than 2 years, assuming an immediate and sustained parallel shift in the yield curve of plus 300 basis points, nor shorten for more than 3 years, assuming an immediate and sustained parallel shift in the yield curve of minus 300 basis points.

(3) *Price Sensitivity Test*. The estimated change in price is not more than thirteen (13) percent due to an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points.

(4) *Exemption*. A floating-rate mortgage security shall not be subject to paragraphs (a)(1) and (2) of this section if at the time of purchase, and each subsequent quarter, it bears a rate of interest that is below the contractual cap on the instrument.

(b) A Farm Credit bank may use alternative stress tests to evaluate the price sensitivity of its investments in mortgage securities. Alternative stress tests must be able to measure the price sensitivity of mortgage instruments over different interest rate/yield curve scenarios prior to purchase and each quarter thereafter. The methodology used to analyze mortgage securities shall be commensurate with the complexity of the instrument's structure and cashflows. Prior to purchase and quarterly thereafter, the stress test should determine that the mortgage security's risk is compatible with the bank's investment policies and the investment does not expose the bank's capital and earnings to excessive risks.

(c) In applying the stress tests in either paragraphs (a) or (b) of this section, each Farm Credit bank shall rely on verifiable information to support all of its assumptions, including prepayment and interest-rate volatility assumptions. All assumptions that form the basis of the bank's evaluation of the security and its underlying collateral shall be available for review by the Office of Examination of the Farm Credit Administration. Subsequent changes in the bank's assumptions shall be documented. If at any time after purchase, a mortgage security no longer complies with requirements in this section, the bank shall divest the security in accordance with § 615.5143 of this part.

§ 615.5143 [Amended]

8. Newly designated § 615.5143 is amended by removing paragraph (a) and the paragraph designation from paragraph (b).

Subpart F—Property and Other Investments

§ 615.5174 [Amended]

9. Section 615.5174 is amended by removing the words ''mortgage-backed securities (MBSs), as defined by § 615.5131(l), collateralized mortgage obligations (CMOs), as defined by § 615.5131(e), and Real Estate Mortgage Investment Conduits (REMICs), as defined by § 615.5131(p)'' in paragraph (a), and adding in their place, the words ''mortgage securities as defined by § 615.5131(l);'' by removing the words, ''as defined by § 615.5131(b),'' from paragraph (b)(1); by removing paragraph (c); and redesignating paragraphs (d) and (e) as paragraphs (c) and (d), respectively.

Dated: June 15, 1998.

Floyd Fithian,

Secretary, Farm Credit Administration Board.

[FR Doc. 98–16208 Filed 6–17–98; 8:45 am]

BILLING CODE 6705–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 98–CE–51–AD]

RIN 2120–AA64

Airworthiness Directives; Schempp-Hirth K.G. Model Cirrus Sailplanes

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 Schempp-Hirth K.G. (Schemmp-Hirth) Model Cirrus sailplanes. The proposed AD would require modifying or replacing the connecting rod between the airbrake bellcranks, and replacing the existing 6 millimeter (mm) bolt with an 8 mm bolt. The proposed AD is the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Germany. The actions specified by the proposed AD are intended to prevent the threaded bolt that is welded to the connecting rod between the airbrake bellcranks from breaking, which could result in loss of airbrake control with a possible reduction/loss of sailplane control.

DATES: Comments must be received on or before July 21, 1998.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 98–CE–51–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 Schempp-Hirth Flugzeugbau GmbH, Krebenstrasse 25, Postfach 1443, D–73230 Kircheim/Teck, Germany. This information also may be examined at the Rules Docket at the address above.

FOR FURTHER INFORMATION CONTACT: Mr. Mike Kiesov, Aerospace Engineer, FAA, Small Airplane Directorate, 1201 Walnut, suite 900, Kansas City, Missouri 64106; telephone: (816) 426–6934; facsimile: (816) 426–2169.

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. 98–CE–51–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 Regional Counsel, Attention: Rules Docket No. 98–CE–51–AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Discussion

The Luftfahrt-Bundesamt (LBA), which is the airworthiness authority for Germany, notified the FAA that an unsafe condition may exist on certain Schempp-Hirth Model Cirrus sailplanes. The LBA reports that the threaded bolt welded to the connecting rod of the airbrake bellcranks broke off on two of the above-referenced sailplanes. The threaded bolt is a 6 millimeter (mm) bolt. Beginning with serial number 51, Schempp-Hirth manufactured Model Cirrus sailplanes with an 8 mm bolt that is welded to the connecting rod of the airbrake bellcranks. The FAA has not received reports of broken 8 mm bolts on Schempp-Hirth Model Cirrus sailplanes.

These conditions, if not corrected, could result in loss of airbrake control with a possible reduction/loss of sailplane control.

Relevant Service Information

Schempp-Hirth has issued Technical Note No. 265–8, dated February 11, 1985, which specifies procedures for modifying or replacing the connecting rod between the airbrake bellcranks, and replacing the existing 6 mm bolt with an 8 mm bolt.

The LBA classified this technical note as mandatory and issued German AD 85–56, dated March 4, 1985, in order to assure the continued airworthiness of these sailplanes in Germany.

The FAA's Determination

This sailplane model is manufactured in Germany and is type certificated for operation in the United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the LBA has kept the FAA informed of the situation described above.

The FAA has examined the findings of the LBA; reviewed all available information, including the technical note referenced above; and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

Explanation of the Provisions of the Proposed AD

Since an unsafe condition has been identified that is likely to exist or develop in other Schempp-Hirth Model Cirrus sailplanes of the same type design registered in the United States, the FAA is proposing AD action. The proposed AD would require modifying or replacing the connecting rod between the airbrake bellcranks, and replacing the existing 6 mm bolt with an 8 mm bolt. Accomplishment of the proposed action would be in accordance with Schempp-Hirth Technical Note 265–8, dated February 11, 1985.

Compliance Time of the Proposed AD

Although the unsafe condition identified in this proposed AD occurs during flight and is a direct result of sailplane operation, the FAA has no way of determining how long the 6 mm bolt may go without breaking. For example, the condition could exist on a sailplane with 200 hours time-in-service (TIS), but could be developing and not actually exist on another sailplane until 300 hours TIS. For this reason, the FAA has determined that a compliance based on calendar time should be utilized in the proposed AD in order to assure that the unsafe condition is addressed on all gliders in a reasonable time period.

Cost Impact

The FAA estimates that 21 sailplanes in the U.S. registry would be affected by the proposed AD, that it would take approximately 12 workhours per sailplane to accomplish the proposed action, and that the average labor rate is approximately $60 an hour. Parts cost approximately $60 per sailplane. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be $16,380, or $780 per sailplane.

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 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

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

Schempp-Hirth K.G.: Docket No. 98–CE–51–AD.

Applicability: Model Cirrus sailplanes, serial numbers 1 through 50, certificated in any category.

Note 1: This AD applies to each sailplane 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 sailplanes 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 (c) 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: Within the next 4 calendar months after the effective date of this AD, unless already accomplished.

To prevent the threaded bolt that is welded to the connecting rod between the airbrake bellcranks from breaking, which could result in loss of airbrake control with a possible reduction/loss of sailplane control, accomplish the following:

(a) Modify or replace the connecting rod between the airbrake bellcranks, and replace the existing 6 millimeter (mm) bolt with an 8 mm bolt. Accomplish these actions in accordance with Schempp-Hirth Technical Note 265–8, dated February 11, 1985.

(b) 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 sailplane to a location where the requirements of this AD can be accomplished.

(c) An alternative method of compliance or adjustment of the compliance time that provides an equivalent level of safety may be approved by the Manager, Small Airplane Directorate, FAA, 1201 Walnut, suite 900, Kansas City, Missouri 64106. The request shall be forwarded through an appropriate

FAA Maintenance Inspector, who may add comments and then send it to the Manager, Small Airplane Directorate.

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

(d) Questions or technical information related to Schempp-Hirth Technical Note 265–8, dated February 11, 1985, should be directed to Schempp-Hirth Flugzeugbau GmbH, Krebenstrasse 25, Postfach 1443, D–73230 Kircheim/Teck, Germany. This service information may be examined at the FAA, Central Region, Office of the Regional Counsel, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Note 3: The subject of this AD is addressed in German AD 85–56, dated March 4, 1985.

Issued in Kansas City, Missouri, on June 9, 1998.

Michael Gallagher,

Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 98–16165 Filed 6–17–98; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 97–ANE–53–AD]

RIN 2120–AA64

Airworthiness Directives; Pratt & Whitney PW4000 Series Turbofan Engines

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 Pratt & Whitney (PW) PW4000 series turbofan engines not incorporating modifications described in certain PW service bulletins listed in the applicability section. This proposal would require high pressure compressor (HPC) blade tip grinding of the rotor assembly, installation of aluminum oxide coated HPC blade tips in stages 9 through 12, modification of HPC 8th through 14th stage stators, incorporation of 1st stage high pressure turbine (HPT) vanes with increased airflow area which also requires additional HPT hardware modifications, and incorporation of HPC 13th–15th stage zirconium oxide blade tips. This proposal is prompted by reports of HPC surge caused by excessive HPC rear stage rotor-to-case clearance. The actions specified by the proposed AD are intended to prevent HPC surge, which can result in engine power loss at a critical phase of flight such as takeoff or climb.

DATES: Comments must be received by August 17, 1998.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 97–ANE–53–AD, 12 New England Executive Park, Burlington, MA 01803–5299. Comments may also be sent via the Internet using the following address: ''9-ad-engineprop@faa.dot.gov''. Comments sent via the Internet must contain the docket number in the subject line. Comments may be inspected at this location between 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

The service information referenced in the proposed rule may be obtained from Pratt & Whitney, 400 Main St., East Hartford, CT 06108; telephone (860) 565–6600, fax (860) 565–4503. This information may be examined at the FAA, New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA.

FOR FURTHER INFORMATION CONTACT: Chris Gavriel, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803–5299; telephone (781) 238–7147, fax (781) 238–7199.

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 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 97–ANE–53–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, New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 97–ANE–53–AD, 12 New England Executive Park, Burlington, MA 01803–5299.

Discussion

The Federal Aviation Administration (FAA) has received reports of certain Pratt & Whitney (PW) PW4000 series turbofan engine power loss events occurring frequently during a critical phase of flight such as takeoff or climb. The events have led to the flight crew conducting rejected takeoffs and to engine power loss or shutdown events in flight. A rejected takeoff could result in the airplane overrunning the runway, incurring airplane damage, and injuring airplane occupants. Engine power loss or shutdown during takeoff also significantly increases crew workload during a critical phase of flight. The investigations into these events revealed that they were caused by high pressure compressor (HPC) surge that could require crew action to recover. Further investigation revealed that the surge results from excessive HPC rear stage rotor-to-case clearance. This condition, if not corrected, could result in HPC surge, which can result in engine power loss at a critical phase of flight such as takeoff.

The FAA has reviewed and approved the technical contents of the following PW Service Bulletins (SB): PW4ENG–72–484, Revision 3, dated July 1, 1997, that describes procedures for HPC blade tip grinding at the rotor assembly and introduces HPC aluminum oxide blade tip coating in stages 9 through 15 compatible with tip grinding; PW4ENG–72–486, Revision 1, dated November 23, 1994, that describes procedures for modifying HPC 8th through 14th stage stators; PW4ENG–72–514, Revision 1, dated August 2, 1996, that describe procedures for high pressure turbine (HPT) hardware modifications to accommodate the incorporation of 1st stage HPT vanes with increased airflow area; and PW4ENG–72–575, Revision 1, dated June 30, 1997, that describes procedures for incorporating HPC 13th–15th stage zirconium oxide tips.