proposed, the FCA provided for a continuation of the existing practice of weighted voting in the election of FCB directors. In weighted voting, an association is entitled to cast as many votes as there are voting shareholders in the association. In response to an association comment on the 1988 proposed rule that this method of voting ''may deprive small associations of any voice in the affairs of its bank if the district is dominated by a large district-wide association,'' the FCA retained weighted voting in the final regulation but also provided for cumulative voting unless each association, as a shareholder of the FCB, consents to eliminate it.

The explanation in the preamble of the final regulations for adding cumulative voting states:

> To respond to the concerns that smaller associations would be disadvantaged [by weighted voting], the final regulation requires the bank to allow cumulative voting unless each association agrees otherwise, which will allow small associations a greater opportunity to place a director on the board.

53 FR 40033, 40038 (October 13, 1988).

Unanimous consent to eliminate cumulative voting was required to assure that cumulative voting could be eliminated only with the consent of all of the associations that the provision was designed to protect. In addition, it assured that no single large association could defeat a protection for minority shareholders.

Associations in all FCB districts are currently permitted to cumulate their votes (which would otherwise be cast as a weighted vote for the preferred candidate in each open director position) to support only one director, if desired. Thus, if an association were entitled to cast 300 shares to vote for three director positions (a weighted vote of 300 representing 100 shareholders multiplied by three open director positions), it could choose to vote 100 shares for its preferred candidate in each director position, or, at the association's discretion, it could cumulate its votes and cast 300 shares for its preferred candidate in one director position or distribute its 300 shares in any combination among the preferred candidates in any of the open director positions.

The structure of the System has changed since 1988; currently there are no single large associations that dominate an entire district. Based on present circumstances, the FCA believes that the importance of requiring unanimous consent to eliminate cumulative voting is less compelling. However, the FCA continues to believe that cumulative voting provides important protection to minority interests and, consequently, that this voting method should be subject to elimination only by a supermajority. The FCA believes that a two-thirds' majority, as suggested by many petitioners, may not be a great enough supermajority to provide that protection. In addition, in some districts there are different types of associations that may favor different bank policies, and one type of association may have substantially more votes than other types. The FCA proposes to amend the existing requirement to permit an FCB to eliminate cumulative voting by a 75-percent majority but requests comment on the appropriateness of this level.

The FCA considered whether to provide for the elimination of cumulative voting on a weighted-vote basis, rather than according each association one vote, since weighted voting is the basis for all other shareholder votes. However, the Agency decided to propose a one-association, one-vote requirement because small associations will have a greater say in the decision to eliminate cumulative voting if their votes are given the same value as large associations.

List of Subjects in 12 CFR Part 615

Accounting, Agriculture, Banks, banking, Government securities, Investments, Rural areas.

For the reasons stated in the preamble, part 615 of chapter VI, title 12 of the Code of Federal Regulations is proposed to be amended to read as follows:

PART 615—FUNDING AND FISCAL AFFAIRS, LOAN POLICIES AND OPERATIONS, AND FUNDING OPERATIONS

1. The authority citation for part 615 continues to read as follows:

Authority: Secs. 1.5, 1.7, 1.10, 1.11, 1.12, 2.2, 2.3, 2.4, 2.5, 2.12, 3.1, 3.7, 3.11, 3.25, 4.3, 4.3A, 4.9, 4.14B, 4.25, 5.9, 5.17, 6.20, 6.26, 8.0, 8.3, 8.4, 8.6, 8.7, 8.8, 8.10, 8.12 of the Farm Credit Act (12 U.S.C. 2013, 2015, 2018, 2019, 2020, 2073, 2074, 2075, 2076, 2093, 2122, 2128, 2132, 2146, 2154, 2154a, 2160, 2202b, 2211, 2243, 2252, 2278b, 2278b–6, 2279aa, 2279aa–3, 2279aa–4, 2279aa–6, 2279aa–7, 2279aa–8, 2279aa–10, 2279aa–12); sec. 301(a) of Pub. L. 100–233, 101 Stat. 1568, 1608.

Subpart I—Issuance of Equities

2. Section 615.5230 is amended by revising paragraph (a)(2)(ii) to read as follows:

§ 615.5230 Implementation of cooperative principles.

(a) * * *

(2) * * *

(ii) Have the right to vote in the election of each director and be allowed to cumulate such votes and distribute them among the candidates in the shareholder's discretion, except that cumulative voting for directors may be eliminated if 75 percent of the associations that are shareholders of the Farm Credit Bank vote in favor of elimination. In a vote to eliminate cumulative voting, each association shall be accorded one vote.

Dated: April 22, 1997.

Floyd Fithian,

Secretary, Farm Credit Administration Board.

[FR Doc. 97–10750 Filed 4–24–97; 8:45 am]

BILLING CODE 6705–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 96–NM–245–AD]

RIN 2120–AA64

Airworthiness Directives; Boeing Model 747 Series Airplanes

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 Boeing Model 747 series airplanes. This proposal would require an internal visual inspection to detect cracks of the skin and internal doublers above main entry door 1 at body station 460, and various follow-on actions. This proposal is prompted by reports indicating that multiple fatigue cracks were found in both internal skin doublers. The actions specified by the proposed AD are intended to detect and correct such fatigue cracking, which could result in reduced structural integrity of the fuselage and consequent rapid depressurization of the cabin.

DATES: Comments must be received by June 6, 1997.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM–103, Attention: Rules Docket No. 96-NM–245-AD, 1601 Lind Avenue, SW., Renton, Washington 98055–4056. Comments may be inspected at this location between 9:00 a.m. and 3:00 p.m., Monday through Friday, except Federal holidays.

The service information referenced in the proposed rule may be obtained from Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124–2207. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT: Bob Breneman, Aerospace Engineer, Airframe Branch, ANM–120S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington; telephone (206) 227–2776; fax (206) 227–1181.

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 notice may be changed in light of the comments received.

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 notice must submit a self-addressed, stamped postcard on which the following statement is made: ''Comments to Docket Number 96–NM–245–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–103, Attention: Rules Docket No. 96–NM–245–AD, 1601 Lind Avenue, SW., Renton, Washington 98055–4056.

Discussion

The FAA has received a report of multiple cracks in both internal skin doublers of a Boeing Model 747 series airplane that had accumulated 24,723 flight cycles. These cracks extended under the outer flange of the frame at body station (STA) 460 for a maximum of 13 inches. The FAA received additional reports of cracking of the internal doublers; one of these reports involved an airplane that had accumulated only 13,517 flight cycles. Results of full-scale fatigue tests on Model 747 test articles revealed similar cracks in the internal skin doublers. Such cracking has been attributed to structural fatigue. Fatigue cracking in the internal doublers, if not detected and corrected in a timely manner, could result in reduced structural integrity of the fuselage and consequent rapid depressurization of the cabin.

Explanation of Relevant Service Information

The FAA has reviewed and approved Boeing Service Bulletin 747–53A2396, Revision 1, dated February 22, 1996, which describes procedures for performing an internal visual inspection to detect cracks of the skin and internal doublers above main entry door 1 at STA 460, and various follow-on actions. The follow-on actions include:

1. An open hole high frequency eddy current (HFEC) inspection to detect cracks of the skin and internal doublers above main entry door 1, and repair, if necessary;
2. Installation of an external doubler;
3. A visual inspection to detect damage of the adjacent structure within 20 inches of detected cracks, and repair, if necessary; and
4. Repetitive internal surface HFEC inspections or external low frequency eddy current (LFEC) inspections to detect damage of repaired or modified areas.

Explanation of Requirements of Proposed Rule

Since an unsafe condition has been identified that is likely to exist or develop on other products of this same type design, the proposed AD would require an internal visual inspection to detect cracks of the skin and internal doublers above main entry door 1 at STA 460, and various follow-on actions. The actions would be required to be accomplished in accordance with the service bulletin described previously. If any damage is detected in repaired or modified areas, a repair would be required to be accomplished in accordance with a method approved by the FAA.

Differences Between Proposed AD and Relevant Service Information

Operators should note that the referenced service bulletin specifies a provision that cabin differential pressurization cycles of 2.0 pounds per square inch (psi) or less need not be counted as a flight cycle when determining the number of flight cycles relative to the proposed compliance thresholds. This proposed AD does not include such a provision. In several AD's in the past, the FAA considered that flights with less than 2.0 psi cabin differential pressure contributed to a negligible amount of fatigue damage to the fuselage structure; thus, the FAA allowed the use of the subject provision in those AD's. However, the FAA has received new data indicating that discounting cabin differential pressurization cycles of 2.0 psi or less is not conservative, and does not provide an accurate determination of equivalent flight cycles.

Operators of Boeing Model 747SR series airplanes should also note that, unlike the procedures described in the referenced service bulletin, this proposed AD would not permit the 1.2 adjustment factor to be used to reduce the inspection threshold. In several AD's in the past, the FAA allowed the use of this adjustment factor. However, based on new data, the FAA has determined that the 1.2 adjustment factor would not address the unsafe condition in a timely manner. The FAA may consider additional rulemaking to address all previously issued AD's applicable to Boeing Model 747 series airplanes that allow the use of the 1.2 adjustment factor.

Other Relevant Rulemaking

The FAA has previously issued two other AD's that concern the area above the main entry doors on Boeing Model 747 series airplanes having line numbers prior to 207:

1. AD 89–21–09, amendment 39–6350 (54 FR 41053, October 5, 1989), requires periodic inspection of the fuselage skin just above the forward main entry door for cracks emanating from the circumferential skin splice, and modifications, if necessary.
2. AD 90–06–06, amendment 39–6490 (55 FR 8374, March 7, 1990), requires incorporation of certain structural modifications.

However, this proposed AD would not affect the current requirements of any of those previously issued AD's.

Cost Impact

There are approximately 880 Boeing Model 747 series airplanes of the affected design in the worldwide fleet. The FAA estimates that 143 airplanes of U.S. registry would be affected by this proposed AD. Each of these airplanes has a left and right-side main entry door 1.

It would take approximately 76 work hours per airplane to accomplish the proposed internal visual inspection, at an average labor rate of $60 per work hour. Based on these figures, the cost impact of the internal visual inspection proposed by this AD on U.S. operators is estimated to be $652,080, or $4,560 per airplane.

Should an operator be required to accomplish the proposed preventative modification, it would take approximately 100 work hours per airplane to accomplish, at an average labor rate of $60 per work hour. Required parts would cost approximately $1,094 per airplane. Based on these figures, the cost impact of the installation proposed by this AD on U.S. operators is estimated to be $1,014,442, or $7,094 per airplane.

It would take approximately 40 work hours per airplane to accomplish the proposed HFEC or LFEC inspection (i.e., post-modification), at an average labor rate of $60 per work hour. Based on these figures, the cost impact of the HFEC or LFEC inspection proposed by this AD on U.S. operators is estimated to be $343,200, or $2,400 per airplane, per inspection cycle.

Should an operator be required to accomplish the proposed repair, it would take approximately 212 work hours per airplane to accomplish, at an average labor rate of $60 per work hour. Required parts would cost approximately $2,602 per airplane. Based on these figures, the cost impact of the repair proposed by this AD on U.S. operators is estimated to be $2,191,046, or $15,322 per airplane.

The cost impact figures discussed above are based on assumptions that no operator has yet accomplished any of the proposed requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted.

Regulatory Impact

The regulations proposed herein would 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 proposal would not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this proposed regulation (1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, 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 copy of the draft regulatory evaluation prepared for this action is contained in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption **ADDRESSES.**

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding the following new airworthiness directive:

Boeing: Docket 96–NM–245–AD.

Applicability: Model 747 series airplanes, having line number 207 through 1088 inclusive, certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (e) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously.

To detect and correct fatigue cracking in the internal skin doublers, which could result in reduced structural integrity of the fuselage and consequent rapid depressurization of the cabin, accomplish the following:

(a) For airplanes identified as Groups 1 through 10, inclusive, in Boeing Service Bulletin 747–53A2396, Revision 1, dated February 22, 1996: Prior to the accumulation of 13,000 flight cycles, or within 18 months after the effective date of this AD, whichever occurs later, perform an internal visual inspection to detect cracks of the skin and internal doublers above main entry door 1 at body station (STA) 460, in accordance with Part 2—Inspection of the Accomplishment Instructions of Boeing Service Bulletin 747–53A2396, Revision 1, dated February 22, 1996.

(1) If no crack is detected during the internal visual inspection required by paragraph (a) of this AD, prior to further flight, perform an open hole high frequency eddy current (HFEC) inspection to detect cracks of the skin and internal doublers above main entry door 1, in accordance with Figure 10 of the service bulletin.

(i) If no crack is detected during the open hole HFEC inspection required by paragraph (a)(1) of this AD, prior to further flight, install an external doubler in accordance with Part 4—Modification of the Accomplishment Instructions of the service bulletin.

(ii) If any crack is detected during the open hole HFEC inspection, prior to further flight, perform a visual inspection to detect damage of the adjacent structure within 20 inches of the cracks, in accordance with Part 3—Repair of the Accomplishment Instructions of the service bulletin. If any damage is detected, prior to further flight, repair it in accordance with Part 3—Repair, or the NOTE specified in paragraph G. of Part 2—Inspection of the Accomplishment Instructions of the service bulletin.

(2) If any crack is detected during the internal visual inspection required by paragraph (a) of this AD, prior to further flight, perform a visual inspection to detect damage of the adjacent structure within 20 inches of the cracks, in accordance with Part 3—Repair of the Accomplishment Instructions of the service bulletin. Prior to further flight following accomplishment of this visual inspection, repair any cracked skin or internal doublers, and/or repair adjacent damaged structure, in accordance with Part 3—Repair of the Accomplishment Instructions of the service bulletin.

(b) Perform either an internal surface HFEC or external low frequency eddy current (LFEC) inspection to detect damage of the repaired or modified area, in accordance with Part 6—After-Repair or After-Modification Inspection Program of the Accomplishment Instructions of Boeing Service Bulletin 747–53A2396, Revision 1, dated February 22, 1996; at the time specified in paragraph (b)(1) or (b)(2) of this AD, as applicable.

(1) For airplanes identified as Groups 1 through 10, inclusive, in Boeing Service Bulletin 747–53A2396, Revision 1, dated February 22, 1996: Inspect within 15,000 flight cycles following accomplishment of either paragraph (a)(1) or (a)(2) of this AD.

(2) For airplanes identified as Group 11 in Boeing Service Bulletin 747–53A2396, Revision 1, dated February 22, 1996: Inspect prior to the accumulation of 15,000 total flight cycles.

(c) If no damage is detected during any inspection required by paragraph (b) of this AD, repeat the inspections required by paragraph (b) of this AD at the following intervals:

(1) If the immediately preceding inspection was conducted using HFEC techniques, conduct the next inspection within 6,000 flight cycles.

(2) If the immediately preceding inspection was conducted using LFEC techniques, conduct the next inspection within 3,000 flight cycles.

(d) If any damage is detected during any inspection required by paragraph (b) of this AD, prior to further flight, repair it in accordance with a method approved by the Manager, Seattle Aircraft Certification Office (ACO), FAA, Transport Airplane Directorate.

(e) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Seattle ACO. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Seattle ACO.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Seattle ACO.

(f) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

Issued in Renton, Washington, on April 21, 1997.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 97–10787 Filed 4–24–97; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 97–AGL–17]

Modification of Class D Airspace and Establishment and Modification of Class E Airspace; Grand Forks, ND, Grand Forks International Airport

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This notice proposes to modify Class D airspace, establish Class E2 airspace, and modify Class E4 and Class E5 airspace at Grand Forks, ND. Initiation of air traffic control tower operations for less than 24 hours per day and a reevaluation of the airspace requirements for the existing instrument approach procedures necessitates these changes to the existing controlled airspace for the airport. Controlled airspace extending upward from the surface is needed to contain aircraft executing the approach. The intended affect of this proposal is to provide segregation of aircraft using instrument approach procedures in instrument conditions from other aircraft operating in visual weather conditions.

DATES: Comments must be received on or before June 16, 1997.

ADDRESSES: Send comments on the proposal in triplicate to: Federal Aviation Administration, Office of the Assistant Chief Counsel, AGL–7, Rules Docket No. 97–AGL–17, 2300 East Devon Avenue, Des Plaines, Illinois 60018.

The official docket may be examined in the Office of the Assistant Chief Counsel, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois. An informal docket may also be examined during normal business hours at the Air Traffic Division, Operations Branch, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois.

FOR FURTHER INFORMATION CONTACT: John A. Clayborn, Air Traffic Division, Operations Branch, AGL–530, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone (847) 294–7568.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal. Communications should identify the airspace docket number and be submitted in triplicate to the address listed below. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: ''Comments to Airspace Docket No. 97–AGL–17.'' The postcard will be date/time stamped and returned to the commenter. All communications received on or before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in light of comments received. All comments submitted will be available for examination in the Rules Docket, FAA, Great Lakes Region, Office of the Assistant Chief Counsel, 2300 East Devon Avenue, Des Plaines, Illinois, both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRM's

Any person may obtain a copy of the Notice of Proposed Rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, Office of Public Affairs, Attention: Public Inquiry Center, APA–230, 800 Independence Avenue, SW., Washington, DC 20591, or by calling (202) 267–3484. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRM's should also request a copy of Advisory Circular No. 11–2A, which describes the application procedure.

The Proposal

The FAA is considering an amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) to modify Class D airspace, establish Class E2 airspace, and modify Class E4 and Class E5 airspace at Grand Forks, ND; this proposal would provide adequate Class D and Class E airspace for operators executing instrument flight procedures at Grand Forks International Airport. Controlled airspace extending upward from the surface is needed to contain aircraft executing the instrument approach procedures. The intended effect of this action is to provide segregation of aircraft using instrument approach procedures in instrument conditions from other aircraft operating in visual weather conditions. The area would be depicted on appropriate aeronautical charts thereby enabling pilots to circumnavigate the area or otherwise comply with IFR procedures. Class D airspace designations for airspace areas within which all aircraft operators are subject to operating rules and equipment requirements of Part 91 of the Federal Aviation Regulations (14 CFR 91.129) are published in paragraph 5000, Class E2 airspace designations for airspace areas designated as a surface area for an airport are published in paragraph 6002, Class E4 airspace designations for airspace areas designated as an extension to a Class D or Class E surface area are published in paragraph 6004, and Class E5 airspace designations for airspace areas extending upward from 700 feet or more above the surface of the earth are published in paragraph 6005, of FAA Order 7400.9D dated September 4, 1996, and effective September 16, 1996, which is incorporated by reference in 14 CFR