would supersede AD 78–26–02 with a new AD that would (1) retain the current requirement of repetitively inspecting the fuselage side frame flanges at FS 218.125 and FS 219.525, as applicable, and repairing or replacing any cracked part; and (2) require modifying the fuselage side frame flanges in the referenced FS areas (Modification Nos. 6/1461 and 6/1462) as terminating action for the repetitive inspections. Accomplishment of the proposed actions would be in accordance with de Havilland SB No. 6/ 371, dated June 2, 1978.

The FAA estimates that 94 airplanes in the U.S. registry would be affected by the proposed AD, that it would take approximately 300 workhours per airplane to accomplish the proposed modification, and that the average labor rate is approximately \$60 an hour. Parts cost approximately \$16,200 (average) per airplane. Based on these figures, the total cost impact of the proposed modification on U.S. operators is estimated to be \$3,214,800 or \$34,200 per airplane. This cost figure is based upon the assumption that none of the affected airplane owners/operators have incorporated Modification Nos. 6/1461 and 6/1462.

The intent of the FAA's aging commuter airplane program is to ensure safe operation of commuter-class airplanes that are in commercial service without adversely impacting private operators. Of the approximately 94 airplanes in the U.S. registry that would be affected by the proposed AD, the FAA has determined that approximately 45 percent are operated in scheduled passenger service. A significant number of the remaining 55 percent are operated in other forms of air transportation such as air cargo and air taxi.

The proposed AD allows 4,800 hours time-in-service (TIS) after the proposed AD would become effective before mandatory accomplishment of the design modification. The average utilization of the fleet for those airplanes in commercial commuter service is approximately 25 to 50 hours TIS per week. Based on these figures, operators of commuter-class airplanes involved in commercial operation would have to accomplish the proposed modification within 24 to 48 calendar months after the proposed AD would become effective. For private owners, who typically operate between 100 to 200 hours TIS per year, this would allow 24 to 48 years before the proposed modification would be mandatory.

The following paragraphs present cost scenarios for airplanes where no cracks were found and where cracks were found during the inspections, and where the remaining airplane life is 15 years with an average annual utilization rate of 1,600 hours TIS. A copy of the full Cost Analysis and Regulatory Flexibility Determination for the proposed action may be examined at the FAA, Central Region, Office of the Assistant Chief Counsel, Attention: Rules Docket No. 91–CE–45–AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri.

 No Cracks Scenario: Under the provisions of AD 78-26-02, an owner/ operator of an affected de Havilland DHC-6 series airplane in scheduled service who operates an average of 1,600 hours TIS annually would inspect every 400 hours TIS. This would amount to a remaining airplane life (estimated 15 years) cost of \$18,420; this figure is based on the assumption that no cracks are found during the inspections. The proposed AD would incur the same inspections except at 600-hour TIS intervals until 4,800 hours TIS after the proposed AD would become effective where the operator would have to replace the fuselage side frame flanges (eliminating the need for further repetitive inspections), which would result in a present value cost of \$31,433. The incremental cost of the proposed AD for such an airplane would be \$13,013 or \$4,959 annualized over the three years it would take to accumulate 4,800 hours TIS. An owner of a general aviation airplane who operates 800 hours TIS annually without finding any cracks during the 600-hour TIS inspections would incur a present value incremental cost of \$7,598. This would amount to a per year amount of \$1,594 over the six years it would take to accumulate 4,800 hours TIS.

 Limited Cracking Found Scenario: Under the provisions of AD 78–26–02, an owner/operator of an affected de Havilland DHC-6 series airplane who found limited cracking (as defined in SB No. 6/371) during an inspection would have to inspect each 300 hours TIS or 45 days, whichever occurs first, and replace the part within 360 days after finding the cracking. The proposed AD would require inspections every 300 hours TIS, and then require replacement at 4,800 hours TIS after the proposed AD would become effective. This would result in a present value total cost of \$34,908 per airplane in scheduled service, which would make immediate replacement more economical (\$32,400) than repetitively inspecting. With this scenario, the proposed AD would result in an incremental present value cost savings over that required in AD 78-26-02 of \$1,491 per airplane in scheduled service (or \$568 annualized over 3 years) and \$6,517 (\$1,367 annualized

over 6 years) for airplanes operating in general aviation service.

 Excessive cracking scenario: AD 78–26–02 requires repairing or replacing the fuselage side frames if excessive cracking is found (as defined by SB No. 6/371), as would the proposed AD. The difference is that AD 78-26-02 requires immediate crack repair and then replacement within 360 days after finding the crack, and the proposed AD would require immediate repair and mandatory replacement of the fuselage side frames within 4,800 hours TIS after the proposed AD would become effective. This would result in a present value total cost of \$34,709 per airplane in scheduled service, which would make immediate replacement more economical (\$32,400) than repetitively inspecting. With this scenario, the proposed AD would average a present value cost savings over that required in AD 78-26-02 of \$2,083 (\$794 annualized over 3 years) for each airplane operated in scheduled service, and \$6,607 (\$1,386 annualized over 6 years) for each airplane operated in general aviation service.

The Regulatory Flexibility Act of 1980 (RFA) was enacted by Congress to ensure that small entities are not unnecessarily or disproportionally burdened by government regulations. The RFA requires government agencies to determine whether rules would have a "significant economic impact on a substantial number of small entities," and, in cases where they would, conduct a Regulatory Flexibility Analysis in which alternatives to the rule are considered. FAA Order 2100.14A, Regulatory Flexibility Criteria and Guidance, outlines FAA procedures and criteria for complying with the RFA. Small entities are defined as small businesses and small not-for-profit organizations that are independently owned and operated or airports operated by small governmental jurisdictions. A "substantial number" is defined as a number that is not less than 11 and that is more than one-third of the small entities subject to a proposed rule, or any number of small entities judged to be substantial by the rulemaking official. A "significant economic impact" is defined by an annualized net compliance cost, adjusted for inflation, which is greater than a threshold cost level for defined entity types. FAA Order 2100.14A sets the size threshold for small entities operating aircraft for hire at 9 aircraft owned and the annualized cost thresholds, adjusted to 1994 dollars, at \$69,000 for scheduled operators and \$5,000 for unscheduled operators.