of controlled airspace for Hampton, IA revealed a discrepancy in the location of the Hampton NDB which is used in the legal description of the Hampton, IA Class E airspace area. This amendment incorporates the revised Hampton NDB location and brings the legal description of the Hampton, IA Class E airspace area into compliance with FAA Order 7400.2E, Procedures for Handling Airspace Matters. The area will be depicted on appropriate aeronautical charts. Class E airspace areas extending upward from 700 feet or more above the surface of the earth published in Paragraph 6005 of FAA Order 7400.9K, dated August 30, 2002, and effective September 16, 2002, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designation listed in this document will be published subsequently in the Order.

The Direct Final Rule Procedure

The FAA anticipates that this regulation will not result in adverse or negative comment and, therefore, is issuing it as a direct final rule. Previous actions of this nature have not been controversial and have not resulted in adverse comments or objections. Unless a written adverse or negative comment, or a written notice of intent to submit an adverse or negative comment is received within the comment period, the regulation will become effective on the date specified above. After the close of the comment period, the FAA will publish a document in the **Federal Register** indicating that no adverse or negative comments were received and confirming the date on which the final rule will become effective. If the FAA does receive, within the comment period, an adverse or negative comment, or written notice of intent to submit such a comment, a document withdrawing the direct final rule will be published in the **Federal Register**, and a notice proposed rulemaking may be published with a new comment period.

Comments Invited

Interested parties are invited to participate in this rulemaking by submitting such written data, views, or arguments, as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental and energy-related aspects of the proposal. Communications should identify both docket numbers and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: ''Comments to Docket No. FAA–2003–14597/Airspace Docket No. 03–ACE–20.'' The postcard will be date/time stamped and returned to the commenter.

Agency Findings

The regulations adopted herein will not have a substantial direct effect 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, it is determined that this final rule does not have federalism implications under Executive Order 13132.

The FAA has determined that this regulation is noncontroversial and unlikely to result in adverse or negative comments. For the reasons discussed in the preamble, I certify that this regulation (1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under Department of Transportation (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.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

■ Accordingly, the Federal Aviation Administration Amends 14 CFR part 71 as Follows:

PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

■ 1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR 1959–1963 Comp. p. 389.

§ 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9K, dated August 30, 2002, and effective September 16, 2002, is amended as follows:

* * * * *

Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth.

* * * * *

ACE IA E5 Hampton, IA

Hampton Municipal Airport, IA
(Lat. 42°43′25″ N., long. 93°13′35″ W.)
Hampton NDB
(Lat. 42°43′32″ N., long. 93°13′30″ W.)

That airspace extending upward from 700 feet above the surface within a 6.4-mile radius of Hampton Municipal Airport and within 2.6 miles each side of the 343° bearing from the Hampton NDB extending from the 6.4-mile radius to 7.4 miles northwest of the airport and within 2 miles each side of the 177° bearing from the Hampton Municipal Airport extending from the 6.4-mile radius to 7.7 miles south of the airport.

* * * * *

Issued in Kansas City, MO, on March 14, 2003.

Paul J. Sheridan

Acting Manager, Air Traffic Division, Central Region.

[FR Doc. 03–7660 Filed 3–28–03; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

14 CFR Part 255

[Docket No. OST–2003–14484]

RIN 2105–AD24

Extension of Computer Reservations Systems (CRS) Regulations

AGENCY: Office of the Secretary, Department of Transportation.

ACTION: Final rule.

SUMMARY: The Department is amending its rules governing airline computer reservations systems (CRSs), by changing the rules' expiration date from March 31, 2003, to January 31, 2004. If the expiration date were not changed, the rules would terminate on March 31, 2003. This extension of the current rules will keep them in effect while we complete our reexamination of the need for CRS regulations. Some or all of the rules may no longer be necessary, but the Department will maintain the current rules until January because they may be beneficial. The Department may determine in its reexamination that the need for most or all of the rules has ended. The Department has previously extended the rules from their original December 31, 1997, expiration date, most recently to March 31, 2003.

DATES: This rule is effective on March 31, 2003.

FOR FURTHER INFORMATION CONTACT: Thomas Ray, Office of the General

Counsel, 400 Seventh St. SW., Washington, DC 20590, (202) 366–4731.

SUPPLEMENTARY INFORMATION:

Electronic Access

You can view and download this document by going to the webpage of the Department's Docket Management System (*http://dms.dot.gov/*). On that page, click on ''search.'' On the next page, type in the last five digits of the docket number shown on the first page of this document, 14484. Then click on ''search.'' An electronic copy of this document also may be downloaded by using a computer, modem, and suitable communications software from the Government Printing Office's Electronic Bulletin Board Service at (202) 512–1661. Internet users may reach the Office of the Federal Register's home page at: *http://www.nara.gov/fedreg* and the Government Printing Office's database at: *http://www.access.gpo.gov/nara/index.html.*

Discussion

We adopted rules governing CRS operations, 14 CFR part 255, because almost all airlines operating in the United States relied on the CRSs in marketing their airline services and each system was then controlled by one or more airlines or airline affiliates. 57 FR 43780, September 22, 1992. We found that rules were necessary to ensure that each of the airlines and airline affiliates that controlled a system did not use the system to unfairly prejudice the competitive position of other airlines and to ensure that travel agents and their customers could obtain accurate and unbiased information from the systems. Our rules contained a sunset date to ensure that we would reexamine whether the rules remained necessary and, if so, whether they were effective.

As a result of the sunset date provision, we began a proceeding to reexamine whether the rules were necessary and effective by issuing an advance notice of proposed rulemaking, 62 FR 47606, September 10, 1997, followed later by a supplemental advance notice of proposed rulemaking that asked the parties to update their comments. 65 FR 45551, July 24, 2000.

We recently issued a notice of proposed rulemaking in which we tentatively found that elements of the rules may remain necessary, at least in the short term, and that some changes to the rules may be justified. 67 FR 69366, November 15, 2002. We also proposed to eliminate some rules, primarily the rules barring systems from charging airlines discriminatory booking fees and requiring airlines with a significant ownership in one system to participate in other systems at the same level if the terms for doing so are commercially reasonable. We invited comment on whether the public interest would be served by full and immediate sunset of the rules. Our notice includes a detailed discussion of the rulemaking issues and our tentative findings on the relevant features of the airline distribution and CRS businesses. Comments and reply comments on our tentative findings on the need for CRS regulation and our proposals are due March 16 and May 15, 2003, respectively. 67 FR 72869, December 9, 2002.

To maintain the existing rules in effect while we complete our reexamination of those rules, we proposed to extend the sunset date to January 31, 2004. 68 FR 7325, February 13, 2003. We noted that the March 31, 2003, sunset date will come only two weeks after the close of the comment period on the notice of proposed rulemaking for our overall reexamination of the rules and that the reply comment period will close seven weeks later. We clearly cannot complete our rulemaking by the March 31 sunset date. We tentatively found that allowing the rules to sunset during our reexamination of them could be contrary to the public interest. We are aware that our final decision in our overall reexamination of the rules may be that the rules do not actually serve the public interest in the short term or in the long term.

Eleven persons commented on the proposal. U.S. Airways, Sabre, Galileo International, Amadeus Global Travel Distribution, and the American Society of Travel Agents (''ASTA'') supported the proposal, Worldspan, Northwest, United, and LanChile opposed any extension, and American and Orbitz stated their willingness to accept only a shorter extension.

We have determined to change the rules' expiration date to January 31, 2004, as we proposed. This will allow the rules to remain in effect while we complete our overall reexamination of the existing CRS rules. We recognize the need to complete the major rulemaking as soon as possible so that the rules reflect current industry conditions and economic realities. We intend to make a final decision promptly in that proceeding.

Background: Rulemaking History

Our notice of proposed rulemaking set forth our tentative findings and analysis on the nature of the airline distribution and CRS businesses and on whether the CRS rules should be kept or changed. We recognized the changes occurring in the airline distribution system, especially the Internet's erosion of the airlines' dependence on the systems, and the potential that these changes may eliminate the need for many or all of our rules. 67 FR 69376, 63977. Nonetheless, we tentatively concluded that at present some rules should be maintained to protect airline competition and consumers. We have requested comment on whether the non-discriminatory booking fee and mandatory participation rules noted above could be eliminated, since airlines may have more bargaining leverage against the systems than we have found in past rulemakings. 67 FR 69368. We will also consider comments contending that additional rules are unnecessary or counterproductive. We will take these comments into account in considering whether to retain some or any of the rules, or whether full and complete sunset may be in the public interest.

We initially established a sixty-day comment period and a thirty-day reply comment period. As a result of a petition submitted by nineteen commenters, we extended the comment period by sixty days and the reply comment period by thirty days. 67 FR 72869, December 9, 2002.

While we have been conducting our reexamination of the rules, we have changed the sunset date five times to maintain the rules pending our completion of that reexamination. Our most recent extension was to March 31, 2003. 62 FR 66272, December 18, 1997; 64 FR 15127, March 30, 1999; 65 FR 16808 March 30, 2000; 66 FR 17352, March 30, 2001; and 67 FR 14846, March 28, 2002.

Our Proposed Sunset Date Extension

We again proposed to extend the expiration date for our CRS rules, to January 31, 2004, in order to maintain the rules while we complete our reexamination of the need for the rules and their effectiveness. 68 FR 7325, February 13, 2003. We explained that we could not issue final rules by the current sunset date, March 31, 2003. Changing the sunset date would enable us to preserve the status quo until we determine which rules, if any, should be retained. We tentatively determined that doing so would be in the public interest. In that regard we referenced our notice of proposed rulemaking for the overall reexamination of the rules, where we tentatively concluded that elements of the rules may be necessary, at least in the near term, to protect airline competition and consumers against potentially unreasonable and unfair CRS practices. We further cited our

obligation under 49 U.S.C. 40105(b), formerly section 1102(a) of the Federal Aviation Act, then codified as 49 U.S.C. 1502(a), to act consistently with the United States' obligations under bilateral air services agreements, and concluded that that obligation might justify a short-term continuation of the rules. 67 FR 69384. We stated our awareness of the importance of adopting final rules that reflect current conditions in the CRS and airline distribution businesses.

Comments

Three of the systems—Amadeus, Galileo, and Sabre—supported our proposal to change the sunset date to January 31, 2004, as did ASTA, the largest travel agency trade association, and U.S. Airways. American and Orbitz, the on-line travel agency owned by American, Continental, Delta, Northwest, and United, supported a shorter extension of the rules. American proposed August 31 as the new sunset date, while Orbitz proposed September 30. The other commenters—Delta, Northwest, United, and LanChile—opposed any extension of the rules. United particularly opposed any continuation of the non-discriminatory booking fee and mandatory participation rules.

Sabre filed a reply challenging several of the factual assertions made by several airline commenters concerning the systems' alleged market power and unreasonable practices.

Final Rule

We have determined to adopt our proposal to change the sunset date to January 31, 2004. We obviously cannot complete our overall reexamination of the rules by March 31, and we continue to believe that we may well need an additional ten months to complete that proceeding. The comment period for reply comments will end on May 15, and we must then analyze the comments, decide what final rules should be adopted, and draft a final rule. The final rule must be reviewed by the Office of Management and Budget (''OMB''). This entire process may require ten months for completion, especially given the complex and controversial issues presented in that rulemaking.

We will, of course, try to issue a final rule as soon as possible rather than wait until the new January 31 sunset date. Adopting a shorter extension at this time might well require us to conduct an additional rulemaking to change the date again, which would be an inefficient use of Government resources and interfere with our intent to focus on completing the overall reexamination of the rules as promptly as possible. A shorter extension might also keep us from thoroughly and carefully examining the issues before making our final decision on whether CRS rules remain necessary and, if so, how they should be changed.

We recognize that the rules may have become unnecessary. As we continue our reexamination, we will maintain the rules based on a tentative finding that some of the rules may serve the public interest. It may remain true, for example, that the systems have market power that could be used to prejudice airline competition. American thus states, ''CRS market and pricing power remain intact * * *.'' American Comments at 1. If so, ending the rules would not necessarily enable airlines to obtain better terms for participation. United, however, has pointed out that we proposed to eliminate the non-discriminatory booking fee and mandatory participation rules because we tentatively found that they may prevent airlines from obtaining lower prices. We cannot adopt United's suggestion that any extension of the sunset date exclude those two rules, since that would amount to a change in the existing rules that we do not wish to adopt until we have had the opportunity to consider the comments on the issue. Nor can we agree now, before the end of the comment period for our proposals on changing the rules, with the assertions by several other commenters that the rules preserve and enhance the systems' market power. *See, e.g.*, Orbitz Comments. We have found in past rulemakings that rules were needed to curb the systems' market power, most recently in the parity clause rulemaking completed five years ago. 62 FR 59784, November 5, 1997. We tentatively concluded in our recent notice of proposed rulemaking that we see some evidence that the systems may still have market power. At issue is whether some or all of the rules affect the exercise of such market power, to the extent it exists, and whether they do so in a manner that serves the public interest.

Effective Date

We have determined for good cause to make this amendment effective on March 31, 2003, rather than thirty days after publication as required by the Administrative Procedure Act except for good cause shown. 5 U.S.C. 553(d). To keep the current rules in force, we must make this amendment effective by March 31, 2003. Since the amendment preserves the status quo, it will not require the systems, airlines, or travel agencies to change their operating methods. Making this amendment effective on less than thirty days notice accordingly will not impose an undue burden on anyone.

Regulatory Process Matters

Regulatory Assessment

This rulemaking is a significant regulatory action under section 3(f) of Executive Order 12866 and has been reviewed by the Office of Management and Budget under that order. The proposal is also significant under the regulatory policies and procedures of the Department of Transportation, 44 FR 11034.

Our notice of proposed rulemaking in this proceeding cited the tentative findings of the preliminary regulatory assessment in our notice of proposed rulemaking for the overall reexamination of the rules that the existing rules do not appear to impose a significant burden on the systems or their users. 68 FR 7326, citing 67 FR 69418–69423. We stated our belief that that regulatory assessment should be applicable to our proposal to extend the rules' sunset date and that no new regulatory impact statement appears to be necessary. We invited interested persons to comment on those findings. No commenter specifically commented on our regulatory assessment, which we will make final.

This rule will not impose unfunded mandates or requirements that would have any impact on the quality of the human environment.

Small Business Impact

Congress enacted the Regulatory Flexibility Act of 1980, 5 U.S.C. 601 *et seq.,* to ensure that small entities are not unnecessarily and disproportionately burdened by government regulations. The act requires agencies to review proposed regulations that may have a significant economic impact on a substantial number of small entities. For purposes of this rule, small entities include smaller U.S. airlines and smaller travel agencies.

This rule sets forth the reasons for our extension of the rules' expiration date and the objectives and legal basis for that rule.

Our notice of proposed rulemaking on this extension proposal cited the tentative regulatory flexibility analysis on the rules' impact that was included in our notice of proposed rulemaking for the reexamination of the rules. We stated that that analysis appeared to be valid for our proposed extension of the rules' termination date. 68 FR 7326–7327. We stated that we would consider

comments on that analysis. No one filed such comments, and we will adopt that analysis as our final regulatory flexibility statement for this proceeding.

Our rule contains no direct reporting, record-keeping, or other compliance requirements that would affect small entities. There are no other federal rules that duplicate, overlap, or conflict with our proposed rules.

I certify under section 605(b) of the Regulatory Flexibility Act (5 U.S.C. *et seq.*) that this regulation will not have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act

This rule contains no collection-of-information requirements subject to the Paperwork Reduction Act, Public Law. 96–511, 44 U.S.C. chapter 35.

Federalism Assessment

We stated that we had reviewed our proposed rule in accordance with the principles and criteria contained in Executive Order 13132, dated August 4, 1999, and determined that it would not have a substantial direct effect 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. This rule will not limit the policymaking discretion of the States. Nothing in this rule will directly preempt any State law or regulation. We are adopting this amendment primarily under the authority granted us by 49 U.S.C. 41712 to prevent unfair methods of competition and unfair and deceptive practices in the sale of air transportation. Our notice of proposed rulemaking stated our belief that the policy set forth in this rule is consistent with the principles, criteria, and requirements of the Federalism Executive Order and the Department's governing statute.

We invited comments on these conclusions. 68 FR 7327. No one commented on our federalism assessment. We will therefore make it final. Because the rule will have no significant effect on State or local governments, as discussed above, no consultations with State and local governments on this rule were necessary.

List of Subjects in 14 CFR Part 255

Air carriers, Antitrust, Consumer protection, Reporting and recordkeeping requirements, Travel agents.

■ Accordingly, the Department of Transportation amends 14 CFR part 255 as follows:

PART 255—(AMENDED)

■ 1. The authority citation for part 255 continues to read as follows:

Authority: 49 U.S.C. 40101, 40102, 40105, 40113, 41712.

■ 2. Section 255.12 is revised to read as follows:

§ 255.12. Termination.

The rules in this part terminate on January 31, 2004.

Issued in Washington, DC, on March 25, 2003.

Norman Y. Mineta,

Secretary of Transportation.

[FR Doc. 03–7636 Filed 3–28–03; 8:45 am]

BILLING CODE 4910–62–P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 228 and 229

[Release Nos. 33–8177A; 34–47235A; File No. S7–40–02]

RIN 3235–AI66

Disclosure Required by Sections 406 and 407 of the Sarbanes-Oxley Act of 2002; Correction

AGENCY: Securities and Exchange Commission.

ACTION: Corrections to final regulations.

SUMMARY: We are making technical corrections to rules adopted in Release No. 33–8177 (January 23, 2003), which were published in the **Federal Register** on January 31, 2003 (68 FR 5110). The rules implement sections 406 and 407 of the Sarbanes-Oxley Act of 2002 by requiring disclosures regarding audit committee financial experts and codes of ethics. This document amends an instruction to the rule to clarify that disclosures regarding audit committee financial experts are required only in annual reports.

EFFECTIVE DATE: March 31, 2003.

FOR FURTHER INFORMATION CONTACT: Ray Be, Special Counsel, Office of Rulemaking, Division of Corporation Finance, at (202) 942–2910, U.S. Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549–0312.

SUPPLEMENTARY INFORMATION:

I. Background

On January 23, 2003, the Commission adopted,[1] among other things, amendments to item 401 of Regulations S–K and S–B.[2] These rules require disclosure of whether a company has an audit committee financial expert, as defined in the rule, serving on its audit committee.

Subsequent to the adoption of the amendments, questions arose regarding whether the disclosures required by the new disclosure item must be provided in registration statements under the Securities Act of 1933[3] and the Securities Exchange Act of 1934.[4] Although the discussion of these provisions in the adopting release makes clear that such disclosure is required only in a company's annual report, the new disclosure item did not clearly state that such disclosure is required only in annual reports.

Accordingly, the amendments set forth in this document clarify that the rules require disclosure of whether a company has an audit committee financial expert serving on its audit committee only in an annual report. Although this disclosure is not required in any document other than the annual report, a company may, at its discretion, include the audit committee financial expert disclosure in its proxy or information statement and incorporate that disclosure into its annual report if it complies with applicable rules for incorporation by reference. The changes are technical corrections to clarify the rules as described in the original adopting release, and do not alter the forms in which the disclosure is required as described in the original adopting release.

II. Need for Correction

As published, the final regulations contain errors which are in need of clarification.

III. Correction of Publication

Accordingly, the publication on January 31, 2003, of the final rules (Release No. 33–8177) relating to the disclosure of whether a company has an audit committee financial expert serving on its audit committee and whether a company has adopted a code of ethics for its principal executive officer, principal financial officer, principal accounting officer and controller, which were the subject of FR Doc. 03–2018, is corrected as follows:

§ 228.401 [Corrected]

On page 5126, in the first column, paragraph 1 to Instructions to Item

[1] *See* Release No. 33–8177 (Jan. 23, 2003) (68 FR 5110).

[2] 17 CFR 229.401; 17 CFR 228.401.

[3] 15 U.S.C. 77a *et seq.*

[4] 15 U.S.C. 78a *et seq.*