

- (1) That has its principal place of business in an LMI Zone, or
- (2) In which at least 35 percent of the full-time employees have primary residences in LMI Zone(s).

LMI Investment means a financing of an LMI Enterprise, made after March 15, 1999, in the form of equity securities or debt securities that are subordinated to all other borrowings of the business from financial institutions. The debt securities may be guaranteed, but neither the debt securities nor the guarantee may be collateralized or otherwise secured.

LMI Zone means any area located within a HUBZone (as defined in § 126.103 of this chapter), an Urban Empowerment Zone or Urban Enterprise Community (as designated by the Secretary of the Department of Housing and Urban Development), a Rural Empowerment Zone or Rural Enterprise Community (as designated by the Secretary of the Department of Agriculture), an area of Low Income or Moderate Income (as recognized by the Federal Financial Institutions Examination Council), or a county with Persistent Poverty (as classified by the Economic Research Service of the Department of Agriculture).

- * * * * *
- 3. Amend § 107.610 to add paragraph (e) to read as follows:

§ 107.610 Required certifications for Loans and Investments.

* * * * *

- (e) For each LMI Investment:
 - (1) A certification by the concern as to its principal place of business or the principal residences of its full-time employees, as applicable, dated no earlier than the date of application for SBIC financing, and
 - (2) A certification by the SBIC that the concern qualifies as an LMI Enterprise as of the date of the concern's certification and the basis for such qualification.

- 4.-5. Amend § 107.835 to redesignate paragraph (d) as paragraph (e) and add paragraph (d) to read as follows:

§ 107.835 Exceptions to minimum duration/term of Financing.

* * * * *

- (d) An LMI Investment with a term of at least one year; or
- * * * * *

- 6. Amend § 107.850 to revise the introductory text of paragraph (a) to read as follows:

§ 107.850 Restrictions on redemption of Equity Securities.

- (a) A Portfolio Concern cannot be required to redeem Equity Securities

earlier than 5 years (or 1 year in the case of an LMI Investment) from the date of the first closing unless:

* * * * *

- 7. Amend § 107.855 to add paragraph (g)(12) to read as follows:

§ 107.855 Interest rate ceiling and limitations on fees charged to Small Businesses ("Cost of Money").

* * * * *

- (g) * * *
 - (12) Royalty payments received under any LMI Investment if the royalty is based on improvement in the performance of the Small Business after the date of the financing.

* * * * *

- 8. Amend § 107.865 to remove the "or" at the end of paragraph (d)(3), replace the period at the end of paragraph (d)(4) with "; or", add paragraph (d)(5) and revise paragraph (e)(3) to read as follows:

§ 107.865 Restrictions on Control of a Small Business by a Licensee.

* * * * *

- (d) * * *
 - (5) If your financing of the Small Business is an LMI Investment.
 - (e) * * *
- (3) Your agreement to relinquish Control within 5 years (although you may, under extraordinary circumstances, request SBA's approval of an extension beyond 5 years). In the case of an LMI Investment with a term of less than 5 years, you must agree to relinquish Control within the term of the financing.

* * * * *

Dated: January 13, 1999.

* * * * *

Aida Alvarez,
Administrator.
 [FR Doc. 99-2915 Filed 2-8-99; 8:45 am]
 BILLING CODE 8025-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 98-NM-340-AD]

RIN 2120-AA64

Airworthiness Directives; McDonnell Douglas Model MD-90-30 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 McDonnell Douglas Model MD-90-30 series airplanes. This proposal would require a one-time inspection to measure clearance and detect interference between the elevator cable pulley and the shroud frame of the ventral stairway, and modification of the shroud frame of the ventral stairway. This proposal is prompted by reports of pitch oscillation of several Model MD-90-30 series airplanes. The actions specified by the proposed AD are intended to prevent interference between the elevator cable pulley and the shroud frame of the ventral stairway, which could result in pitch oscillation of the airplane, and consequent damage to the elevator cable pulley and reduced controllability of the airplane.

DATES: Comments must be received by March 26, 1999.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 98-NM-340-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, Long Beach Division, 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Technical Publications Business Administration, Dept. C1-L51 (2-60). This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Transport Airplane Directorate, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California.

FOR FURTHER INFORMATION CONTACT: Jon Mowery, Aerospace Engineer, Airframe Branch, ANM-120L, FAA, Transport Airplane Directorate, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California 90712-4137; telephone (562) 627-5322; fax (562) 627-5210.

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 98-NM-340-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-114, Attention: Rules Docket No. 98-NM-340-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Discussion

The FAA has received reports indicating that pitch oscillation has occurred on several McDonnell Douglas Model MD-90-30 series airplanes. Investigation revealed that insufficient clearance exists between the elevator cable pulley and the shroud frame of the ventral stairway. Interference between the elevator cable pulley and the shroud frame of the ventral stairway restricts transmission of elevator servo inputs to the elevator. Such interference, if not corrected, could result in pitch oscillation of the airplane, and consequent damage to the elevator cable pulley and reduced controllability of the airplane.

Explanation of Relevant Service Information

The FAA has reviewed and approved McDonnell Douglas Service Bulletin No. MD90-27-026, dated September 30, 1998, which describes procedures for a one-time visual inspection to measure clearance and detect interference between the elevator cable pulley and the shroud frame of the ventral stairway. The service bulletin also describes procedures for modification of the shroud frame of the ventral stairway. The modification involves installation of a brace that attaches to the shroud

frame of the ventral stairway and the outboard ring frame of the ventral stairway. This modification is intended to stabilize the shroud frame of the ventral stairway and prevent it from rotating toward the elevator cable pulley. Accomplishment of the actions specified in the service bulletin is intended to adequately address the identified unsafe condition.

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 accomplishment of the actions specified in the service bulletin described previously, except as discussed below.

Differences Between the Proposed Rule and the Service Bulletin

Operators should note that, although the service bulletin recommends accomplishment of the modification of the shroud frame of the ventral stairway at the operator's earliest practical maintenance period if the clearance is within the specified limits and no interference is detected, the FAA has determined that such an interpretive compliance time would not address the identified unsafe condition in a timely manner. In developing an appropriate compliance time for this proposed AD, the FAA considered not only the manufacturer's recommendation, but the degree of urgency associated with addressing the subject unsafe condition, the average utilization of the affected fleet, the accessibility of the area to be modified, and the time necessary to accomplish the modification (approximately two work hours). In light of all of these factors, the FAA finds an 18-month compliance time for completion of the proposed modification to be warranted, in that it represents an appropriate interval of time allowable for affected airplanes to continue to operate without compromising safety.

Cost Impact

There are approximately 58 airplanes of the affected design in the worldwide fleet. The FAA estimates that 58 airplanes of U.S. registry would be affected by this proposed AD.

It would take approximately 1 work hour per airplane to accomplish the proposed inspection, at an average labor rate of \$60 per work hour. Based on these figures, the cost impact of the inspection proposed by this AD on U.S. operators is estimated to be \$3,480, or \$60 per airplane.

It would take approximately 2 work hours per airplane to accomplish the proposed modification, at an average labor rate of \$60 per work hour. Required parts would be provided by the manufacturer at no cost to the operators. Based on these figures, the cost impact of the modification proposed by this AD on U.S. operators is estimated to be \$6,960, or \$120 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:

McDonnell Douglas: Docket 98–NM–340–AD.

Applicability: Model MD–90–30 series airplanes, as listed in McDonnell Douglas Service Bulletin No. MD90–27–026, dated September 30, 1998; 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 (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: Required as indicated, unless accomplished previously.

To prevent interference between the elevator cable pulley and the shroud frame of the ventral stairway, which could result in pitch oscillation of the airplane, and consequent damage to the elevator cable pulley and reduced controllability of the airplane, accomplish the following:

(a) Within 12 months after the effective date of this AD, perform a one-time visual inspection to measure clearance and detect interference between the elevator cable pulley and the shroud frame of the ventral stairway in accordance with Phase 1 of McDonnell Douglas Service Bulletin No. MD90–27–026, dated September 30, 1998.

(1) If clearance is greater than or equal to 0.5 inch, and if no interference is detected: Within 18 months after performing the inspection, accomplish the requirements of paragraph (b) of this AD.

(2) If clearance is less than 0.5 inch, or if any interference is detected: Prior to further flight, accomplish the requirements of paragraph (b) of this AD.

(b) Modify the shroud frame of the ventral stairway in accordance with Phase 2 of McDonnell Douglas Service Bulletin No. MD90–27–026, dated September 30, 1998.

(c) 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, Los Angeles Aircraft Certification Office (ACO), 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, Los Angeles ACO.

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

(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.

Issued in Renton, Washington, on February 2, 1999.

John J. Hickey,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 99–3034 Filed 2–8–99; 8:45 am]

BILLING CODE 4910–13–U

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 210, 228, 229, 230, 239, 240, 249 and 260

[Release Nos. 33–7637; 34–41014; International Series Release No. 1182; File No. S7–3–99]

RIN 3235–AH62

International Disclosure Standards

AGENCY: Securities and Exchange Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Securities and Exchange Commission (the “Commission”) is proposing to improve the comparability of information provided to investors and securities markets by issuers offering or listing securities in multiple markets. To achieve this goal, we are proposing to revise our disclosure requirements for foreign private issuers to conform to the international disclosure standards endorsed by the International Organization of Securities Commissions in September 1998. Under this proposal, the international disclosure standards would replace most of the non-financial statement disclosure requirements of Form 20–F, the basic disclosure document for foreign private issuers. We would make conforming changes to the registration statements used by foreign private issuers under the Securities Act of 1933, to reflect the changes in Form 20–F. We also are taking this opportunity to propose changes in the definition of “foreign private issuer” to give clearer guidance on how foreign companies should determine whether their shareholders are U.S. residents.

DATES: You should send us your comments so that they arrive at the Commission on or before April 12, 1999.

ADDRESSES: You should send three copies of your comments to Jonathan G. Katz, Secretary, U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Stop 6–9, Washington, D.C. 20549. You also may submit your comments electronically to the following electronic mail address: **rule-**

comments@sec.gov. All comment letters should refer to File No. S7–3–99; you should include this file number in the subject line if you use electronic mail. Comment letters will be available for public inspection and copying at our Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. We will post electronically submitted comment letters on our Internet Web site (<http://www.sec.gov>).

FOR FURTHER INFORMATION CONTACT: Sandra Folsom Kinsey, Senior International Counsel, or Rani Doyle, Staff Attorney, in the Office of International Corporate Finance, Division of Corporation Finance at (202) 942–2990.

SUPPLEMENTARY INFORMATION: We propose amendments to Form 20–F¹ under the Securities Exchange Act of 1934.² As part of those amendments, we propose to delete Rule 3–19 under Regulation S–X.³ We propose amendments to Rule 3–20 under Regulation S–X,⁴ Items 402, 512, and 601 of Regulation S–K,⁵ Rules 175, 434 and 463 of Regulation C,⁶ Forms F–1, F–2, F–3, F–4, F–6 and S–11⁷ under the Securities Act of 1933,⁸ Exchange Act Rules 3b–6, 13a–10 and 15d–10,⁹ and Rule 0–11 under the Trust Indenture Act of 1939¹⁰ to correct references to the items in Form 20–F which would be revised in connection with the amendments to Form 20–F. We propose amendments to Rules 3–01, 3–02 and 3–12 under Regulation S–X¹¹ and to Item 310 of Regulation S–B¹² to correct references to Rule 3–19. We also propose to revise the definition of foreign private issuer in Securities Act Rule 405¹³ and Exchange Act Rule 3b–4.¹⁴

I. Executive Summary

It is becoming more common for companies to increase their global presence and lower their cost of capital by listing on foreign securities markets and raising capital outside their home

¹ 17 CFR 239.220f (“Form 20–F”).

² 15 U.S.C. §§ 78a *et seq.* (the “Exchange Act”).

³ 17 CFR 210.3–19.

⁴ 17 CFR 210.3–20.

⁵ 17 CFR 229.402, 17 CFR 229.512 and 17 CFR 229.601.

⁶ 17 CFR 230.175, 17 CFR 230.434 and 17 CFR 230.463.

⁷ See 17 CFR 239.31, CFR 239.32, 17 CFR 239.33, 17 CFR 239.34, 17 CFR 239.36 and 17 CFR 239.18.

⁸ 15 U.S.C. §§ 77a *et seq.* (the “Securities Act”).

⁹ 17 CFR 240.3b–6, 17 CFR 240.13a–10 and 17 CFR 240.15d–10.

¹⁰ 17 CFR 260.0–11.

¹¹ 17 CFR 210.3–01, 17 CFR 210.3–02, and 17 CFR 210.3–12.

¹² 17 CFR 228.310.

¹³ 17 CER 230.405.

¹⁴ 17 CER 240.3b–4.