

Authority: 7 U.S.C. 1622; 19 U.S.C. 1306; 21 U.S.C. 102–105, 111, 114a, 134a, 134b, 134c, 134d, 134f, 135, 136, and 136a; 31 U.S.C. 9701; 7 CFR 2.22, 2.80, and 371.2(d).

§ 92.304 [Amended]

2. Section 92.304 is amended as follows:

a. In paragraph (a)(4)(ii), by adding, in alphabetical order, “The State of Alabama”.

b. In paragraph (a)(7)(ii), by adding, in alphabetical order, “The State of Alabama” and “The State of North Carolina”.

Done in Washington, DC, this 17th day of January 1996.

Terry L. Medley,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 96–870 Filed 1–22–96; 8:45 am]

BILLING CODE 3410–34–P

DEPARTMENT OF THE TREASURY

Community Development Financial Institutions Fund

12 CFR Parts 1805 and 1806

RIN 1505–AA72

Community Development Financial Institutions Program; Bank Enterprise Award Program

AGENCY: Community Development Financial Institutions Fund, Department of the Treasury.

ACTION: Interim rule with request for comment; extension of comment period.

SUMMARY: The Department of the Treasury is issuing revisions to the interim regulations for the Community Development Financial Institutions (CDFI) Program and the Bank Enterprise Award (BEA) Program published in the Federal Register on October 19, 1995. The CDFI Program and BEA Program were authorized by the Community Development Banking and Financial Institutions Act of 1994. The programs are designed to facilitate the flow of lending and investment capital into distressed communities and to individuals who have been unable to take full advantage of the financial services industry. This action also extends the comment period on the CDFI Program and BEA Program interim regulations published on October 19, 1995 to March 15, 1996.

DATES: This interim rule is effective January 23, 1996. Comments on this interim rule must be received on or before March 15, 1996. The comment period on the CDFI Program and BEA Program interim regulations published

in the Federal Register on October 19, 1995 is extended from January 15, 1996 to March 15, 1996.

ADDRESSES: All questions or comments concerning this interim rule and the October 19, 1995, CDFI Program and BEA Program interim regulations should be addressed to the Director, Community Development Financial Institutions Fund, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Room 5116, Washington DC 20220.

FOR FURTHER INFORMATION CONTACT: Kirsten S. Moy, Director, Community Development Financial Institutions Fund at (202) 622–8662. (This is not a toll free number.)

SUPPLEMENTARY INFORMATION:

I. General

Executive Order (E.O.) 12866

It has been determined that this regulation is not a significant regulatory action as defined in E.O. 12866.

Regulatory Flexibility Act

Because no notice of proposed rulemaking is required for this interim rule, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 et seq.) do not apply. Moreover, the Department of the Treasury finds that any economic or other consequence of this interim rule are a direct result of the implementation of statutory provisions.

Administrative Procedure Act

Pursuant to the provisions of 5 U.S.C. 553(a)(2), these regulations are exempt from the proposed rulemaking requirements of 5 U.S.C. 553(b) and are being issued as interim regulations without opportunity for notice and public comment prior to their effective date. Furthermore, the Department for good cause finds that notice and public comment prior to effect are impracticable and contrary to the public interest. This interim regulation is intended to amend the interim regulations for the CDFI Program and BEA Program that were published on October 19, 1995. The purpose of the amendments is to clarify several provisions of the October 19 interim regulations prior to the application deadline (January 29, 1996) for both programs. The amendments will also give applicants greater flexibility in the type of information the Fund will accept as part of an application—thus, reducing paperwork burden.

Catalog of Federal Financial Assistance Numbers

Community Development Financial Institutions Program—21.020; Bank Enterprise Award Program—21.021.

II. Background

On October 19, 1995, the Fund published interim regulations in the Federal Register for the Community Development Financial Institutions Program (12 CFR part 1805) and the Bank Enterprise Award Program (12 CFR part 1806). Subsequent to the publication of such interim regulations, the Fund has developed policies to clarify several provisions in the interim regulations. The technical revisions contained in this interim rule will provide greater flexibility in the types of information that may be submitted as part of an application and thereby reduce the paperwork and regulatory burden for applicants. The Fund is extending the comment period on the interim regulations published on October 19, 1995 and these amendments to such interim regulations to March 15, 1996.

III. Community Development Financial Institutions Program

Under the CDFI Program (12 CFR part 1805), the Fund will provide financial and technical assistance to selected applicants to engage in certain community development activities. The following summarizes the revisions to the regulations.

Subpart A—General Provisions

Section 1805.104(n) is revised to change the definition of the term “Comprehensive Business Plan” such that it covers a period of not less than the next five years—rather than a period of not less than the next five fiscal years. The revision will provide greater flexibility to Applicants in the manner in which they can prepare projections.

Subpart B—Eligibility

Section 1805.201 is revised to clarify that the Fund may revoke a CDFI certification for good cause.

Subpart F—Matching Funds Requirements

Subpart F of the CDFI Program is revised to clarify two provisions concerning the use of certain funds for meeting the matching funds requirements. The revision to § 1805.600 clarifies that private funds that have been used to satisfy a legal requirement for obtaining monies from other Federal programs shall not be used to meet the matching funds requirements of the CDFI Program. In

addition, a new § 1805.604 clarifies the types of monies the Fund will consider as retained earnings for the purpose of meeting the matching funds requirements. As part of the Conference Report to the Riegle Community Development and Regulatory Improvement Act of 1994 (Report 103-652), Congress expressed its intent that retained earnings be considered as a source of matching funds. However, given the diversity of types of institutions that may apply for assistance, the Fund has sought to clarify the monies that will be considered retained earnings. This clarification is intended to take into consideration the capacity of different types of organizations to raise capital from private sources and focus on sources of income that are earned from an Applicant's operations. With respect to for-profit and non-profit (excluding Insured Credit Unions) organizations, the value of grants or other donated assets will not be considered retained earnings. Except as specified below, retained earnings that can be used for matching purposes are limited to those amounts that have been accumulated over the Applicant's most recent fiscal year or the annual average of amounts earned over the Applicant's three most recent fiscal years. The Fund will provide an additional option to Insured Credit Unions because such institutions face unique barriers in raising capital to enhance their net worth. As non-profit institutions, Insured Credit Unions cannot sell stock to raise equity capital. Furthermore, Insured Credit Unions have historically experienced greater difficulty in obtaining grants from philanthropic sources than other types of non-profit institutions. The Fund will permit Insured Credit Unions to use net capital that has been accumulated within the period described above or since the inception of the organization. In the latter case, the Fund will provide that—as part of an Applicant's performance goals—an Insured Credit Union shall increase its member and/or non-member shares by an amount that is at least equal to four times the amount of net capital that is committed as matching funds.

Subpart G—Applications for Assistance

Revised § 1805.701(d)(2)(iii) modifies the application requirements to provide greater flexibility in forms of historic and projected financial statements that the Fund will accept. In § 1805.701(e)(3), Insured Credit Unions that seek to use retained earnings as matching funds are now permitted to substitute certain information submitted

to the National Credit Union Administration in lieu of tax returns.

IV. Bank Enterprise Award Program

Under the BEA Program (12 CFR part 1806), the Fund will provide awards to selected Applicants that successfully carry out certain community development activities. The following summarizes the amendments to the interim regulations.

Subpart A—General Provisions

Definitions

The term "Investment" is added to § 1806.103 to describe the activities covered by this revision. An "Investment" (other than an Equity Investment in a CDFI) shall be considered to be the purchase of stock, a limited partnership interest, or another ownership instrument, or a grant provided by an Applicant or its Subsidiary in a commercial real estate, single family housing, multi-family housing, business or agriculture project or activity.

Subpart B—Awards

Community Designation

Section 1806.200 of these Bank Enterprise Award (BEA) Program interim regulations clarifies that if a Distressed Community is composed of census tracts, an Applicant may submit estimates of unemployment using the U.S. Bureau of Labor Statistics' "Census Share" calculation method. An Applicant interested in using the Census Share method should contact the Fund to obtain instructions for such calculations.

Application Requirements

Section 1806.201 is revised to permit an Applicant to report investments (other than Equity Investments in a CDFI) in specific projects or activities as part of its Eligible Development Activities. Such investment activities should be reported on the application forms in the same category of Eligible Development Activity described in § 1806.201(b)(4) that most closely describes the subject investment activity (e.g. an investment in a multi-family housing project should be reported under "Multi-Family Loans.").

Section 1806.202 is modified to clarify the manner in which the Fund will assess the value of an Investment. An Investment will be valued at the original amount of the purchase of stock, limited partnership interest, or other ownership interest, or grant.

In response to numerous questions raised by potential Applicants, the Fund seeks to clarify that

§ 1806.201(b)(4)(viii) requires an Applicant to report the amount of funds that are deposited by *Residents* of a Distressed Community at offices located within the Distressed Community. However, the Fund has determined that this will create an undue burden for many Applicants. For this reason, these interim regulations give Applicants the option of not reporting information on its deposit liabilities. In such a case, an Applicant's deposit liabilities will not be considered (either positively or negatively) in calculating the service score as described in § 1806.203(b)(1).

Section 1806.202 is also modified to clarify the manner in which deposit liabilities will be measured. Deposit liabilities shall be measured by comparing the net change in the amount of applicable funds on deposit between the beginning and end of the Baseline Period and the beginning and end of the Assessment Period.

Section 1806.204 is amended to clarify the manner in which an Applicant should present its application materials if it is merging with another institution during the Assessment Period. In summary, the Applicant (which should be the surviving institution) shall submit materials for it and the institution with which it is merging that describe the Baseline Period activities of each institution. The Applicant shall submit a combined projection of Assessment Period activities of the merged institutions.

Section 1806.206(b)(4) is modified to recognize that some Applicants may be unable to make firm commitments to provide Equity Investments to specific CDFIs prior to the application deadline. In lieu of the requirements described in § 1806.206(b)(4) (which indicate that an Applicant must identify the specific CDFI in which it will invest and the terms and conditions of such investment), the Fund will permit an Applicant to submit: (1) A projection of the total dollar amount of Equity Investments in CDFIs that it expects to make during the Assessment Period; (2) a list of potential investees; and (3) its criteria for making investments.

V. Extension of Comment Period

The Fund hereby extends the deadline for the comment period on the interim regulations published on October 19, 1995 for the CDFI Program and BEA Program until March 15, 1996. The Fund strongly encourages all applicants and other interested parties to submit comments.

List of Subjects

12 CFR Part 1805

Banks, banking, Community development, Economic development, Grant programs—community development, Loan programs—community development, Small businesses.

12 CFR Part 1806

Banks, banking, Community development, Economic development, Grant programs—community development, Loan programs—community development, Savings associations, Small businesses.

For the reasons set forth in the preamble, Parts 1805 and 1806 of Chapter XVIII of Title 12 of the Code of Federal Regulations are amended as follows:

PART 1805—COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROGRAM

1. The authority citation for Part 1805 continues to read as follows:

Authority: 12 U.S.C. 4703, 4717; chapter X, Pub. L. 104–19, 109 Stat. 237 (12 U.S.C. 4703 note).

2. Section 1805.104(n) is revised to read as follows:

§ 1805.104 Definitions.

* * * * *

(n) *Comprehensive Business Plan* means a document covering not less than the next five years which meets the requirements described under § 1805.701(d);

* * * * *

3. Section 1805.201 is amended by adding a new sentence at the end of the section to read as follows:

§ 1805.201 Certification as a Community Development Financial Institution.

* * * The Fund, at its sole discretion, retains the right to revoke a certification for good cause.

4. Section 1806.600 is amended by adding after the second sentence a new sentence to read as follows:

§ 1805.600 Matching funds—general.

* * * Funds that have been used to satisfy a legal requirement for obtaining funds under another Federal grant or award program cannot be used to satisfy the matching requirements described in this section. * * *

5. Section 1805.604 is added to subpart F to read as follows:

§ 1805.604 Retained earnings.

(a) An Applicant that proposes to meet all or a portion of its matching

funds requirements as set forth in this part by committing available earnings retained from its operations pursuant to § 1805.601(c) shall be subject to the restrictions described in this section.

(b)(1) In the case of a for-profit Applicant, retained earnings that can be used for matching funds purposes shall consist of:

(i) The increase in retained earnings (excluding the after-tax value to an Applicant of any grants and other donated assets) that has occurred over the Applicant's most recent fiscal year (e.g., retained earnings at the end of fiscal year 1995 less retained earnings at the end of fiscal year 1994); or

(ii) The annual average of such increases that have occurred over the Applicant's three most recent fiscal years.

(2) Such retained earnings can be used to match a request for an equity investment. The terms and conditions of financial assistance will be determined by the Fund.

(c)(1) In the case of a non-profit Applicant (other than an Insured Credit Union), retained earnings that can be used for matching funds purposes shall consist of:

(i) The increase in an Applicant's fund balance (excluding the amount of any grants and value of other donated assets) that has occurred over the Applicant's most recent fiscal year; or

(ii) The annual average increases in an Applicant's fund balance that has occurred over the Applicant's three most recent fiscal years.

(2) Such retained earnings can be used to match a request for a capital grant. The terms and conditions of financial assistance will be determined by the Fund.

(d)(1) In the case of an Insured Credit Union Applicant, retained earnings that can be used for matching funds purposes shall consist of:

(i) The increase in net capital that has occurred over the Applicant's most recent fiscal year;

(ii) The annual average of increases in net capital that has occurred over the Applicant's three most recent fiscal years; or

(iii) The entire net capital that has been accumulated since the inception of the Applicant provided that the conditions described in paragraph (d)(4) of this section are satisfied.

(2) For the purpose of paragraph (d)(4) of this section, net capital shall be comprised of "Regular Reserves", "Other Reserves" (excluding reserves specifically dedicated for losses), and "Undivided Earnings" as such terms are used in the National Credit Union Administration's accounting manual.

(3) Such retained earnings can be used to match a request for a capital grant. The terms and conditions of financial assistance will be determined by the Fund.

(4) If the option described in paragraph (d)(1)(iii) of this section is used:

(i) An Applicant's performance goals described in § 1805.901(a) shall provide that:

(A) An Awardee increase its member and/or non-member shares by an amount that is at least equal to four times the amount of net capital that is committed as matching funds;

(B) Such increase be achieved within one year of entering into an Assistance Agreement; and

(C) Such increase be maintained for the period of time covered by the Comprehensive Business Plan;

(ii) The Applicant's Comprehensive Business Plan shall discuss its strategy for raising the required shares and the activities associated with such increased shares;

(iii) The level from which the increases in shares described in paragraph (d)(4)(i) of this section will be measured shall be the greater of the level of shares as of:

(A) The end of the calendar year immediately preceding the applicable application deadline; or

(B) The time that an Applicant is selected to receive assistance; and

(iv) Financial assistance shall be disbursed by the Fund only as the amount of shares described in paragraph (d)(4)(i)(A) of this section is increased.

(5) The Fund will allow an Applicant to utilize the option described in paragraph (d)(1)(iii) of this section for matching funds only if it determines, in its sole discretion, that the Applicant will have a high probability of success in increasing its shares to the specified amounts.

(e) An Applicant may only use retained earnings to meet the matching funds requirements if it has liquidity (as determined by the Fund) in amounts that are equal to or greater than the amount of retained earnings that is proposed for use as matching funds. In assessing an Applicant's liquidity for the purposes of this paragraph (e), the Fund may exclude any amounts that it determines are not available to promote an Awardee's performance goals and the purposes of the CDFI Program.

(f) Retained earnings accumulated after the end of the Applicant's most recent fiscal year ending prior to the appropriate application deadline may not be used as matching funds.

6. Section 1805.701 is amended by revising paragraph (d)(2)(iii) and the

first sentence of paragraph (e)(3) introductory text to read as follows:

§ 1805.701 Application contents.

- (d) * * *
- (2) * * *
- (iii) *Financial statements.* (A) An Applicant shall submit:
 - (1) Audited financial statements;
 - (2) Financial statements that have been reviewed by a certified public accountant; or
 - (3) Financial statements that have been reviewed by the Applicant's Appropriate Federal Banking Agency.
 (B) All financial statements must utilize accrual based accounting methods. All historic financial statements shall be reported on the basis of the Applicant's fiscal year.

- (e) * * *
- (3) If an Applicant intends to use retained earnings to meet the matching funds requirements, it shall provide the information described in paragraph (d)(2)(iii) of this section and a copy of its tax returns for the same period, or, in the case of an Insured Credit Union, a copy of its most recent Form 5300 that has been submitted to the National Credit Union Administration. * * *

PART 1806—BANK ENTERPRISE AWARD PROGRAM

1. The authority citation for Part 1806 continues to read as follows:

Authority: 12 U.S.C. 4703, 4717; chapter X, Pub. L. 104-19, 109 Stat. 237 (12 U.S.C. 4703 note).

2. Section 1806.103 is amended by adding a new paragraph (dd) to read as follows:

§ 1806.103 Definitions.

- (dd) *Investment* means, for the purpose of § 1806.201(b)(4)(xiv), the purchase of stock, limited partnership interest, or other ownership instrument, or a grant in a commercial real estate, single family housing, multi-family housing, business or agriculture project or activity.

3. Section 1806.200(b)(2)(ii) is revised to read as follows:

§ 1806.200 Community eligibility and designation.

- (b) * * *
- (2) * * *
- (ii) The unemployment rate is at least 1.5 times greater than the national average, as determined by the U.S. Bureau of Labor Statistics' most recent

data (including estimates of census tract unemployment developed using the Bureau of Labor Statistics' Census Share calculation method).

4. Section 1806.201 is amended by revising paragraph (b)(2), removing "and" at the end of paragraph (b)(4)(xii), removing the period at the end of paragraph (b)(4)(xiii)(B) and adding in its place "; and", and adding a new paragraph (b)(4)(xiv) to read as follows:

§ 1806.201 Qualified activities.

- (b) * * *
- (2) *Service.* The Eligible Development Activities listed in paragraphs (b)(4)(i) through (vii) and (b)(4)(xiv) of this section must serve a Distressed Community. An activity is considered to serve a Distressed Community if it is:
 - (i) Undertaken in the Distressed Community; or
 - (ii) Provided to Low and Moderate Income Residents or enterprises integrally involved in the Distressed Community.

- (4) * * *
- (xiv) Investments (the same priority factor and reported in the category of Eligible Development Activity described in paragraphs (b)(4)(ii) through (vii) of this section that most accurately describes the type project or activity in which an Investment is made (e.g., an Investment in a multi-family housing project should be reported under Multi-family Loans)).

5. Section 1806.202 is amended by revising paragraph (a), removing "and" at the end of paragraph (d)(2), removing the period at the end of paragraph (d)(3) and adding "; and" in its place, and adding new paragraphs (b)(4) and (d) to read as follows:

§ 1806.202 Measuring activities.

- (a) *General.* Qualified Activities shall be measured by comparing the Qualified Activities carried out during the Baseline Period with the Qualified Activities projected to be carried out during the Assessment Period. Increases in the values of Qualified Activities between the Baseline and Assessment Periods will be used in determining award amounts. Applicants shall report their activities in all categories of Qualified Activities for the Baseline and Assessment Periods. At its option, an Applicant may select not to report its deposit liabilities as described in § 1806.201(b)(4)(viii). In such a case, an Applicant's deposit liabilities will not be considered in calculating the service score pursuant to § 1806.203(b)(1). The dates of the Baseline and Assessment

Periods will be published in the NOFA for each funding round.

- (b) * * *
- (4) Investments at the original amount of the purchase of stock, limited partnership interest, other ownership interest, or grant.

- (d) *Deposit liabilities.* (1) Deposit liabilities shall be measured by comparing the net change in the amount of applicable funds (as described in § 1806.201(b)(4)(viii)) on deposit at the Applicant institution during the periods described in paragraphs (d)(2) and (d)(3) of this section.

- (2) An Applicant shall measure the net change in deposit liabilities during the Baseline Period by comparing the amount of applicable funds on deposit at the close of business the day before the beginning of the Baseline Period and at the close of business on the last day of the Baseline Period.

- (3) An Applicant shall measure the net change in deposit liabilities during the Assessment Period by comparing the amount of applicable funds on deposit at the close of business the day before the beginning of the Assessment Period and at the close of business on the last day of the Assessment Period.

7. Section 1806.206 is amended by revising paragraphs (b)(1) and (b)(4) to read as follows:

§ 1806.206 Applications for Bank Enterprise Awards.

- (b) * * *
- (1) A completed Bank Enterprise Award Rating and Calculation worksheet (If an Applicant intends to complete a merger with another institution during the Assessment Period, it shall submit a separate Baseline Period worksheet for each subject institution and one Assessment Period worksheet that represents the projected activities of the merged institutions. If such a merger is unexpectedly delayed beyond the end of the Assessment Period, the Fund reserves the right to withhold distribution of an award until the merger has been completed.);

- (4) If applicable:
 - (i) A narrative description of each CDFI that the Applicant proposes to provide an Equity Investment in and the amount, terms, and conditions of the investment; or
 - (ii)(A) A projection of the aggregate dollar amount of Equity Investments it proposes to make during the Assessment Period;
 - (B) A list of potential investees; and

(C) A description of its investment criteria;

* * * * *

Dated: January 17, 1996.

Kirsten S. Moy,

Director, Community Development Financial Institution Fund.

[FR Doc. 96-745 Filed 1-22-96; 8:45 am]

BILLING CODE 4810-70-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 96-NM-01-AD; Amendment 39-9492; AD 96-01-51]

Airworthiness Directives; Boeing Model 747-100 and -200 Series Airplanes Modified in Accordance With Supplemental Type Certificate (STC) SA2322SO or SA4227NM-D.

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This document publishes in the Federal Register an amendment adopting Airworthiness Directive (AD) T96-01-51 that was sent previously to all known U.S. owners and operators of certain Boeing Model 747-100 and -200 airplanes by individual telegrams. This AD requires repetitive inspections of the latch safety pins of the main deck side cargo door to ensure that the door is securely latched and locked; it also requires deactivation of certain panel lights and installation of a placard to indicate such deactivation. This amendment is prompted by a report of a malfunction of the safety interlock system of the main deck side cargo door on one airplane. The actions specified by this AD are intended to prevent such malfunctions, which could result in the opening of the main deck side cargo door while the airplane is in flight, and subsequent rapid decompression of the airplane.

DATES: Effective January 29, 1996, to all persons except those persons to whom it was made immediately effective by telegraphic AD T96-01-51, issued January 3, 1996, which contained the requirements of this amendment.

Comments for inclusion in the Rules Docket must be received on or before March 25, 1996.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-103, Attention: Rules Docket No. 96-NM-

01-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Information pertinent to this rulemaking action may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Small Airplane Directorate, Atlanta Aircraft Certification Office, Campus Building, 1701 Columbia Avenue, Suite 2-160, College Park, Georgia.

FOR FURTHER INFORMATION CONTACT: Randy Avera, Aerospace Engineer, Systems and Equipment Branch, ACE-130A, FAA, Small Airplane Directorate, Atlanta Aircraft Certification Office, Campus Building, 1701 Columbia Avenue, Suite 2-160, College Park, Georgia 30337-2748; telephone (404) 305-7381; fax (404) 305-7348.

SUPPLEMENTARY INFORMATION: The FAA has recently received a report that the flightcrew on a Boeing Model 747-100 series airplane noted an abnormal cabin altitude rate of climb. Although the pressurization vent door light was not illuminated (which signified to the flightcrew that the door was closed and locked), the flightcrew was unable to pressurize the airplane. The flightcrew also noted that the main deck side cargo door "DOOR UNLOCKED" light illuminated shortly after takeoff. Investigation revealed that 11 of the 12 latches on the main deck side cargo door were unlatched and unlocked. However, the pressurization vent door was closed and locked; this would signify that a malfunction of the safety interlock system had occurred.

A properly functioning safety interlock system electro-mechanically prevents the pressurization vent door from closing until all of the latches are in the fully latched and locked position. If the pressurization vent door is not closed, the airplane cannot be pressurized.

Although the original cause of the failure to properly latch the door may be attributable to human error, the purpose of the interlock system is to ensure that such errors are detected so that the airplane cannot be pressurized unless the main deck side cargo door is properly latched and locked. Malfunction of the safety interlock system of the main deck side cargo door, if not corrected, could result in an in-flight opening of the main deck side cargo door, and subsequent rapid decompression of the airplane.

The airplane in the reported incident was a Model 747-100 series airplane that had been modified in accordance with Supplemental Type Certificate (STC) SA2322SO. The modification entailed the installation of a main deck

side cargo door as part of a conversion of the airplane from a passenger configuration to a special freighter configuration.

Since STC SA2322SO for Model 747-100 series airplanes is similar in design to STC SA4227NM-D for Model 747-200 series airplanes, the FAA has determined that the unsafe condition may also exist on a MODEL 747-200 series airplane that has been modified in accordance with STC SA4227NM-D. (Likewise, that STC entails the conversion of a Model 747-200 series airplane from a passenger configuration to a special freighter configuration.)

Since the unsafe condition described is likely to exist or develop on other airplanes of the same type design, the FAA issued Telegraphic AD T96-01-51 to prevent malfunction of the safety interlock system of the main deck cargo door, which could result in the opening of the main deck side cargo door during flight, and subsequent rapid decompression of the airplane. The AD requires repetitive inspections of the latch safety pins of the main deck side cargo door to ensure that the door is securely latched and locked. The AD also requires deactivation of the "LATCHES UNLOCKED" light at the door operating panel, and the "DOOR UNLOCKED" light at the flight engineer (F/E) panel; as well as the fabrication and installation of a placard to indicate that the "DOOR UNLOCK" light at the F/E panel has been deactivated. These actions are required to be accomplished in accordance with a method approved by the FAA.

The AD also provides for the termination of these requirements following accomplishment of a modification that positively addresses the identified unsafe condition and that has been approved by the FAA.

Since it was found that immediate corrective action was required, notice and opportunity for prior public comment thereon were impracticable and contrary to the public interest, and good cause existed to make the AD effective immediately by individual telegrams issued on January 3, 1996, to all known U.S. owners and operators of the affected Boeing Model 747-100 and -200 series airplanes. These conditions still exist, and the AD is hereby published in the Federal Register as an amendment to section 39.13 of the Federal Aviation Regulations (14 CFR 39.13) to make it effective to all persons.

This is considered to be interim action until final action is identified, at which time the FAA may consider further rulemaking.