

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF COMMERCE

### Economic Development Administration

#### 13 CFR Chapter III

[Docket No.: 110119042–1041–01]

RIN 0610–XA04

#### Request for Comments: Review and Improvement of EDA's Regulations

**AGENCY:** Economic Development Administration, Department of Commerce.

**ACTION:** Notice and request for comments.

**SUMMARY:** The Economic Development Administration (EDA) is an agency within the U.S. Department of Commerce that leads the Federal economic development agenda by making strategic grants-based investments. EDA's regulations provide the framework through which the agency administers its economic development assistance programs. EDA is beginning the process of updating the agency's regulations and is committed to ensuring that public feedback helps shape the revised regulations. As part of the Administration's commitment to open government and in response to Executive Order 13563 "Improving Regulation and Regulatory Review", EDA requests input from the public on any obstacles created by EDA's current regulations and ways to improve them to help the agency better advance innovative economic development in the 21st century. EDA expects that this process will result in an updated rulemaking that reflects current economic development practice to advance an innovative economy.

**DATES:** Comments must be received no later than 5 p.m. Eastern Time on March 9, 2011.

**ADDRESSES:** You may submit comments by any of the following methods. All comments must include "Comments on EDA's regulations" and Docket No. 110119042–1041–01.

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

- *Agency Web site:* <http://www.eda.gov/>. EDA has created an online feature for submitting comments. Follow the instructions at <http://www.eda.gov/>.

- *E-mail:* [regulations@eda.doc.gov](mailto:regulations@eda.doc.gov). Include "Comments on EDA's regulations" and Docket No. 110119042–1041–01 in the subject line of the message.

- *Fax:* (202) 482–5671, *Attention: Office of Chief Counsel.* Please indicate "Comments on EDA's regulations" and Docket No. 110119042–1041–01 on the cover page.

- *Mail:* Economic Development Administration, Office of Chief Counsel, Suite D–100, U.S. Department of Commerce, 1401 Constitution Avenue, NW., Washington, DC 20230. Please indicate "Comments on EDA's regulations" and Docket No. 110119042–1041–01 on the envelope.

**FOR FURTHER INFORMATION CONTACT:** Jamie Lipsey, Attorney Advisor, U.S. Department of Commerce, Economic Development Administration, Office of Chief Counsel, 1401 Constitution Avenue, NW., Suite D–100, Washington, DC 20230; telephone: (202) 482–4687.

**SUPPLEMENTARY INFORMATION:** Established under the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3121 *et seq.*) (PWEDA), EDA's mission is to lead the Federal economic development agenda by promoting competitiveness and preparing American regions for growth and success in the worldwide economy. EDA partners with stakeholders throughout the United States to foster job creation, collaboration, and innovation. EDA's regulations, which are codified at 13 CFR chapter III, implement the agency's six economic development assistance programs authorized under PWEDA, as well as the Trade Adjustment Assistance for Firms Program and Trade Adjustment Assistance for Communities Program, which are authorized under chapters 3, 4, and 5 of title II of the Trade Act of 1974, as amended (19 U.S.C. 2341 *et seq.*).

In an opinion published in the *Wall Street Journal* on January 18, 2011, President Obama recognized that Federal regulations sometimes fail to strike the correct balance, placing

unreasonable burdens on businesses that stifle innovation and have had a chilling effect on growth and jobs. Also on January 18, 2011, the President signed Executive Order 13563 "Improving Regulation and Regulatory Review," which requires Federal agencies to review existing rules to remove outdated regulations that stifle job creation and make the U.S. economy less competitive.

EDA is beginning the process of updating its regulations, which provide the framework through which the agency selects, awards, and administers its grant investments. Through this notice of inquiry (NOI), EDA requests input from the public on any obstacles created by EDA's current regulations and ways to improve them to help the agency better advance innovative economic development in the 21st century. The agency is particularly interested in learning of any perceived impediments to contemporary economic development practices that are produced as a cause or consequence of a particular regulation. Although EDA welcomes comments on all of its regulations, the agency requests particular input on those regulations that impact the creation and growth of Regional Innovation Clusters (RICs). In addition, EDA has identified potential issues in the area of property management on which the agency requests comments, as discussed below. As part of the Administration's commitment to open government, EDA is interested in broad public and stakeholder participation in this effort and strives to create a simplified regulatory system that balances the agency's fiduciary and transparency responsibilities with good, common sense customer service to our stakeholders and the American people.

#### 1. Regional Innovation Clusters (RICs)

EDA supports the development and growth of RICs as proven economic development tools through which American regions can create jobs and grow their economies. A RIC is an active network of similar, synergistic, or complementary organizations engaged in or with a particular industry sector, with active channels for business transactions, communications, and dialogue that share specialized infrastructure, labor markets, and services and that are located within a

defined geographic region. These active channels support the genesis of business ideas, innovations, and initiatives that create new companies and jobs. A RIC's region may cross municipal, county, and other jurisdictional boundaries. A RIC often includes catalysts of innovation and drivers of regional economic growth, such as local universities, government research centers, and/or other research and development resources. In addition, participants in the RIC may have strategic partnerships with entities outside of the RIC's geographic region. A successful RIC will leverage the region's unique competitive strengths and find ways to nurture networks for business financing, business-to-business sales, education, and workforce development. These networks work in concert with local governments, venture capitalists, private banks, workforce investment boards, non-profit organizations, institutions of higher education (including community colleges), and other public and private agencies and institutions.

EDA seeks information on whether its regulations appropriately facilitate the creation and promotion of RICs and comments on ways the regulations can better support RICs. EDA also seeks comments on any impediments the regulations present to its stakeholders as they work toward the creation and implementation of RICs. For example, should EDA define what it means by a RIC in its "Definitions" section at 13 CFR 300.3 to provide stakeholders a clearer idea of what the agency seeks to encourage? If so, is the description above adequate as a definition? As another example, should EDA include a RIC analysis or strategy as part of the technical requirements of Comprehensive Economic Development Strategies as set out at 13 CFR 303.7(b)?

## 2. Property Management

EDA has become aware of a potential issue with its property management regulations, which are set out at 13 CFR part 314. As trustee of appropriated taxpayer dollars, EDA safeguards the public's interest in grant assets, and the agency's property management regulations provide the framework through which this is accomplished. EDA takes and retains a security interest (the Federal Interest) in property, including real and personal property, purchased or improved with grant funds. See 13 CFR 314.1 and 314.2. The Federal Interest helps ensure that project property is used for the economic development purposes for which the grant was awarded. In general, EDA's regulations require that

property purchased or improved with EDA assistance remain unencumbered and that the recipient hold title to the property for its estimated useful life. In some instances, these regulations have proved particularly challenging for public/private partnerships designed to advance a community's economic development priorities. EDA seeks input on innovative ways that would allow recipients to structure a project (and property ownership, as appropriate) to accomplish relevant economic development goals, while continuing to safeguard the Federal Interest. For example, are there practical ways to secure the Federal Interest without requiring the recordation of a Federal lien or other encumbrance, or the recipient to hold title to project property?

In addition, EDA seeks comments on the possibility of providing for additional flexibility with respect to the agency's encumbrance and subordination requirements as set out at 13 CFR 314.6 and 314.7. When EDA assistance is used to acquire or improve real property, the recipient must provide to EDA a locally recorded security interest in the property improved with grant funds. Such security interest can include a lien, mortgage, or another enumerated form of encumbrance. In the event that a project fails for any reason, EDA can recover the fair market value of its interest in the property and use those funds to make additional grants that will provide further opportunities for job creation. When EDA approves encumbrances on real property acquired or approved with program grant funds, EDA generally does not allow the Federal Interest to be subordinated to any other interest. However, given the realities of project development and real estate financing, EDA sometimes will allow (on a case-by-case basis) the Federal Interest to be subordinated provided that: EDA determines to its satisfaction that the recipient's financial standing is strong; the recipient will not default on its obligations; and the project cannot happen without the subordination. See 13 CFR 314.6(b).

The agency's subordination requirements provide needed flexibility when long-term financing is available and when the level of risk to the Federal Interest can be assessed at the outset. However, it has come to EDA's attention that the requirements may not provide the necessary flexibility when short-term financing is involved. Some financing tools available to recipients may be restricted to a relatively short period of time. For example, the credit allowance period under the New

Markets Tax Credit (NMTC) Program is seven years (see IRC 45D(a)(3)). Projects involving NMTC investments often refinance at the conclusion of the credit allowance period (see the NMTC Program FAQs for more information on the program, which are available on the U.S. Department of the Treasury's Web site at <http://www.cdfifund.gov/docs/nmtc/2009/NMTC%20Compliance%20Monitoring%20FAQ.pdf>). Also, in some cases, short-term financing is the only type of financing that a recipient can realistically obtain. In such circumstances, other project lenders often want EDA to agree at the time project financing is negotiated to subordinate its interest in the future after the short-term loan matures so that follow-on financing can be put into place. Because future market conditions are uncertain, EDA cannot make the findings under 13 CFR 314.6(b) needed to subordinate the Federal Interest. A current agreement to subordinate in the future puts the Federal Interest at increased risk; are there mechanisms available to make that risk acceptable if it allows promising economic development projects to go forward?

Would it be useful for EDA's regulations to specifically provide for situations where short-term project financing is the only tool available? Specifically, should EDA agree to subordinate the Federal Interest in the future when future market conditions, the strength of the recipient, and the success of the project are largely unknown? In what situations should this tool be exercised? What award conditions should EDA require in connection with such arrangements? In some circumstances, EDA is able to hedge against risk by, for example, requiring a non-profit applicant to add a city or other local government body as a co-applicant. This avenue is not available in all cases. Given this, are there alternative mechanisms that can protect the Government's interest in case the project fails so that EDA can recover the Federal Interest to make new grants?

Although the examples above center on how EDA's regulations affect RIC development and adjustments to EDA's property management requirements, as noted above, EDA seeks public comments on any aspect of the regulations. Comments that identify potential regulatory impediments to economic development and make corresponding recommendations, as well as the commenter's experiences complying with the regulation at issue, will be instructive.

Comments should be submitted to EDA as described in the **ADDRESSES**

section of this notice. EDA strongly encourages the use of the online feature on the agency's Web site to share comments and suggestions on improving the agency's regulations. The feature is easily accessible on EDA's Web site and offers participants an opportunity to view the comments of others. As noted above, the online commenting feature can be accessed at <http://www.eda.gov/>. EDA will consider all comments submitted in response to this NOI that are received by 5 p.m. Eastern Time on March 14, 2011, as referenced under **DATES**. EDA will not accept public comments accompanied by a request that a part or all of the material be treated confidentially for any reason; EDA will not consider such comments and will return such comments and materials to the commenter. All public comments in response to this NOI must be in writing (including fax or e-mail) and will be a matter of public record. All comments submitted will be available for public inspection and copying at <http://www.regulations.gov>.

Dated: January 25, 2011.

**Brian P. McGowan,**

*Deputy Assistant Secretary for Economic Development and Chief Operating Officer.*

[FR Doc. 2011-1937 Filed 1-31-11; 8:45 am]

**BILLING CODE 3510-24-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA-2011-0033; Directorate Identifier 2010-NM-019-AD]

RIN 2120-AA64

#### Airworthiness Directives; The Boeing Company Model 777-200 Series Airplanes

**AGENCY:** Federal Aviation Administration (FAA), DOT.

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

**SUMMARY:** We propose to adopt a new airworthiness directive (AD) for certain Model 777-200 series airplanes. This proposed AD would require installing a new circuit breaker, relays, and wiring to allow the flightcrew to turn off electrical power to the in-flight entertainment (IFE) systems and other non-essential electrical systems through a switch in the flight compartment, and doing other specified actions. The actions include replacing the cabin area control panels; changing the wiring; modifying the purser station or the

A-4 galley, as applicable; installing new cabin system management unit, cabin area control panel, overhead electronics unit, and zone management units operational software, as applicable; and making a change to the cabin services system (CSS) configuration database and installing the new database in the CSS components. This proposed AD would also require changing the wiring at the cabin management system in the purser station. This proposed AD results from an IFE systems review. We are proposing this AD to ensure that the flightcrew is able to turn off electrical power to the IFE system and other non-essential electrical systems through a switch in the flight compartment in the event of smoke or flames. The flightcrew's inability to turn off electrical power to the IFE system and other non-essential electrical systems in the event of smoke or flames could result in the inability to control smoke or flames in the airplane flight deck or passenger cabin during a non-normal or emergency situation.

**DATES:** We must receive comments on this proposed AD by March 18, 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 proposed AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P.O. Box 3707, MC 2H-65, Seattle, Washington 98124-2207; telephone 206-544-5000, extension 1; fax 206-766-5680; e-mail [me.boecom@boeing.com](mailto:me.boecom@boeing.com); Internet <https://www.myboeingfleet.com>. You may review copies of the referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington. For information on the availability of this material at the FAA, call 425-227-1221.

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

**FOR FURTHER INFORMATION CONTACT:** Joe Salameh, Aerospace Engineer, Systems and Equipment Branch, ANM-130S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98057-3356; telephone 425-917-6454; fax 425-917-6590.

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposed AD. Send your comments to an address listed under the **ADDRESSES** section. Include "Docket No. FAA-2011-0033; Directorate Identifier 2010-NM-019-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. We will consider all comments received by the closing date and may amend this proposed 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 proposed AD.

#### Discussion

In response to numerous reports of smoke or flames in the passenger cabin of various models of transport category airplanes, we conducted a comprehensive in-flight entertainment (IFE) systems review. Earlier investigation of the reports had revealed that the source of the smoke and flames was from cabin IFE system components, including electronic seat boxes mounted under passenger seats, IFE wiring, IFE monitors, cabin lighting, wall outlets, and other non-essential cabin electrical systems.

The systems review disclosed that in order to minimize the risk of smoke or flames in the passenger cabin, a switch is needed in the flight compartment to enable the flightcrew to turn off electrical power to the IFE system and other non-essential electrical systems in the event of smoke or flames. The flightcrew's inability to turn off power