The reference to Step 16 in paragraph 10 of the CLEANING CHRA CENTER HOUSING section of Hartzell Engine Technologies, LLC SB No. 040, Revision A, dated December 22, 2010, is incorrect. The correct reference is Step 9.

Turbochargers With More Than 50 Hours TIS

(h) For turbochargers with more than 50 hours TIS on the effective date of this AD, no further action is required.

Special Flight Permits

(i) Special flight permits are restricted to day Visual Meteorological Conditions flight only.

Alternative Methods of Compliance (AMOCs)

(j) The Manager, Atlanta Aircraft Certification Office, has the authority to approve AMOCs for this AD if requested using the procedures found in 14 CFR 39.19.

Related Information

(k) For more information about this AD, contact Gary Wechsler, Aerospace Engineer, Atlanta Aircraft Certification Office, 1701 Columbia Avenue, College Park, GA 30337; phone: 404-474-5575; fax: 404-474-5606; e-mail: gary.wechsler@faa.gov.

Material Incorporated by Reference

(l) You must use Hartzell Engine Technologies, LLC Service Bulletin No. 040, Revision A, dated December 22, 2010, to clean the turbocharger.

(m) The Director of the Federal Register approved the incorporation by reference of this service bulletin in accordance with 5 U.S.C. 552(a) and 1 CFR part 51.

(n) For service information identified in this AD, contact Hartzell Engine Technologies, LLC, 2900 Selma Highway, Montgomery, AL 36108, phone: 334-386-5400; fax: 334-386-5450.

(o) You may review copies of the service information that is incorporated by at the FAA, New England Region, 12 New England Executive Park, Burlington, MA; or at the National Archives and Records Administration (NARA). For information on

the availability of this material at the FAA, call 781-238-7125. 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 Burlington, Massachusetts, on June 14, 2011.

Peter A. White,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 2011-16087 Filed 6-27-11; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 744

[Docket No. 110128065-1135-01]

RIN 0694-AF12

Addition of Certain Persons on the Entity List: Addition of Persons Acting Contrary to the National Security or Foreign Policy Interests of the United States

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: This rule amends the Export Administration Regulations (EAR) by adding eight persons to the Entity List (Supplement No. 4 to part 744) on the basis of section 744.11 of the EAR. The persons who are added to the Entity List have been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States. These eight persons will be listed under the following three destinations on the Entity List: France, Iran and the United Arab Emirates (U.A.E.).

The Entity List provides notice to the public that certain exports, reexports, and transfers (in-country) to parties identified on the Entity List require a license from the Bureau of Industry and Security (BIS) and that availability of license exceptions in such transactions is limited.

DATES: This rule is effective June 28, 2011.

FOR FURTHER INFORMATION CONTACT: Karen Nies-Vogel, Chair, End-User Review Committee, Office of the Assistant Secretary, Export Administration, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482-5991, Fax: (202) 482-3911, E-mail: ERC@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

The Entity List provides notice to the public that certain exports, reexports, and transfers (in-country) to parties identified on the Entity List require a license from BIS, and that availability of license exceptions in such transactions is limited. Persons are placed on the Entity List on the basis of criteria set forth in certain sections of part 744 (Control Policy: End-User and End-Use Based) of the EAR.

The End-User Review Committee (ERC), composed of representatives of the Departments of Commerce (Chair), State, Defense, Energy and, where appropriate, Treasury, makes all decisions regarding additions to, removals from, or changes to the Entity List. The ERC makes all decisions to add an entry to the Entity List by majority vote, and all decisions to remove or modify an entry by unanimous vote.

ERC Entity List Decisions

The ERC made a determination to add eight persons to the Entity List on the basis of section 744.11 (License Requirements that Apply to Entities Acting Contrary to the National Security or Foreign Policy Interests of the United States) of the EAR. The eight entries added to the Entity List consist of three new entries in France, three new entries in Iran, and two new entries in the U.A.E.

The ERC reviewed the criteria for revising the Entity List (section 744.11(b) of the EAR) in making the determination to add these persons to the Entity List. These criteria establish how to add to the Entity List those entities that, based on specific and articulable facts, there is reasonable cause to believe have been involved, are involved, or pose a significant risk of being or becoming involved in activities that are contrary to the national security or foreign policy interests of the United States, and those acting on behalf of such entities (section 744.11 of the EAR). The persons being added to the Entity List under this rule have been determined by the ERC to be involved in activities that could be contrary to the national security or foreign policy interests of the United States. An illustrative list of such activities can be found in paragraphs (b)(1)-(b)(5) of section 744.11 of the EAR.

Pursuant to section 744.11, these eight persons are being added based on evidence that they have engaged in actions that could enhance the military capability of Iran, a country designated by the U.S. Secretary of State as having repeatedly provided support for acts of international terrorism. These persons

are also being added because their overall conduct poses a risk of ongoing EAR violations.

Additions to the Entity List

This rule implements the decision of the ERC to add eight persons to the Entity List on the basis of section 744.11 of the EAR. For all eight persons added to the Entity List, the ERC specified a license requirement for all items subject to the EAR and established a license application review policy of a presumption of denial. A BIS license is required to export, reexport or transfer (in-country) any item subject to the EAR to any of the persons described below, including any transaction in which any of the listed persons will act as purchaser, intermediate consignee, ultimate consignee, or end-user of the items. This listing of these persons also prohibits the use of license exceptions (see part 740 of the EAR) for exports, reexports and transfers (in-country) of items subject to the EAR involving such persons.

Specifically, this rule adds the following eight persons to the Entity List:

France

- (1) *Aerotechnic France SAS*, 8 Rue de la Bruyere, 31120 Pinsaguel, France;
- (2) *Luc Teuly*, 8 Rue de la Bruyere, 31120 Pinsaguel, France; and
- (3) *Philippe Sanchez*, 8 Rue de la Bruyere, 31120 Pinsaguel, France.

Iran

- (1) *Hassan Seifi*, Unit #23, Eighth Floor, No. 193 West Sarve Boulevard Kaj Square, Saadat Abad, 19987-14434, Tehran, Iran;
- (2) *Reza Seifi*, Unit #23, Eighth Floor, No. 193 West Sarve Boulevard Kaj Square, Saadat Abad, 19987-14434, Tehran, Iran; and
- (3) *Sabanican Company, (a.k.a., Sabanican Pad Co.)*, Unit #23, Eighth Floor, No. 193 West Sarve Boulevard Kaj Square, Saadat Abad, 19987-14434, Tehran, Iran.

United Arab Emirates

- (1) *Aletra General Trading, (a.k.a., Erman & Sultan Trading Co.)*, Sabkha Street, Shop No. 8, Dubai, U.A.E.; and
- (2) *Syed Amir Ahmed Najfi*, Sabkha Street, Shop No. 8, Dubai, U.A.E.

Savings Clause

Shipments of items removed from eligibility for a license exception or export or reexport without a license (NLR) as a result of this regulatory action that were on dock for loading, on lighter, laden aboard an exporting or reexporting carrier, or en route aboard a