

an additional source of service information.

In addition, paragraphs (b)(1) and (c)(1) of the final rule have been clarified to indicate that the detailed visual inspections of the wing front spar chords, stiffeners, and rib posts between the fastener heads are to be accomplished between FSS 570 to FSS 684, as specified in Revisions 3 and 4 of the service bulletin.

The FAA points out that Revision 4 of the service bulletin does not recommend increasing the oversize limits of the fastener holes, as mentioned by the commenter. Boeing has advised the FAA that a review of this issue is currently under way. Although this review is not yet completed, preliminary results indicate that only certain holes may be oversized beyond the limits specified in Revision 4 of the service bulletin.

In addition, Boeing indicates that it has examined the cracked rivets discussed by the commenter. Four of the six rivets submitted to Boeing were not cracked. The other two rivets had small cracks that were not detectable by the proposed ultrasonic inspection method. Boeing indicates that the currently recommended ultrasonic inspection method is not sensitive enough to detect small cracks in the rivets; however, it is effective in detecting cracks that penetrate/propagate more than halfway through the rivet, which does provide a safety benefit. Boeing is currently working to refine the ultrasonic inspection method to improve the detectability of small rivet cracks.

In light of the above, the FAA finds that to delay issuance of this final rule would be inappropriate, since an unsafe condition exists and the actions required by this AD must be accomplished to ensure continued safety. Repair of fastener holes with cracks that cannot be removed by oversizing the fastener holes must be accomplished in accordance with a method approved by the FAA, as specified in paragraph (d) of the final rule. The FAA may consider additional rulemaking once the review discussed previously is completed.

Discussion of Other Changes Made to the Final Rule

The applicability statement contained in the proposal referenced airplanes listed in Revision 3 of the service bulletin. Since Revision 4 of the service bulletin contains the same effectivity listing as that specified in Revision 3, the FAA has revised the applicability statement of the final rule to specify that this AD applies to airplanes listed in Revision 4 of the service bulletin.

Paragraph (b)(1) of the final rule has been revised to clarify the FAA's intent that the purpose of the detailed visual inspection is to detect cracking.

As a result of recent communications with the ATA, the FAA has learned that, in general, some operators may misunderstand the legal effect of AD's on airplanes that are identified in the applicability provision of the AD, but that have been altered or repaired in the area addressed by the AD. The FAA points out that all airplanes identified in the applicability provision of an AD are legally subject to the AD. If an airplane has been altered or repaired in the affected area in such a way as to affect compliance with the AD, the owner or operator is required to obtain FAA approval for an alternative method of compliance with the AD, in accordance with the paragraph of each AD that provides for such approvals. A note has been added to this final rule to clarify this requirement.

Additionally, the FAA has recently reviewed the figures it has used over the past several years in calculating the economic impact of AD activity. In order to account for various inflationary costs in the airline industry, the FAA has determined that it is necessary to increase the labor rate used in these calculations from \$55 per work hour to \$60 per work hour. The economic impact information, below, has been revised to reflect this increase in the specified hourly labor rate.

In addition, Boeing has included in Revision 4 of the service bulletin prices for kits necessary to accomplish the optional terminating action. Accordingly, the economic impact information, below, has been revised to reflect these costs, should an operator elect to accomplish the optional terminating action.

After careful review of the available data, including the comments noted above, the FAA has determined that air safety and the public interest require the adoption of the rule with the changes previously described. The FAA has determined that these changes will neither increase the economic burden on any operator nor increase the scope of the AD.

Economic Impact

There are approximately 190 Model 747-100 series airplanes of the affected design in the worldwide fleet. The FAA estimates that 95 airplanes of U.S. registry will be affected by this AD.

The inspections that are required previously by AD 92-07-11, and retained in this AD, take approximately 16 work hours per airplane to accomplish, at an average labor rate of

\$60 per work hour. Based on these figures, the total cost impact of that inspection requirement on U.S. operators is estimated to be \$91,200, or \$960 per airplane, per inspection cycle.

The FAA estimates that it will take approximately 54 work hours per airplane to accomplish the required inspections of the expanded area specified in this AD, and that the average labor rate is \$60 per work hour. Based on these figures, the future total cost impact of the inspection requirement of the expanded area on U.S. operators is estimated to be \$307,800, or \$3,240 per airplane.

Based on these figures, the total cost impact of this AD on U.S. operators is estimated to be \$399,000, or \$4,200 per airplane.

The total cost impact figure discussed above is 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.

Should an operator elect to accomplish the optional terminating action (fastener replacement between FSS 570 and FSS 684) that is provided by this AD action, it will take approximately 306 work hours to accomplish it, at an average labor rate of \$60 per work hour. The cost of required parts will be approximately \$15,478. Based on these figures, the total cost impact of the optional terminating action will be \$33,838 per airplane.

Regulatory Impact

The regulations adopted herein will not have substantial direct effects 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, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this action (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); and (3) 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 final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from the Rules