

**Subpart B—[Removed and Reserved]**

10. Subpart B of part 2636 is removed and reserved.

11. Section 2636.302 is amended by removing the sentence fragment at the end of the undesignated introductory text, by removing paragraphs (a) and (b), and by adding a new sentence at the end of that section to read as follows:

**§ 2636.302 Relationship to other laws and regulations.**

\* \* \* In particular, a covered noncareer employee should accept compensation only after determining that its receipt does not violate section 102 of Executive Order 12674, as amended, which prohibits a covered noncareer employee who is also a Presidential appointee to a full-time noncareer position from receiving any outside earned income for outside employment or for any other activity performed during that Presidential appointment.

12. Section 2636.303 is amended by removing from the penultimate sentence in the undesignated text at the end of paragraph (c) the words and terms "under § 2636.204 of this part" and adding in their place the words and terms "under 5 U.S.C. app. 501(c)", and by revising paragraph (b)(7) to read as follows:

**§ 2636.303 Definitions.**

\* \* \* \* \*

(b) \* \* \*

(7) Payments to charitable organizations in lieu of honoraria, as described in 5 U.S.C. app. 501(c) and app. 505; or

\* \* \* \* \*

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**FEDERAL TRADE COMMISSION****5 CFR Part 5701**

RIN 3209-AA15

**Supplemental Standards of Ethical Conduct for Employees of the Federal Trade Commission**

**AGENCY:** Federal Trade Commission (FTC).

**ACTION:** Final rule.

**SUMMARY:** The Federal Trade Commission, with the concurrence of the Office of Government Ethics (OGE), is issuing a final rule amendment for employees of the FTC that supplements 5 CFR part 2635, the Standards of Ethical Conduct for Employees of the Executive Branch (Standards), issued by

OGE. This supplemental regulation provision narrows for FTC employees restrictions contained in the Standards on employees' personal fundraising activities. The final rule is effective upon issuance.

**EFFECTIVE DATE:** August 12, 1998.

**ADDRESSES:** Send comments to Ira S. Kaye, Federal Trade Commission, Room 594, 6th and Pennsylvania Ave., NW, Washington, DC 20580.

**FOR FURTHER INFORMATION CONTACT:** Ira S. Kaye, (202) 326-2426, Federal Trade Commission, Office of the General Counsel.

**SUPPLEMENTARY INFORMATION:****I. Background**

On August 7, 1992, the Office of Governmental Ethics (OGE) published a final rule entitled "Standards of Ethical Conduct for Employees of the Executive Branch" (Standards). See 57 FR 35006-35067, as corrected at 57 FR 48557, 57 FR 52583, and 60 FR 51667, and amended at 61 FR 42965-42970 (as corrected at 61 FR 48733), 61 FR 50689-50691 (interim rule revisions adopted as final at 62 FR 12531), and 62 FR 48746-48748, with additional grace period extensions at 59 FR 4779-4780, 60 FR 6390-6391, 60 FR 66857-66858, and 61 FR 40950-40952. The Standards, codified at 5 CFR part 2653 and effective February 3, 1993, establish uniform standards of ethical conduct applicable to all executive branch personnel.

The Standards, at 5 CFR 2635.105, authorize executive branch agencies, with OGE's concurrence, to publish agency-specific supplemental regulations necessary to implement their respective ethics programs. On May 27, 1993, the FTC published, with OGE's concurrence, an interim rule establishing a supplemental standard of conduct, 5 CFR 5701.101, requiring that all FTC employees receive prior approval before engaging in outside employment (58 FR 30695-30696). The interim rule prescribed a 45-day comment period and invited comments from all interested parties. This interim rule is not being finalized at this time.

The FTC is now issuing a second supplemental regulation because it has determined that a new provision concerning fundraising activities, to be codified in a new § 5701.102 of 5 CFR, is currently necessary to the successful implementation of the Commission's ethics program.

**II. Analysis of the Amendment**

New Section 5701.102 of the final rule supplements the executive branch-wide Standards at 5 CFR 2635.808(c)

regarding fundraising in a personal capacity. That standard bars employees from personally soliciting funds from those persons known by the employee to be "prohibited sources" as defined in 5 CFR 2635.203(d), including, pursuant to 2635.203(d)(3), any person who "conducts activities regulated by the employee's agency." ("prohibited source" is also defined in subparagraphs (d)(1), (d)(2), (d)(4) and (d)(5) of § 2635.203 to include "any person who: (1) Is seeking official action by the employee's agency; (2) Does business or seeks to do business with the employee's agency; . . . (4) Has interests that may be substantially affected by performance or nonperformance of the employee's official duties; or (5) Is an organization a majority of whose members are described in paragraphs (d) (1) through (4) of this section.")

Because the FTC has enforcement authority over unfair methods of competition in or affecting commerce and unfair or deceptive acts or practices in or affecting commerce, virtually all businesses are "prohibited sources" for FTC employees. The Commission has determined that given the breadth of this enforcement authority, the fundraising provision is unnecessarily restrictive for FTC employees. Accordingly, § 5701.102 provides that it shall be permissible for FTC employees to solicit funds or other support from a person who is a prohibited source only by virtue of the definition in 5 CFR 2635.203(d)(3), because the person is regulated by the FTC (provided that the other provision of 5 CFR 2635.808(c) continue to apply).

Employees of the FTC, however, will not be allowed to solicit contributions from a person known to be a "prohibited source" for the other defined reasons listed in 2635.203(d). Thus, an FTC employee may not engage in charitable fundraising from any person (including an organization a majority of whose members are such persons) seeking official action by the FTC, doing business with the FTC or having interests that may be substantially affected by the performance or nonperformance of the employee's official duties.

**III. Matters of Regulatory Procedure***Administrative Procedure Act*

This rule amendment relates solely to agency management and personnel, and, thus, is not subject to the notice and comment requirements of the Administrative Procedure Act, 5 U.S.C. 553(a)(2).

**Regulatory Flexibility Act**

The Federal Trade Commission has determined under the Regulatory Flexibility Act (5 U.S.C. chapter 6) that this regulation will not have a significant economic impact on a substantial number of small entities because it affects only Federal employees.

**Paperwork Reduction Act**

The Federal Trade Commission has determined that the Paperwork Reduction Act (44 U.S.C. chapter 35) does not apply because this regulation does not contain any information collection requirements that require the approval of the Office of Management and Budget.

**List of Subjects in 5 CFR Part 5701**

Conflicts of interests, Government employees.

By direction of the Commission.

Dated: July 28, 1998.

**Donald S. Clark,**

*Secretary, Federal Trade Commission.*

Approved: August 4, 1998.

**Stephen D. Potts,**

*Director, Office of Government Ethics.*

For the reasons set forth in the preamble, the Federal Trade Commission, with the concurrence of the Office of Government Ethics, amends 5 CFR part 5701 as follows:

**PART 5701—SUPPLEMENTAL STANDARDS OF ETHICAL CONDUCT FOR EMPLOYEES FOR THE FEDERAL TRADE COMMISSION**

1. The authority citation for part 5701 is revised to read as follows:

**Authority:** 5 U.S.C. 7301; 5 U.S.C. App. (Ethics in Government Act of 1978); 15 U.S.C. 46(g); E.O. 12674, 54 FR 15159, 3 CFR, 1989 Comp., p. 215, as modified by E.O. 12731, 55 FR 42547, 3 CFR, 1990 Comp., p. 306; 5 CFR 2635.105, 2635.803, 2635.808(c).

2. A new § 5701.102 is added to read as follows:

**§ 5701.102 Fundraising activities**

When engaging in personal fundraising, as described at 5 CFR 2635.808(c), an employee of the Federal Trade Commission may, notwithstanding the prohibition of § 2635.808(c)(1)(i), personally solicit funds from a person who is a prohibited source only under 5 CFR 2635.203(d)(3) (*i.e.*, because the person "conducts activities regulated by" the Commission). The other provisions of § 2635.808(c) continue to apply to any such personal fundraising.

*Example 1:* A Federal Trade Commission employee is president of the local branch of

her college alumni association. The association is seeking contributions from local businesses. The employee may, during her off-duty hours, seek a contribution from a company that is regulated by the Commission, but not from one that she knows is currently under Commission investigation or is seeking official action by the Commission, does business or seeks to do business with the Commission, or has interests that may be substantially affected by the employee's job. While the Standards of Conduct provide that companies under the agency's enforcement authority generally are prohibited sources of an employee's fundraising in a personal capacity, § 5701.102 provides that employees of the FTC may seek charitable contributions from an entity that is a prohibited source only because its activities are subject to agency regulation.

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**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Part 39**

[Docket No. 98-CE-05-AD; Amendment 39-10704; AD 98-17-02]

RIN 2120-AA64

**Airworthiness Directives; Alexander Schleicher Segelflugzeugbau Model ASW-19 Sailplanes**

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Final rule.

**SUMMARY:** This amendment adopts a new airworthiness directive (AD) that applies to certain Alexander Schleicher Segelflugzeugbau (Alexander Schleicher) Model ASW-19 sailplanes. This AD requires inspecting the tow release cable guide fittings for the correct mounting, and, if the fittings are mounted in the front of the bulkhead, moving the fitting to the rear of the bulkhead and adjusting the neutral travel of the cable. This AD is the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Germany. The actions specified by this AD are intended to prevent premature release of the tow cable during take-off, which could result in loss of the sailplane.

**DATES:** Effective September 26, 1998.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of September 26, 1998.

**ADDRESSES:** Service information that applies to this AD may be obtained from Alexander Schleicher Segelflugzeugbau,

6416 Poppenhausen, Wasserkuppe, Federal Republic of Germany. This information may also be examined at the Federal Aviation Administration (FAA), Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 98-CE-05-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106; or at the Office of the Federal Register, 800 North Capitol Street, NW, suite 700, Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Mr. Mike Kiesov, Project Officer, Sailplanes/Gliders, Small Airplane Directorate, Aircraft Certification Service, FAA, 1201 Walnut, suite 900, Kansas City, Missouri 64106; telephone: (816) 426-6934; facsimile: (816) 426-2169.

**SUPPLEMENTARY INFORMATION:****Events Leading to the Issuance of This AD**

A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an AD that would apply to certain Alexander Schleicher Model ASW-19 sailplanes was published in the **Federal Register** as a notice of proposed rulemaking (NPRM) on May 19, 1998 (63 FR 27514). The NPRM proposed to require inspecting the tow release cable guide fitting for the proper location on the bulkhead. If the cable guide release fitting is mounted on the front of the bulkhead, the NPRM proposed to require removing the cable guide release fitting, remounting it on the rear of the bulkhead, and adjusting the cable's neutral travel. Accomplishment of the proposed action as specified in the NPRM would be in accordance with Alexander Schleicher Technical Note No. 18, dated July 3, 1984.

The NPRM was the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Germany.

Interested persons have been afforded an opportunity to participate in the making of this amendment. No comments were received on the proposed rule or the FAA's determination of the cost to the public.

**The FAA's Determination**

After careful review of all available information related to the subject presented above, the FAA has determined that air safety and the public interest require the adoption of the rule as proposed except for minor editorial corrections. The FAA has determined that these minor corrections will not change the meaning of the AD and will not add any additional burden upon the public than was already proposed.