below the flight idle stop while the airplane is in flight, accomplish the following:

(a) Within 30 days after the effective date of this AD, revise the Limitations Section of the FAA-approved Airplane Flight Manual (AFM) to include the following statements. This action may be accomplished by inserting a copy of this AD into the AFM.

Positioning of power levers below the flight idle stop while the airplane is in flight is prohibited. Such positioning may lead to loss of airplane control or may result in an overspeed condition and consequent loss of engine power.

(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, Standardization Branch, ANM–113, FAA, Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Standardization Branch, ANM–113.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Standardization Branch, ANM–113.

(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.

(d) This amendment becomes effective on July 6, 1998.

Issued in Renton, Washington, on May 22, 1998.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 98–14212 Filed 5–28–98; 8:45 am]

BILLING CODE 4910–13–U

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 270

[Release Nos. IC–23201; IS–1136; File No. S7–23–95]

RIN 3235–AE98

Custody of Investment Company Assets Outside the United States

AGENCY: Securities and Exchange Commission.

ACTION: Final rule; extension of compliance date.

SUMMARY: The Commission is extending the compliance date for certain amendments to the rule that governs the custody of investment company assets outside the United States.

DATES: The effective date of the rule amendments published on May 16, 1997 (62 FR 26923) remains June 16, 1997. As of May 29, 1998, the compliance date for the rule amendments, except for the amended definition of an ''eligible foreign custodian,'' is extended to February 1, 1999. The compliance date for the amended definition of an eligible foreign custodian remains June 16, 1998.

FOR FURTHER INFORMATION CONTACT: Thomas M. J. Kerwin, Senior Counsel, or C. Hunter Jones, Assistant Director, Office of Regulatory Policy, at (202) 942–0690, in the Division of Investment Management, Mail Stop 5–6, Securities and Exchange Commission, 450 5th Street, NW, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The Commission is extending the compliance date for certain amendments to rule 17f–5 [17 CFR 270.17f–5] under the Investment Company Act of 1940 [15 U.S.C. 80a] that the Commission adopted in 1997 (the ''1997 Amendments'').[1] The release that adopted the 1997 Amendments (the ''1997 Release'') provided that the amendments would become effective on June 16, 1997.[2] The 1997 Release further provided that registered management investment companies (''funds'') must bring their foreign custody arrangements into compliance with the amended rule by June 16, 1998 (*i.e.*, the fund's board must make the findings required by the amended rule or appoint a delegate to do so by that date).

After the Commission adopted the 1997 Amendments, representatives of mutual funds and ten U.S. bank custodians asked the Commission's Division of Investment Management to clarify whether the 1997 Amendments permit a fund board to delegate authority to a foreign custody manager to select a securities depository that a fund must use if it maintains assets in a particular country (a ''compulsory depository''). In a letter dated February 19, 1998, the Division of Investment Management answered that, in its view, under the rule, fund boards can delegate this authority.[3]

In a letter dated March 24, 1998, mutual fund representatives stated that certain requirements of the 1997 Amendments may present unanticipated problems when a foreign custody arrangement involves the selection of a compulsory depository.[4] They asserted that, because most depositories are governmental or quasi-governmental organizations, it may not be possible for funds (or their foreign custody managers) to obtain necessary information to make the findings contemplated by the rule, to negotiate terms or conditions in custody agreements, or to assure U.S. jurisdiction over foreign custodians. The fund representatives stated that they and representatives of custodian banks will soon submit to the Commission proposed revisions to the 1997 Amendments that would address these problems. In the interim, the fund representatives requested that the Commission suspend the compliance date for the 1997 Amendments to facilitate consideration of this submission.

The fund representatives state that a suspension is necessary because many funds have been unable to establish new custodial arrangements under the 1997 Amendments.[5] Fund representatives also state that funds did not become fully aware of potential difficulties in applying the 1997 Amendments to compulsory depositories until recently, when they began to revise their foreign custody arrangements to attempt to comply with the amendments. Because of the difficulties in applying the rule, the fund representatives assert that many funds may not be prepared to comply with the 1997 Amendments as of June 16, 1998. Some fund groups reportedly have considered withdrawing their assets from foreign custodians altogether, despite the burdens of alternative holding arrangements.[6]

The Commission is extending until February 1, 1999, the compliance date for the 1997 Amendments, except for the amended definition of an ''eligible foreign custodian,'' the compliance date for which will remain June 16, 1998.[7]

[1] *See* Custody of Investment Company Assets Outside the United States, Investment Company Act Release No. 22658 (May 12, 1997) [62 FR 26923 (May 16, 1997)].

[2] *Id.*, 62 FR at 26931.

[3] Letter to Dorothy M. Donohue, Associate Counsel, Investment Company Institute, and Daniel L. Goelzer, Baker & McKenzie, from Robert E. Plaze, Associate Director, Division of Investment Management (Feb. 19, 1998) (the 1997 Amendments do not exclude compulsory depositories from rule 17f–5's selection process, and do not preclude fund boards from delegating to a foreign custody manager the selection of a compulsory depository).

[4] *See* Letter to Barry P. Barbash, Director, Division of Investment Management, from Dorothy M. Donohue, Associate Counsel, Investment Company Institute (Mar. 24, 1998) (placed in File No. S7–23–95).

[5] *Id.*

[6] *See* Custody of Investment Company Assets Outside the United States, Investment Company Act Release No. 21259 (July 27, 1995) [60 FR 39592 (Aug. 2, 1995)] at n.3 (a fund may incur significant costs in maintaining securities outside the primary market for the securities).

[7] *See* rule 17f–5(a)(1) [17 CFR 270.17f–5(a)(1)]. This provision of the amended rule generally expands the class of eligible foreign custodians that may hold custody of fund assets. The amended definition of eligible foreign custodian also includes the definitions of ''qualified foreign bank'' and

Continued

The extension of the compliance date for the other amendments will give the Commission time to review the proposal to be submitted by representatives of funds and banks, and to evaluate whether refinements to the 1997 Amendments are needed.[8]

Until February 1, 1999, a fund may maintain its foreign custody arrangements under either of two regulatory frameworks. First, the fund may continue to comply with rule 17f–5 as it existed prior to the 1997 Amendments (''old rule 17f–5''). Because the compliance date for the amended definition of eligible foreign custodian will remain June 16, 1998, a fund may comply with old rule 17f–5 while also selecting a custodian that is an eligible foreign custodian under the amended definition. Second, in the alternative, a fund may comply entirely with rule 17f–5 as amended by the 1997 Amendments (the ''amended rule'').

The fund may apply either of these alternative frameworks separately to each foreign custodian it uses. The fund's arrangement with a particular foreign custodian or subcustodian, however, should comply in its entirety either with old rule 17f–5 (subject to the amended definition of eligible foreign custodian), or with the amended rule.[9]

The Commission for good cause finds that, based on the reasons cited above, notice and solicitation of comment regarding the extension of the compliance date for certain of the 1997 Amendments is impracticable, unnecessary, and contrary to the public interest.[10] The Commission notes that the original compliance date is imminent, that many funds reportedly are not in a position to comply with the 1997 Amendments, that funds need prompt guidance concerning the regulatory requirements that will apply to their foreign custody arrangements, and that a limited extension will aid funds, bank custodians, and the Commission in considering whether additional amendments are necessary. Fund representatives have stated that, without a suspension of the compliance date, some funds may withdraw assets from foreign custodians, which could increase costs for investors or otherwise harm investors.[11] The Commission also notes that the 1997 Amendments were themselves submitted for public notice and comment, and that any amendments that may be considered in the future will be submitted for notice and comment.[12]

In analyzing the costs and benefits of this action, the Commission believes that the extension of the compliance date for certain of the 1997 Amendments will not impose costs on funds, but will enable funds to avoid the costs of attempting to comply with provisions of the rule that they assert may be unworkable for some funds. The Commission believes that the extension will produce potential benefits for funds by allowing funds the option to comply with the amended rule or the old rule, and by permitting funds and bank custodians to present a proposal to refine the 1997 Amendments.

Dated: May 21, 1998.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–14187 Filed 5–28–98; 8:45 am]

BILLING CODE 8010–01–P

''U.S. bank,'' which also will remain subject to the June 16, 1998 compliance date. *See* rule 17f–5(a)(4) and (7) [17 CFR 270.17f–5(a)(4) and (7)]. Retaining the original compliance date for this definition will enable funds to rely upon a provision of the 1997 Amendments that appears not to have presented difficulties, and avoid the necessity of seeking exemptive relief from the Commission to permit the use of a custodian that would qualify as an eligible foreign custodian under the amended definition.

[8] The extension of the compliance date is effective upon publication of this release in the **Federal Register** because the extension ''grants or recognizes an exemption or relieves a restriction.'' 5 U.S.C. 553(d)(1).

[9] A fund may not seek to comply with the rule by meeting certain requirements of the old rule and certain requirements of the amended rule (other than the amended definition of eligible foreign custodian).

[10] *See* section 553(b)(3)(B) of the Administrative Procedure Act [5 U.S.C. 553(b)(3)(B)] (an agency may dispense with prior notice and comment when it finds, for good cause, that notice and comment are ''impracticable, unnecessary, or contrary to the public interest'').

[11] *See supra* note .

[12] The extension generally preserves the status quo that has existed since the adoption of the 1997 Amendments. Funds have been permitted to comply with either the old rule or the amended rule since June 16, 1997, the effective date of the 1997 Amendments. Retaining the original compliance date for the amended definition of eligible foreign custodian will allow funds to rely on a provision of the amended rule that appears not to have presented difficulties.

INTERNATIONAL TRADE COMMISSION

19 CFR Parts 201 and 205

Revision of Public Notice, Freedom of Information Act, Initiation of Investigation, and Privacy Act Regulations, and Implementation of Electronic Freedom of Information Act Amendments of 1996, and Technical Corrections to Rules Concerning Probable Economic Effect Investigations

AGENCY: International Trade Commission.

ACTION: Final rulemaking.

SUMMARY: The United States International Trade Commission (Commission) is amending its rules of practice and procedure to make certain changes to rules relating to public notices, availability of information under the Freedom of Information Act (FOIA), initiation of investigations, and safeguarding of individual privacy under the Privacy Act of 1974 (Privacy Act). The intended effect of the changes is to implement the Electronic Freedom of Information Act Amendments of 1996 and otherwise to bring the rules into conformity with current Commission practices and procedures, and with current costs of providing services.

DATES: The final rules will become effective June 29, 1998.

FOR FURTHER INFORMATION CONTACT: William W. Gearhart, telephone 202–205–3091. Hearing impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal at (202) 205–1810. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov).

SUPPLEMENTARY INFORMATION: Section 335 of the Tariff Act of 1930 (19 U.S.C. 1335) authorizes the Commission to adopt such reasonable procedures and rules and regulations as it deems necessary to carry out its functions and duties.

The Commission published a notice of proposed rulemaking at 62 FR 61252 (November 17, 1997), proposing to amend the Commission's Rules of Practice and Procedure to make certain changes to rules relating to public notices, availability of information under the Freedom of Information Act (FOIA), and safeguarding of individual privacy under the Privacy Act of 1974 (Privacy Act). The Commission requested public comment on the proposed rules, but no comments were received. Accordingly, the Commission