§39.13 [Amended]

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

Bombardier, Inc. (Formerly Canadair): Docket 96–NM–271–AD.

Applicability: Model CL–600–2B19 (Regional Jet Series 100) airplanes, serial numbers 7003 through 7105 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 (b) 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 prevent the direct current (DC) power distribution system from short circuiting, which could result in a burnt wire, smoke entering the cockpit area, and consequent passenger injury due to smoke inhalation, accomplish the following:

(a) Within 600 hours time-in-service after the effective date of this AD, perform a one-time inspection of the DC power distribution system for reliability in accordance with Canadair Regional Jet Service Bulletin S.B. A601R–24–056, Revision 'A', dated July 9, 1996. Prior to further flight, correct or repair any discrepant fuse holders and associated electrical wiring, in accordance with the service bulletin.

(b) 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, New York Aircraft Certification Office (ACO), FAA, Engine and Propeller Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, New York ACO.

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

(c) 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 May 28, 1997.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 97–14484 Filed 6–3–97; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 96–CE–68–AD]

RIN 2120–AA64

Airworthiness Directives; Fairchild Aircraft Incorporated Models SA226–AT, SA226–TC, SA227–AC, and SA227–AT Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes to adopt a new airworthiness directive (AD) that would apply to certain Fairchild Aircraft Incorporated (Fairchild) Models SA226–AT, SA226–TC, SA227–AC, and SA227–AT airplanes. The proposed action would require inspecting the cargo door lower belt frames at the cargo latch receptacles for cracks in the belt frames, repairing the cracks, and reinforcing the cargo door lower belt frames by installing doublers. A decompression incident during flight caused by fatigue at the bottom of the cargo door on a Fairchild Model SA226–TC prompted the proposed action. The actions specified by the proposed AD are intended to prevent the failure of the cargo door in flight which could cause decompression injuries to passengers and substantial structural damage to the airplane.

DATES: Comments must be received on or before August 7, 1997.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Central Region, Office of the Assistant Chief Counsel, Attention: Rules Docket No. 96–CE–68–AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106. Comments may be inspected at this location between 8 a.m. and 4 p.m., Monday through Friday, holidays excepted.

Service information that applies to the proposed AD may be obtained from Fairchild Aircraft, P. O. Box 790490, San Antonio, Texas 78279–0490, telephone (210) 824–9421. This information also may be examined at the Rules Docket at the address above.

FOR FURTHER INFORMATION CONTACT: Hung Viet Nguyen, Aerospace Engineer, FAA, Fort Worth Airplane Certification Office, 2601 Meacham Boulevard, Fort Worth, Texas 76193–0150; telephone (817) 222–5155; facsimile (817) 222–5960.

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 should 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 that summarizes 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 No. 96–CE–68–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, Central Region, Office of the Assistant Chief Counsel, Attention: Rules Docket No. 96–CE–68–AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Discussion

In 1995, the FAA received a report on a Fairchild Model SA226–TC airplane that had a cargo door failure during flight. Upon investigation, the examiners discovered cracking in the cargo door lower belt frames. As a result of the incident, the FAA issued AD 95–18–05 to require replacing the cargo door receptacles to prevent failure of the cargo door. The FAA has since determined that further AD action is necessary to address this condition. This proposed AD does not cancel the actions required in AD 95–18–05.

Relevant Service Information

Fairchild has issued Service Bulletin 227–53–003, Issued: January 29, 1986; Revised: February 13, 1986, and Service

Bulletin 226–53–007, Issued: May 7, 1981; Revised: February 17, 1992 which specifies inspecting the cargo door belt frames for cracks and installing reinforcing doublers.

Differences Between Manufacturer's Service Information and the Proposed Action

Fairchild has suggested different compliance times for repair of the cracks based on total flight hours of each individual airplane. The FAA has determined that there should be one compliance time for all owners/operators of the affected airplanes. These service bulletins also specify reinforcing the area if cracks found are less than one inch, and if the cracks are larger than one inch, contact the manufacturer.

As currently written, the Fairchild service bulletin allows continued flight if cracks are found in the cargo door lower belt frames that do not exceed certain limits. The FAA has established a policy to disallow airplane operation when known cracks exist in primary structure, unless the ability to sustain ultimate load with these cracks is proven. The cargo door and the lower belt frame are considered primary structure, and the FAA has not received any analysis to prove that ultimate load can be sustained with cracks in this area. For this reason, the FAA has determined that the crack limits contained in the service bulletin fall under the policy, and that AD action should be taken to require immediate replacement of any cracked cargo door lower belt frames.

The FAA's Determination

After examining the circumstances and reviewing all available information related to the incident described above, the FAA has determined that AD action should be taken to prevent the failure of the cargo door in flight which could cause decompression injuries to passengers and substantial structural damage to the airplane.

Explanation of the Provisions of the Proposed AD

Since an unsafe condition has been identified that is likely to exist or develop in other Fairchild Aircraft Models SA226-AT, SA226-TC, SA227-AC, and SA227-AT airplanes of the same type design, the proposed AD would require inspecting the lower belt frames at the cargo latch receptacles for cracks. If cracks are found, the proposed AD would require repairing the cracks, prior to further flight, using a repair scheme provided by the manufacturer through the Airplane Certification Office. If no cracks are found, the proposed action would require reinforcing the cargo door lower belt frames by installing doublers.

Cost Impact

The FAA estimates that 145 airplanes in the U.S. registry would be affected by the proposed AD, that it would take approximately 30 workhours per airplane to accomplish the proposed initial inspection and installation of the reinforcing doubler, and that the average labor rate is approximately $60 an hour. Parts for the installation of the reinforcing doubler cost approximately $710 per airplane. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be $363,950 or $2,510 per airplane. The FAA has no way to determine the number of affected airplanes that have already accomplished the proposed action.

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 action (1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) 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 has been placed 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 USC 106(g), 40113, 44701.

§39.13 [Amended]

2. Section 39.13 is amended by adding a new airworthiness directive (AD) to read as follows:

Fairchild Aircraft Incorporated: Docket No. 96-CE–68-AD. Applicability: The following Models and serial numbered airplanes, certificated in any category.

Models	Serial Nos.
SA226–AT	AT001 through AT074.
SA226–TC ...	TC201 through TC419.
SA227–AC ...	AC406, AC415, AC416, AC420 through AC478, except AC457 and AC470.
SA227–AT	AT423 through AT469.

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 within the body of this AD, unless already accomplished.

To prevent failure of the cargo door in flight which could cause decompression injuries to passengers and substantial structural damage to the airplane, accomplish the following:

(a) Within the next 500 hours time-in-service (TIS) after the effective date of this AD, inspect the cargo door lower belt frames at the cargo latch receptacles for cracks in accordance with part A of the Accomplishment Instructions section in the Fairchild Aircraft (Fairchild) Service Bulletin (SB) No. 226–53–007, Issued: May 7, 1981; Revised: February 17, 1992 or Fairchild SB No. 227–53–003, Issued: January 29, 1986; Revised: February 13, 1986, whichever is applicable.

(b) If cracks are found, prior to further flight, contact the FAA Fort Worth Airplane Certification Office for a reinforcement and repair scheme provided by Fairchild Aircraft Incorporated and incorporate this reinforcement and repair scheme.

(c) If no cracks are found, within the next 500 hours after the initial inspection required in paragraph (a) of this AD, reinforce the cargo door lower belt frames by installing doublers in accordance with part B of the Accomplishment Instructions in Fairchild SB

226–53–007, Issued: May 7, 1981; Revised: February 17, 1992 or Fairchild SB 227–53–003, Issued: January 29, 1986; Revised: February 13, 1986, whichever is applicable.

(d) 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.

(e) An alternative method of compliance or adjustment of the compliance times that provides an equivalent level of safety may be approved by the Manager, FAA, Fort Worth Airplane Certification Office, 2601 Meacham Boulevard, Fort Worth, Texas 76193–0150. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Fort Worth Airplane Certification Office.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Fort Worth Airplane Certification Office.

(f) All persons affected by this directive may obtain copies of the documents referred to herein upon request to Fairchild Aircraft, P. O. Box 790490, San Antonio, Texas 78279–0490; or may examine these documents at the FAA, Central Region, Office of the Assistant Chief Counsel, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Issued in Kansas City, Missouri, on May 29, 1997.

Henry A. Armstrong,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 97–14544 Filed 6–3–97; 8:45 am]

BILLING CODE 4910–13–U

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

Release No. 34–38672; International Series Release No. IS–1085; File No. S7–16–97 Regulation of Exchanges

AGENCY: Securities and Exchange Commission.

ACTION: Concept release; request for comments.

SUMMARY: The Securities and Exchange Commission (''SEC'' or ''Commission'') is reevaluating its approach to the regulation of exchanges and other markets in light of technological advances and the corresponding growth of alternative trading systems and cross-border trading opportunities. Accordingly, the Commission is soliciting comment on a broad range of questions concerning the oversight of alternative trading systems, national securities exchanges, foreign market activities in the United States, and other related issues. Following receipt of public comment, the Commission will determine whether rulemaking is appropriate.

DATES: Comments must be received on or before September 2, 1997.

ADDRESSES: Interested persons should submit three copies of their written data, views, and opinions to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Comments may also be submitted electronically at the following e-mail address: rule-comments@sec.gov. All comment letters should refer to File No. S7–16–97; this file number should be included on the subject line if comments are submitted using e-mail. All submissions will be available for public inspection and copying at the Commission's Public Reference Room, Room 1024, 450 Fifth Street, NW, Washington DC 20549. Electronically submitted comment letters will be posted on the Commission's Internet web site (http://www.sec.gov).

FOR FURTHER INFORMATION CONTACT: For questions or comments regarding this release, contact: Kristen N. Geyer, Special Counsel, at (202) 942–0799; Gautam S. Gujral, Special Counsel, at (202) 942–0175; Marie D'Aguanno Ito, Special Counsel, at (202) 942–4147; Paula R. Jenson, Deputy Chief Counsel, at (202) 942–0073; or Elizabeth K. King, Special Counsel, at (202) 942–0140, Division of Market Regulation, Securities and Exchange Commission, Mail Stop 5–1, 450 Fifth Street, NW, Washington, DC 20549. For questions or comments regarding corporate disclosure and securities registration issues raised in this release, contact David Sirignano, Associate Director, at (202) 942–2870, Division of Corporation Finance, Securities and Exchange Commission, Mail Stop 3–1, 450 Fifth Street, NW, Washington, DC 20549.

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