

Grading factors	Grades U.S. Nos.				
	1	2	3	4	5

(c) Is heating or of distinctly low quality.

<sup>1</sup> Includes damaged kernels (total), foreign material, shrunken and broken kernels.

<sup>2</sup> Unclassed wheat of any grade may contain not more than 10.0 percent of wheat of other classes.

<sup>3</sup> Includes contrasting classes.

<sup>4</sup> Includes any combination of animal filth, castor beans, crotalaria seeds, glass, stones, or unknown foreign substance.

\* \* \* \* \*

**Donna Reifschneider,**

*Administrator, Grain Inspection, Packers and Stockyards Administration.*

[FR Doc. 03-13772 Filed 6-3-03; 8:45 am]

BILLING CODE 3410-EN-U

## SMALL BUSINESS ADMINISTRATION

### 13 CFR Part 121

RIN: 3245-AE76

#### Small Business Size Regulations; Small Business Innovation Research Program

**AGENCY:** Small Business Administration (SBA).

**ACTION:** Proposed rule.

**SUMMARY:** The U.S. Small Business Administration (SBA) proposes to revise its small business size regulations to allow a small business that is owned and controlled by another business concern to be eligible for funding agreements under the SBA's Small Business Innovation Research (SBIR) Program. The proposed rule does not change the size standard requiring that an eligible small business concern, with its affiliates, have no more than 500 employees. The rule proposes to modify the small business eligibility requirements so that the SBIR awardee must meet one of the two following additional criteria: It must be a for-profit business concern that is at least 51% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States (as the regulations currently requires); or it must be a for-profit business concern that is 100% owned and controlled by another for-profit business concern that is itself at least 51% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States.

**DATES:** Comments must be received on or before July 7, 2003. Upon request, the SBA will make all public comments available.

**ADDRESSES:** Address written comments to Gary M. Jackson, Assistant

Administrator for Size Standards, Office of Size Standards, 409 Third Street, SW., Washington, DC 20416. You may submit comments via email to [sizestandards@sba.gov](mailto:sizestandards@sba.gov), or via facsimile at (202) 205-6390. You may also submit comments electronically to <http://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:** Carl Jordan, Office of Size Standards, at (202) 205-6618, or Maurice Swinton, Assistant Administrator for Technology, at (202) 401-6365. You may also email questions to [sizestandards@sba.gov](mailto:sizestandards@sba.gov).

#### SUPPLEMENTARY INFORMATION:

##### Introduction

The Small Business Innovation Development Act of 1982 (SBIDA) (Pub. L. 97-219) established the SBIR Program. This document can be found at <http://thomas.loc.gov/bss/d097/d097laws.html>. According to its legislative history, SBIDA was enacted to increase the rate of productivity in the United States by increasing technological innovations, especially those innovations of small concerns. In addition, the SBIR Program was created to increase the efficiency of federally funded research and development (R&D) by providing a long-needed mechanism to enable agency personnel to tap the resources of small, innovative firms; to facilitate the conversion of federally funded research results into commercially viable products and services; and to increase the share of the Federal R&D budget awarded to small businesses.

The SBA's Small Business Size Regulations establish small business eligibility criteria for receiving awards under the SBIR Program (13 CFR 121.701-121.703). Section 121.702(a) states that to be eligible to compete for award of an SBIR funding agreement, a business concern must "(b) at least 51% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States; \* \* \*." A concern may not receive an SBIR award if it is more than 50% owned and controlled by another business concern, such as a corporation or partnership, even if that concern is at least 51% owned and controlled by

citizens of, or permanent resident aliens in, the United States.

SBIR Program managers at participating agencies will often receive a proposal from a concern that is owned by another concern. The concern's size, together with its parent company, will often be below the 500 employee small business size standard for an award, while its parent is at least 51% owned and controlled by one or more U.S. citizens or permanent resident aliens. However, because it is more than 50% owned by this other concern, it is ineligible for an SBIR award.

Consequently, potential SBIR awards go unawarded because there may be no other meritorious and feasible proposals from qualified concerns, and the innovations of otherwise eligible small business concerns go unfunded.

The SBA believes that when Congress established the SBIR Program and when the SBA initially wrote its regulations to comply with SBIDA, there were few if any small businesses wholly owned by other entities interested in participating in the program. SBIDA did not preclude the SBA from including them in the program with its original regulations, which it could have done had it been aware that they existed as potential participants.

The SBA's experience over the last several years has led it to believe that it should reconsider its policy on this eligibility restriction. The SBA is particularly concerned about the anomalous situation that occurs under the current regulations. A parent company with a wholly owned subsidiary can compete as an eligible small business for SBIR funding, but its wholly subsidiary cannot compete in its own name. The SBA believes this is an unnecessary restriction which results in either a wholly owned subsidiary not competing or having to compete through the parent company (which it would not otherwise do).

#### The SBA's Proposals

Without modifying the size standard requiring that a concern, together with its affiliates, may have no more than 500 employees, the SBA proposes to revise § 121.702 to allow an SBIR funding awardee to be either:

(1) A for-profit business concern, as defined in § 121.105, that is at least 51% owned and controlled by one or more individuals who are citizens of the United States, or permanent resident aliens in the United States; or,

(2) A for-profit business concern that is 100% owned by another for-profit business concern, as defined in § 121.105, that is itself at least 51% owned and controlled by one or more individuals who are citizens of the United States, or permanent resident aliens in the United States.

The SBA also proposes to revise the first sentence of § 121.702 by changing "To be eligible to compete for award \* \* \*" to "To be eligible for award \* \* \*". Under this proposed change, an applicant for an SBIR award would not need to meet the eligibility requirements when it submits its proposal. Rather, the applicant would have to be eligible at the time of the award. Section 121.702 is the only regulatory reference requiring that the applicant be eligible for an award. This proposed change would make § 121.702 consistent with § 121.704, which sets forth when the SBA determines the size status of a business concern, and with the "Policy Directive for the Small Business Innovation Research (SBIR) Program" (Directive) (67 FR 60072, dated September 24, 2002), both of which require that the concern be eligible when it receives the SBIR award.

This proposed rule broadens program eligibility, but at the same time it adheres to the purpose of the SBIR Program—it seeks to increase productivity in the U.S. by increasing innovations of U.S. owned small business concerns. This proposed rule addresses only the ownership component pertaining to SBIR eligibility, maintains the 500 employee size standard, and changes no part of the definition of "concern" in § 121.105 and in the Directive. That is, a concern must be, besides meeting the 500 employee size standard, organized for profit, have a place of business located in the United States, and operate primarily within the United States or make a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor.

#### Request for Comments

The SBA seeks the public's comment on this proposed rule, and requests specific comments on at least the following:

(1) Whether a business concern owned by another business concern should be eligible for award of funding agreements in the SBA's SBIR Program;

(2) Whether ownership of the SBIR awardee should be limited to only one other concern, or whether the awardee could be owned by more than one business concern;

(3) If the SBIR awardee could be owned by more than one other concern, how SBIR Program managers could be assured that the ultimate ownership of the awardee is "at least 51% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States;"

(4) How many firms may become eligible for SBIR awards under this proposed rule, if the SBA adopts it as a final rule;

(5) Whether the increased number of eligible business enterprises would create additional competition that would adversely affect research and development (R&D) concerns that meet the current ownership requirement;

(6) Whether permitting an R&D concern owned and controlled by another for-profit business concern that is itself "at least 51% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States" is consistent with the Congressional intent that the SBIR Program benefit small U.S. business concerns.

#### Compliance With Executive Orders 12866, 12988, and 13132, the Paperwork Reduction Act (44 U.S.C. Ch. 35), and the Regulatory Flexibility Act (5 U.S.C. 601–612)

The Office of Management and Budget (OMB) has determined that this proposed rule is a significant regulatory action for purposes of Executive Order 12866. Small business size standards determine what businesses are eligible for Federal small business programs. This proposed rule will not affect small business size standards, but may affect the number of awards to different small businesses pursuant to the SBIR Program. The SBA's Regulatory Impact Analysis follows.

#### Regulatory Impact Analysis

##### 1. Need for This Regulatory Action

The SBA believes it should revise its Small Business Size Regulations to allow small businesses wholly owned by other for-profit business concerns to participate in the SBIR Program, because doing so will render the SBIR size eligibility requirements more consistent with the intent of Congress in SBIDA. Under § 121.702(a), an R&D company eligible for SBIR funding can be of any legal form, and must meet two criteria: (1) it must be organized for profit; that is, it must meet the

definition of "business concern" in § 121.105; and (2) it must be 51% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States. However, if that eligible concern has a wholly owned subsidiary, the rule precludes the subsidiary from being eligible for SBIR funding. This is true, even though the employees of the subsidiary are included in determining whether the eligible concern meets the 500 employee size standard. As discussed in the Preamble, the SBA believes this is an unnecessary restriction on potential SBIR participants.

Modifying the type of concern that could receive an SBIR award will raise the number and quality of technological innovations by small concerns, as Congress intended in SBIDA. Agency SBIR Program managers will be able to involve more small businesses in the SBIR Program, make awards that Congress and their agencies have funded but would likely go unawarded, and administer the program more consistently.

The SBA is chartered to aid and assist small businesses through a variety of financial, procurement, business development and advocacy programs. To effectively assist intended beneficiaries of these programs, the SBA must establish distinct definitions of what it means to be a small business and define what small businesses are eligible for various Federal Government programs. The Small Business Act (15 U.S.C. 632(a)) delegates responsibility for establishing small business definitions to the SBA Administrator.

R&D concerns compete for SBIR awards based on technology, merit, feasibility and commercialization plans, not on cost. Newly eligible concerns might compete with one another for the SBIR awards that generally go unawarded, and with current program participants for all program awards as well. The proposed revision is consistent with the SBA's statutory mandate to assist small business. This proposed regulatory action will promote the Administrator's objectives. One of the Administrator's objectives is to help individual small businesses succeed through fair and equitable access to capital and credit. Reviewing and modifying the SBA's Small Business Size Regulations, when appropriate, ensures that intended beneficiaries have access to small business programs designed to assist them.

## 2. Potential Benefits and Costs of This Regulation

Small R&D concerns that become eligible for SBIR Program awards will be the primary beneficiaries of this rule. Specifically, benefits will flow to some concerns that are currently ineligible for SBIR awards solely because they are wholly owned subsidiaries. If the SBA adopts this proposal as a final rule, small concerns that are 100% owned and controlled by another for-profit business concern that is itself 51% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States, will be eligible for SBIR awards; that is, provided it meets the 500 employees size standard and any other SBIR eligibility requirements.

The SBA cannot accurately determine how many concerns will be competing for SBIR awards because there are no data on business size by organizational structure to support a reasonable estimate. However, the SBA believes that there are about 50 to 100 concerns that might benefit. The SBA bases this estimate on the fact that a small number of such concerns have made inquiries about the program or expressed an interest in participating. Also, SBIR Program managers have relayed to the SBA their experiences with having to deny awards to those concerns that do apply. The SBA believes that these companies should not be precluded from participating. The SBA welcomes comments discussing the potential number of concerns that could become eligible under this rule and on the effect their eligibility would have on other small concerns.

In fiscal year 2002, SBIR awards totaled about 5,000 and \$1.5 billion in funding. The SBA estimates that as much as \$85 million could be awarded annually to newly eligible concerns. Phase I awards are as large as \$100,000, and Phase II awards can be as high as \$750,000. The maximum number of annual awards could be as high as 100, a 2% increase each year. If the maximum number of SBIR awards were made for their maximum possible award amounts, this could represent an additional \$85 million awarded to small R&D concerns. However, the average SBIR award is about \$300,000, based on the SBIR Program's current annual average of approximately 5,000 awards and \$1.5 billion. An additional 100 (estimated maximum number) SBIR awards to R&D concerns would more likely total about \$30 million. This, rather than \$85 million, reflects the more realistic benefits to the newly eligible concerns.

Federal Government agencies with SBIR Programs will also benefit, because they will be able to tap the resources of small innovative firms, to facilitate the conversion of federally funded research results into commercially viable products and services, and to increase the share of the Federal R&D budget awarded to small businesses, as discussed in SBIDA's legislative history, more than they do now. Because that is Congress' intent, the rule, if the SBA adopts it as final, will further help Federal agencies to meet their mandate to assist small business concerns. There could be up to 2% more small business concerns that receive SBIR awards. Not only will there be more concerns competing for SBIR awards, but there will be more awards made to more small businesses.

The Federal Government's increased cost will equal the additional SBIR awards made because more concerns will be eligible under this proposed rule. However, it will require no additional appropriations for the participating agencies. Presently, some SBIR funds are unspent. Applicants with meritorious and feasible proposals are ineligible because they are wholly owned subsidiaries of other concerns, not because they with their affiliates exceed the 500 employee size standard. This rule, therefore, may possibly increase the cost to the government by up to \$85 million per year in funds spent. However, the awards would come from already appropriated and budgeted SBIR funds, ordinarily left unspent.

The SBA estimates that there will be relatively few distributional effects if this proposed rule is adopted. The 50 to 100 annual awards that are unawarded not only do not go to small businesses, but they do not go to any concerns. Again, as stated above, The SBA cannot accurately determine how many concerns might become eligible for these awards, because there are no data to support an estimate of the distributional effects, but the SBA believes it could be no more than 100 awards made to newly eligible concerns. These newly eligible concerns may obtain SBIR funding that would otherwise be awarded to existing small concerns. With the relatively small proportion of additional firms and the fact that few small concerns obtain multiple SBIR awards, the SBA believes only a few small concerns could lose SBIR opportunities. If so, it is important to note that the newly eligible firms are not more competitive due to size, but differ only on the basis of organizational structure. The SBA specifically requests comments on the proposal's impact on current SBIR participants.

This is not a major rule, however, under the Congressional Review Act, 5 U.S.C. 800. For purposes of the Paperwork Reduction Act, 44 U.S.C. Ch. 35, the SBA has determined that this rule would not impose new reporting or recordkeeping requirements, other than those now required of the SBA and Federal agencies that request R&D proposals under the SBIR Program. For purposes of Executive Order 13132, the SBA has determined that this rule does not have any federalism implications warranting the preparation of a Federalism Assessment. For purposes of Executive Order 12988, the SBA has determined that this rule is drafted, to the extent practicable, in accordance with the standards set forth in that order.

### Initial Regulatory Flexibility Analysis

Under the Regulatory Flexibility Act, the SBA has determined that this rule may have a significant economic effect on a substantial number of small entities. The SBA estimates that an additional 50 to 100 small concerns may become eligible for the SBIR Program and obtain up to \$85 million in funding agreements. Immediately below, the SBA sets forth an Initial Regulatory Flexibility Analysis (IRFA) of this rule providing the following: (1) The need for and objective of the rule; (2) a description and estimate of the number of small concerns to which the rule will apply; (3) projected reporting, recordkeeping, and other compliance requirements of the rule; (4) relevant Federal rules that may duplicate, overlap or conflict with the rule; and (5) alternatives to allow the Agency to accomplish its regulatory objectives while minimizing the impact on small entities.

#### (1) Need and Objective of the Rule

There are, the SBA believes, a number of concerns that are currently precluded from participating in the SBIR Program, solely because of their ownership structure. Approximately 50 to 100 SBIR awards go unawarded annually because there are no meritorious and feasible proposals from qualified concerns that could be eligible, except for the fact that they do not meet the ownership criteria to participate in the SBIR Program. Congress, with SBIDA, did not define what concerns were eligible based on ownership; it stated that the purpose of the SBIR Program is to increase the share of the Federal R&D budget awarded to small businesses. The SBA proposes to make eligible concerns that are wholly owned by other for-profit business concerns eligible for SBIR awards. If the parent concern is not

organized for profit, the subsidiary would not be eligible because not-for-profit entities are not eligible for the SBIR Program. Further, the legislative history of SBIDA states that small business concerns have trouble competing with not-for-profit entities. The proposed change to size eligibility for the SBIR Program will more accurately define the type of small concern that the SBA believes meets the intent of Congress in SBIDA.

*(2) Description and Estimate of the Number of Small Entities to Which the Rule Will Apply*

The SBA cannot determine precisely how many concerns would become eligible as a result of this rule, if adopted, because it has no data on how many wholly owned subsidiaries there are in the United States. In fiscal year 2002, there were about 5,000 annual SBIR awards for approximately \$1.5 billion, less than 2% of which are multiple awards. The SBA believes that between 50 to 100 concerns will become eligible under this rule, as discussed above.

The SBA believes that the additional eligible concerns will not have a significant impact on existing small concerns. While there are approximately 5,000 annual SBIR awards, over 98% are awarded to concerns that receive no other awards during the year. That is, there are approximately 4,900 awards in any given year to approximately 4,900 individual concerns. The SBA estimates that there are on average three concerns competing for any given award. There would be, therefore, about 15,000 concerns seeking SBIR awards. The SBA does not believe that an additional 100 competitors, about 0.7%, will add significant competition for SBIR awards.

The SBA recognizes that newly eligible firms might be viewed as competition for those firms now receiving awards, because this rule could increase the number of concerns eligible for SBIR. However, newly eligible firms under this rule will not be larger in size than current participants. This rule will not increase the population of eligible firms by adding larger concerns; it will only add concerns with different ownership structures. Therefore, newly eligible concerns competing for SBIR awards will not have the benefits that generally accrue to larger concerns. While there will be a small increase in the number of concerns competing, they will not be more competitive due to their size.

The SBA also believes that many of the applicants who have been denied SBIR awards, or others that do not apply, are wholly owned subsidiaries of

current and past participants in the SBIR Program. If the proposed rule is implemented as final, wholly owned subsidiaries of concerns that have in the past or that now participate in the SBIR Program can receive SBIR awards, provided they are otherwise eligible. The SBA's experience is that some participating concerns subcontract, to the degree permitted by the Directive, some of their projects to their subsidiaries. The SBA does not object to this practice. The SBA believes these concerns would prefer to have their subsidiaries eligible to submit proposals and receive awards. Further, when the parent concern is eligible, the SBA does not consider its newly eligible subsidiary as adverse competition for SBIR Program awards. The SBA has specifically requested comments on this issue in the Supplementary Information above to assess how this proposed rule will effect competition in the SBIR Program.

Participating agencies have no limit to the number and amount of awards they may make in a given fiscal year. The agencies have goals and objectives, but they are not limited to those levels. This rule, if the SBA adopts it as a final rule, will open up opportunities for more small R&D concerns to participate in the SBIR Program.

*(3) Projected Reporting or Recordkeeping, or Other Compliance Requirements of This Rule*

This proposed eligibility requirement does not impose any additional reporting, recordkeeping or other compliance requirements on small entities for the SBA's programs. It also does not create additional costs on a business to determine whether or not it qualifies as a small business. A business need only examine existing business information to determine its eligibility, such as its Federal tax returns. In addition, this rule does not impose any new information collecting requirements from the SBA which requires approval by OMB under the Paperwork Reduction Act of 1980, 44 U.S.C. 3501-3520.

*(4) Relevant Federal Rules That May Duplicate, Overlap or Conflict With the Rule*

The SBA's Small Business Size Regulations may in some instances overlap other Federal rules that use the SBA's small business size standards to define a small business. However, this proposed rule is limited to a single program and does not conflict with other regulatory requirements, or any small business program, other than the SBIR Program's Policy Directive.

However, if this proposed change is adopted as final, the SBA will amend the Directive so that it is consistent with this rule.

*(5) Alternatives To Allow the Agency To Accomplish Its Regulatory Objectives While Minimizing the Impact on Small Entities*

The SBA considered permitting concerns that are less than wholly owned by other concerns, or are owned by more than one other concern, to be eligible for SBIR awards. The SBA believes that in such cases it would be virtually impossible to assure that SBIR awardees are ultimately at least 51% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States. To verify eligibility under those circumstances could require more reporting requirements for SBIR applicants. The SBA believes that the additional reporting requirements from applicants to prove their small business status would unnecessarily burden small concerns. The SBA is also concerned about how SBIR Program managers could be assured that the ultimate ownership of the awardee is an eligible small business for the SBIR Program under this alternative. However, the SBA specifically requests comment on whether this alternative is administratively feasible.

**List of Subjects in 13 CFR Part 121**

Administrative practice and procedure, Government procurement, Government property, Grant programs—business, Loan programs—business, Reporting and recordkeeping requirements, Small businesses.

For the reasons set forth in the Preamble, the SBA proposes to amend 13 CFR part 121 as follows:

**PART 121—SMALL BUSINESS SIZE REGULATIONS**

1. The authority citation for part 121 continues to read as follows:

**Authority:** 15 U.S.C. 632(a), 634(b)(6), 637(a), 638, 644(c), and 662(5); and Sec. 304, Pub. L. 103-403, 108 Stat. 4175, 4188.

2. Revise § 121.702 to read as follows:

**§ 121.702 What size standards are applicable to the SBIR program?**

To be eligible for award of funding agreements in the SBA's Small Business Innovation Research (SBIR) program, a business concern must meet the following criteria:

(a) The concern must be either:

(1) At least 51 percent owned and controlled by one or more individuals who are citizens of the United States, or

permanent resident aliens in the United States; or,

(2) 100 percent owned and controlled by another business concern that is itself at least 51 percent owned and controlled by one or more individuals who are citizens of the United States, or permanent resident aliens in the United States; and

(b) Not have more than 500 employees, including affiliates.

Dated: April 9, 2003.

**Hector V. Barreto,**

*Administrator.*

[FR Doc. 03-14036 Filed 6-3-03; 8:45 am]

BILLING CODE 8025-01-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 2002-NM-50-AD]

RIN 2120-AA64

#### **Airworthiness Directives; Airbus Model A300 B2 and B4; A300 B4-600, A300 B4-600R, and A300 F4-600R (Collectively Called A300-600); A310; A319; A320; A321; A330; and A340 Series Airplanes; Equipped With PPG Aerospace Windshields**

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** This document proposes the adoption of a new airworthiness directive (AD) that is applicable to certain Airbus Model A300 B2 and B4; A300 B4-600, A300 B4-600R, and A300 F4-600R (collectively called A300-600); A310; A319; A320; A321; A330; and A340 series airplanes; equipped with certain PPG Aerospace windshields. This proposal would require replacement of certain windshields manufactured by PPG Aerospace with new windshields. This action is necessary to prevent failure of both structural plies of the windshield caused by overheating of the power lead wire, which could cause reduced structural integrity of the windshield assembly, and consequent loss of the windshield during flight. This action is intended to address the identified unsafe condition.

**DATES:** Comments must be received by July 7, 2003.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114,

Attention: Rules Docket No. 2002-NM-50-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Comments may be inspected at this location between 9 a.m. and 3 p.m., Monday through Friday, except Federal holidays. Comments may be submitted via fax to (425) 227-1232. Comments may also be sent via the Internet using the following address: *9-anm-nprcomment@faa.gov*. Comments sent via fax or the Internet must contain "Docket No. 2002-NM-50-AD" in the subject line and need not be submitted in triplicate. Comments sent via the Internet as attached electronic files must be formatted in Microsoft Word 97 for Windows or ASCII text.

The service information referenced in the proposed rule may be obtained from Airbus Industrie, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

**FOR FURTHER INFORMATION CONTACT:** Tom Rodriguez, Aerospace Engineer, International Branch, ANM-116, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-1137; fax (425) 227-1149.

#### **SUPPLEMENTARY INFORMATION:**

##### **Comments Invited**

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications shall identify the Rules Docket number and be submitted in triplicate to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this action may be changed in light of the comments received.

Submit comments using the following format:

- Organize comments issue-by-issue. For example, discuss a request to change the compliance time and a request to change the service bulletin reference as two separate issues.
- For each issue, state what specific change to the proposed AD is being requested.
- Include justification (*e.g.*, reasons or data) for each request.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments,

in the Rules Docket for examination by interested persons. A report summarizing each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this action must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 2002-NM-50-AD." The postcard will be date stamped and returned to the commenter.

#### **Availability of NPRMs**

Any person may obtain a copy of this NPRM by submitting a request to the FAA, Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 2002-NM-50-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

#### **Discussion**

The Direction Générale de l'Aviation Civile (DGAC), which is the airworthiness authority for France, notified the FAA that an unsafe condition may exist on certain Airbus Model A300 B2 and B4; A300 B4-600, A300 B4-600R, and A300 F4-600R (collectively called A300-600); A310; A319; A320; A321; A330; and A340 series airplanes; equipped with certain windshields manufactured by PPG Aerospace. The DGAC advises that, after landing, an operator reported breakage (failure of both structural plies) of a windshield. Investigations performed by the manufacturer identified the cause of the failure of both structural plies as abnormal localized overheating of the power lead wire located between the structural plies of the windshield. The localized overheating was caused by electrical arcing between the power lead wires that supply power to the upper bus bar from the terminal block due to damage to the wire during manufacturing rework in production. During rework, the wire migrated away from the windshield interlayer and was accidentally damaged by a sharp tool during removal of the windshield pressure seal. Failure of both structural plies of the windshield caused by overheating of the power lead wire, if not corrected, could result in reduced structural integrity of the windshield assembly, and consequent loss of the windshield during flight.

#### **Explanation of Relevant Service Information**

Airbus has issued the All Operators Telexes (AOT) specified in Table 1 of this AD, which describe procedures for replacement of certain windshields