cracks in accordance with the procedures outlined in Cessna Service Letter (SL) 170/172–11, dated February 3, 1958, and Cessna SL 170/172–13, dated April 7, 1958. Paragraph (a) (2) of this AD specified submerging the muffler in water and pressure testing at 50 pounds per square inch (p.s.i.). The correct criteria for this pressure test should have been 5 pounds p.s.i. but was inadvertently published as 50 pounds p.s.i. The FAA has determined that AD 90–06–03 should be revised and reissued with the above change incorporated.

This action corrects an error in a final rule by providing the correct criteria for a required inspection and does not add inspection criteria or impose any additional burden (financial or otherwise) upon the public. For these reasons, it is found that notice and public procedure are hereon unnecessary and that good cause exists for making this amendment effective upon publication in the **Federal Register.**

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends 14 CFR part 39 of the Federal Aviation Regulations as follows:

PART 39—[AMENDED]

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g); and 14 CFR 11.89.

§ 39.13 [Amended].

2. Section 39.13 is amended by revising and reissuing AD 90–06–03, Amendment 39–6528 (55 FR 8116, March 7, 1990), and reissuing with the following:

90–06–03 R1 **Cessna:** Amendment 39–6927; Docket No. 90–CE–10–AD. Applicability: Model 172 airplanes (serial numbers 36216 through 36769) that have not been modified with Cessna Service Kit SK–172–10 or SK–172–10A, certificated in any category. Compliance: Required within the next 25 hours time-in-service after the effective date of this AD, unless already accomplished.

To prevent cracking of the exhaust heater/muffler that could result in dangerous carbon monoxide levels, accomplish the following:

(a) Inspect the exhaust heater/muffler assembly for cracks in accordance with the procedures as outlined in the applicable Cessna Service Manuals, or the following:

(1) Remove and disassemble the exhaust heater/muffler assembly by removing the shroud assembly.

(2) Visually inspect the exhaust heater/muffler, Cessna Part Number 0550157–32, for cracks, or submerge the muffler in water and pressure test at 5 pounds p.s.i.

Note 1: Particular attention should be given to the cylindrical surface that contains the heat transfer pins.

(3) If cracks, breaks, or any leakage is found in the exhaust heater/muffler area, prior to further flight, replace the exhaust heater/muffler with an airworthy part.

(b) Modify the airplane by the installation of Cessna Service Kit SK–172–10A.

Note 2: Cessna Service Letter (SL) 170/172–11, dated February 3, 1–958, and Cessna SL 170/172–13, dated April 7, 1958, contain information that pertains to the subject of this AD.

(c) Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate airplanes to a location where the requirements of this AD can be accomplished provided that the cabin air control remains in the "OFF" position.

(d) An alternate method of compliance or adjustment of the compliance time that provides an equivalent level of safety may be approved by the Manager, Wichita Aircraft Certification Office, Mid-Continent Airport, 1801 Airport Road, room 100, Wichita, Kansas 67209. The request should be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Wichita Aircraft Certification Office.

(e) All persons affected by this directive may obtain copies of the documents referred to herein upon request to the Cessna Aircraft Corporation, P.O. Box 7704, Wichita, Kansas 67277; or may examine the service letters at the FAA, Central Region, Office of the Assistant Chief Counsel, room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

This amendment amends AD 90–06–03, Amendment 39–6528.

This amendment becomes effective on March 27, 1991.

Issued in Kansas City, Missouri, on February 22, 1991.

Henry A. Armstrong,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 91–7175 Filed 3–26–91; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 39

[Docket No. 90–ANE–23; Amdt. 39–6954]

Airworthiness Directives; General Electric (GE) CT58–140–1 Turboshaft Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to GE CT58–140–1 turboshaft engines, which requires a one-time removal and inspection of certain gas generator (GG) turbine rotor parts and power turbine (PT) wheels. This amendment is prompted by the report of inadvertent shotpeening of those parts during overhaul by H&S Aviation, Division 3 (Formerly Hants & Sussex), Portsmouth, England, between March 14, 1989, and August 21, 1989. This condition, if not corrected, could result in an uncontained engine failure.

EFFECTIVE DATE: April 26, 1991.

ADDRESSES: The applicable service information may be obtained from GE, 1000 Western Avenue, Lynn, Massachusetts 01910, or may be examined at the FAA, New England Region, Office of the Assistant Chief Counsel, room 311, 12 New England Executive Park, Burlington, Massachusetts.

FOR FURTHER INFORMATION CONTACT: Karen M. Grant, Engine Certification Office, ANE–140, Engine and Propeller Directorate, Aircraft Certification Service, FAA, New England Region, 12 New England Executive Park, Burlington, Massachusetts 01803–5299; telephone (617) 273–7087.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (FAR) to include a new airworthiness directive, applicable to GE CT58–140–1 turboshaft engines, which requires a one-time removal and inspection of certain GG turbine rotor parts and PT wheels, was published in the **Federal Register** on November 5, 1990 (55 FR 46528).

Interested persons have been afforded an opportunity to participate in the making of this amendment. One comment was received in response to the proposal.

The commenter suggested adding the part number to the parts listed as additional information to readily identify the affected parts. The FAA concurs with the commenter and has revised the AD accordingly.

After careful review of the available data, including the comment noted above, the FAA has determined that air safety and the public interest require the adoption of the rule with the change previously described. The FAA has determined that this change will neither increase the economic burden on any operator nor increase the scope of the AD.

There are approximately 15 parts on 5 engines of the affected design in the worldwide fleet. The FAA has been informed that H&S Aviation has agreed to provide overhaul shop labor to remove, inspect, and reidentify unaffected parts at no cost to the operator. The FAA has also been informed that H&S Aviation has agreed to replace those parts which were inadvertently shotpeened, at no extra charge to the operator.

The regulations adopted herein will 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 final rule does 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 "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) 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 final evaluation prepared for this action is contained in the Rules Docket. A copy of it may be obtained from the Rules Docket.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration (FAA) amends 14 CFR part 39 of the Federal Aviation Regulations (FAR) as follows:

PART 39—[AMENDED]

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised Pub. L. 97-449, January 12, 1983); and 14 CFR 11.89.

§ 39.13 [Amended].

2. Section 39.13 is amended by adding the following new airworthiness directive (AD):

General Electric Company: Applies to General Electric Company (GE) CT58-140-1 turboshaft engines overhauled by H&S Aviation, Division 3 (Formerly Hants and Sussex), Portsmouth England, between March 14, 1989, and August 21, 1989, installed on, but not limited to, Sikorsky S-61 and Boeing V107 aircraft. The affected parts are identified by part number (P/N) and serial number (S/N) and are installed in engines with S/N, as follows:

Engine S/N	Part name	P/N	Part S/N
295235	Stage 1 forward cooling plate	37C30005P101	BJWTMS 7732
	Stage 1 aft cooling plate	3002T25P01	BJWTMS 6649
	Stage 2 forward cooling plate	3000T88P02	ASVA 3663
	Stage 2 aft cooling plate	3002T27P01	ASVA 0125
	Power turbine (PT) wheel & shaft	5002T30P01	GAT 59510
295206	Stage 1 turbine wheel	4002T17P02	GATBK 483
	Stage 2 turbine wheel	4002T96P02	GATFE 352
280326	Stage 2 turbine wheel	4002T96P02	GATL 2835
	PT wheel and shaft	5002T30P01	GAT 59722
280218	PT wheel and shaft	5002T30P01	GAT 59692
280294	Stage 1 forward cooling plate	37C300055P101	BJWTMS 7663
	Stage 1 aft cooling plate	3002T25P01	BJWTMS 5778
	Stage 2 forward cooling plate	3000T88P02	BJWTMS 5951
	Stage 2 aft cooling plate	3002T27P01	BJWTMS 7356
	Stage 2 turbine wheel	4002T96P02	GATEL 092

Compliance is required as indicated, unless already accomplished.

To prevent failure of suspect gas generator (GG) turbine rotor parts and power turbine (PT) wheels, which may have a reduced low cycle fatigue life due to inadvertent shotpeening which could result in an uncontained engine failure, remove and inspect all surfaces of GG turbine rotor parts and PT wheels identified above by 20x microscope as follows:

(a) Part S/N BJWTMS 7732, BJWTMS 6649, ASVA 3663, ASVA 0125, and GAT 59510, prior to accumulating 5,853 cycles since new (CSN).

(b) Part S/N GATBK 483, and GATFE 352, prior to accumulating 5,249 CSN.

(c) Part S/N GATL 2835, prior to accumulating 10,792 CSN.

(d) Part S/N GAT 59722, prior to accumulating 10,856 CSN.

(e) Part S/N GAT 59692, prior to accumulating 9,660 CSN.

(f) Part S/N BJWTMS 7663, BJWTMS 5778, BJWTMS 5951, BJWTMS 7356, and GATEL 092, prior to accumulating 5,696 CSN.

(g) Remove from service parts found with evidence of shotpeening and replace with a serviceable part. Reidentify parts found with no evidence of shotpeening prior to return to service.

Note: GE Alert Service Bulletin CT58 A72-173 (CEB-275), contains information in reference to paragraphs (a) through (g) above.

(h) Aircraft may be ferried in accordance with the provisions of FAR 21.197 and 21.199 to a base where the AD can be accomplished.

(i) Upon submission of substantiating data by an owner or operator through an FAA Airworthiness Inspector, an alternate method of compliance with the requirements of this AD or adjustments to the compliance schedule specified in this AD may be approved by the Manager, Engine Certification Office, ANE-140, Engine and Propeller Directorate, Aircraft Certification Service, FAA, New England Region, 12 New England Executive Park, Burlington, Massachusetts 01803-5299.

All persons affected by this directive who have not already received the appropriate alert service bulletin from the manufacturer may obtain copies upon request to GE Aircraft Engines, 1000 Western Avenue, Lynn, Massachusetts 01910. These documents may be examined at the FAA, New England Region, Office of the Assistant Chief Counsel, room 311, 12 New England Executive Park, Burlington, Massachusetts.

This amendment becomes effective April 26, 1991.

Issued in Burlington, Massachusetts, on March 14, 1991.

Jack A. Sain,

Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 91-7174 Filed 3-26-91; 8:45 am]

BILLING CODE 4910-13-M

Office of the Secretary

[Docket No. 46891; Amendment No. 241-]

RIN 2137-AB57

14 CFR Part 241

Aviation Economic Regulations; Revision of RSPA Form 41 Reporting by Large Certificated Air Carriers; Statement of Cash Flows, Aircraft Inventory Data, Air Carrier Groupings

AGENCY: Department of Transportation, Office of the Secretary.

ACTION: Final rule.

SUMMARY: This final rule reduces the reporting burden for large certificated

air carriers by enabling them to follow generally accepted accounting principles in reporting changes in financial position on a cash flow basis. The rule also reduces the overall level of reporting burden by revising the level of annual operating revenues used to group air carriers for the purpose of denoting the level of an air carrier's Form 41 reporting obligation. The effect of this change is to adjust the collection of Form 41 data so as to achieve a higher correlation between the size of an air carrier's operations and its reporting obligations. This action further adjusts the Form 41 data collection to ensure the availability of the data needed by the Department in administering its aviation responsibilities by adding two new data elements to the collection of aircraft inventory data. Finally, this rule will enable air carriers to take advantage of technological advances in the transmission of Form 41 data to the Department.

EFFECTIVE DATE: July 1, 1991.

FOR FURTHER INFORMATION CONTACT: M. Clay Moritz, Jr. or Jack M. Calloway, Office of Airline Statistics, DAI-1, Research and Special Programs Administration, Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590-0001, (202) 366-4385 or 366-4383, respectively.

SUPPLEMENTARY INFORMATION:

Background

In a notice of proposed rulemaking (NPRM) issued April 11, 1990 (55 FR 14296, April 17, 1990), the Department proposed to reduce the reporting burden associated with filing financial and statistical operating data on RSPA Form 41, "Report of Financial and Operating Statistics for Large Certificated Air Carriers," by large certificated air carriers. At the same time, the Department proposed certain changes in the information collected on Form 41 so as to ensure the availability of the aviation data it requires to effectively administer its aviation responsibilities. Finally, the Department proposed to modify its reporting requirements so as to enable affected air carriers to reduce the degree of burden associated with the physical submission of the various recurrent Form 41 schedules by taking advantage of recent advances in data transmission technology.

Essentially, the Department proposed to:

1. Change Form 41 Schedule B-12, "Statement of Changes in Financial Position," from a funds flow to a cash flow format in order to enable air carriers to report changes in financial position on the same basis for both financial and regulatory reporting purposes;

2. Modify the collection of aircraft inventory data to provide information on the age of aircraft. This would be accomplished by changing Form 41 Schedules B-7, "Airframe and Aircraft Engine Acquisitions and Retirements" and B-43, "Inventory of Airframes and Aircraft Engines" to include, for each airframe, the manufacture's serial number and year of first delivery;

3. Revise upward the revenue levels used to group air carriers for the purpose of defining their specific Form 41 reporting requirements; and

4. Modify the current regulations for submitting reports to the Department under part 241 by allowing large certificated air carriers to submit their recurrent Form 41 schedules via telefacsimile, or fax, transmission.

Public Comments

The Department has decided to finalize, as proposed, its revisions to the uniform large certificated air carrier accounting and reporting provisions. Public comments in response to the NPRM were filed by American Airlines, Inc., Continental Airlines, Inc., and the Air Line Pilots Association International (ALPA). Each of the comments filed supported the adoption of the proposed changes; however, Continental and ALPA did suggest certain modifications to the proposed rule. These modifications are discussed below.

Air Carrier Groupings

As stated in the NPRM, large certificated air carriers are currently categorized, based on their level of total annual operating revenues, into three air carrier groupings: Group I, Group II and Group III. Group I air carriers are further subgrouped into Group I (Large) and Group I (Small). The purpose of the different carrier groupings is to achieve a close correlation between the size of a carrier's operations and its level of reporting. No comments were filed objecting to the proposed changes in revenue levels. Accordingly, the Department will adopt, without change, the proposed operating revenue levels, by carrier group, that are shown below.

Carrier Category	Total Annual Operating Revenues
Group III	\$1,000,000,001 +
Group II	\$100,000,001-\$1,000,000,000
Group I (Large)	\$20,000,000-\$100,000,000
Group I (Small)	Below \$20,000,000

While ALPA did not object to the revised revenue levels, it did comment on the reporting changes that result from certain carriers moving from the Group III category to the Group II category based on the above operating revenue boundaries. Specifically, ALPA objects to the fact that Alaska Airlines, Hawaiian Airlines, and Midway Air Lines will no longer be required to file, as a result of this rulemaking, Form 41 Schedule P-7, "Operating Expenses by Functional Groupings—Group III Air Carriers."

In its comments, ALPA notes that Schedule P-7 contains the carriers' indirect operating costs and states that since it represents the pilots of Alaska, Midway, and Hawaiian, ALPA considers access to P-7 data to be essential for carrying out its responsibility for assessing air carrier operating expenses in balancing the carriers' proposals in contract negotiations. In summarizing its comments, ALPA urges the Department to modify its reporting requirements so as to require Group II air carriers to file Schedule P-7. In further support, ALPA states its belief that the expansion to \$1 billion of the upper total annual operating revenue limit for the Group II category of air carriers is sufficient justification for imposing the Schedule P-7 filing requirement.

In considering the merits of ALPA's comments, the Department is guided by the provisions of the Paperwork Reduction Act of 1980 (Pub. L. 96-354, September 19, 1980), which limits the collection of data to the level of information required by the Department to effectively administer its statutory responsibilities. In developing the rulemaking proposal, the Department evaluated its information requirements and concluded that Schedule P-7 is not required for any aviation programs, except only in one instance, that would involve the carriers subject to the Group II level of reporting. The sole exception, as stated in the NPRM, is that Alaska Airlines would be directed to continue filing Schedule P-7, which is required for setting the level of intra-Alaska mainline mail rates.

In sum, the Department does not have a valid regulatory requirement for collecting Schedule P-7 from Group II air carriers, with the exception of Alaska Airlines. Therefore, based on the preceding discussion, the Department has decided not to adopt ALPA's suggestion that Form 41 Schedule P-7 be required from Group II air carriers. The Department would like to point out, however, that ALPA does have access to the indirect costs of Group II air carriers, which are reported on Form 41 Schedule P–6, "Operating Expenses by Objective Groupings."

Reporting Groups

The increase in the revenue parameters for determining air carrier groupings as stipulated in this final rule will require reporting groups changes for some carriers. Those carriers whose group designation will be reduced (Group III to a Group II, etc.) may request a waiver to continue reporting at the higher group. Before making such a request, a carrier should determine the effect of the reporting change on burden—whether the short-term effect outweighs the long-term. An example of the short-term effect for an air carrier would be the burden involved in changing its reporting system from a Group III to a Group II. The long-term effect would be the reporting burden involved in filing the additional schedules at the higher group level. The group designation specifies the minimum reporting requirements for a carrier. If a carrier believes that it is in its best interests to file at the higher level, the Department would be amendable to granting requests for a waiver to permit the change in reporting.

FAX Transmissions

In the rulemaking proposal, the Department proposed modifying section 21, "Introduction to System of Reports," to part 241 to enable air carriers to submit recurrent hardcopy Form 41 schedules using telefacsimile, or fax, equipment. Under the proposed revisions, air carriers must, as in the case of computer prepared reports, obtain prior approval from the Department's Office of Airline Statistics. By obtaining prior approval, the carrier would agree that its fax transmission of either Form 41 Schedule A or Schedule B–1.1, including the certifying signature, is a legally binding copy of its original certification statement. While the regulations provided that submissions conform to an 8½ x 14 inch size, provision was also made that, with prior approval, larger sized scheduled could be reduced to 8½ x 14 for transmission to the Department.

Continental commented specifically in support of adopting the proposed regulations enabling the use of fax for submitting Form 41 schedules. In its comments, Continental requested permission to use fax equipment for submitting its recurrent hardcopy Form 41 schedules, with the understanding that the submissions will conform to an 8½ x 14 size. Further, Continental recommended that the Department accept submissions of Form 41 schedules via computer media such as diskettes, magnetic tape, or direct electronic data transfers to the Department's data files, asserting that this would reduce the time and reporting burden on the carriers even more than the use of fax transmissions.

As to Continental's request for permission to submit its recurrent Form 41 schedules via fax, this rulemaking proceeding is not the proper forum in which to address individual air carrier waiver requests. Requests for waiver from the provisions of part 241 should be addressed, in writing, to the Director, Office of Airline Statistics, in accordance with the provisions of section 1–2, "Waivers from this System of Accounts and Reports" (14 CFR part 241.1–2). After the issuance of this final rule, the Office of Airline Statistics plans to issue an Accounting and Reporting Directive summarizing the provisions of this rule, including how to obtain permission to use fax as well as guidelines for the preparation of documents for submission via fax.

Regarding Continental's suggestion that the Department consider accepting air carrier Form 41 submissions via computer media (such as diskettes, magnetic tape, or direct electronic data transfers to the Department's data files), it should be noted that the Department began a pilot project in 1987 to test the feasibility of collecting Form 41 schedules on floppy diskettes. The announcement of the project was contained in a final rule modifying the Form 41 data collection (52 FR 9127, March 23, 1987). One significant result of this project is the collection of Form 41 Schedule T–100 data on either magnetic tape or floppy diskettes. The Department hopes that this program can be expanded, as its resources permit, to include other Form 41 submissions. Furthermore, the Department also intends, in the future, to explore the issue of utilizing direct electronic data transfers to the Department's Form 41 data bases.

Department Regulatory Policies and Procedures

Executive Orders 12291, 12612 and 12630; Department's Regulatory Policies and Procedures; Regulatory Flexibility Act; and Paperwork Reduction Act of 1980.

This action has been reviewed under Executive Order 12291, and it has been determined that this is not a major rule. It will not result in an annual effect on the economy of $100 million or more. There will be no increase in production costs or prices for consumers, individual industries, Federal, state or local governments, agencies or geographic regions. Furthermore, this rule would not adversely affect competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets. This regulation would result in a net reduction in reporting burden for large certificated air carriers. Accordingly, a regulatory impact analysis is not required.

This action has been analyzed in accordance with the principles and criteria contained in Executive Orders 12612 and 12630 and it has been determined that the final rule: (1) Does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment and (2) does not pose the risk of a taking of constitutionally protected private property.

This final regulation is not significant under the Department's Regulatory Policies and Procedures, dated February 26, 1979. Its economic impact should be minimal and a full regulatory evaluation is not required. The burden of reporting the two aircraft inventory data elements is not significant, because the data are readily accessible to the affected air carriers. Furthermore, the revision to Form 41 Schedule B–12 will benefit air carriers by eliminating the need for accumulating accounting information for two different methods of reporting changes in financial position: Cash flow reporting and funds flow reporting.

I certify that this rule will not have a significant economic impact on a substantial number of small entities. For purposes of its aviation economic regulations, Departmental policy categorizes certificated air carriers operating small aircraft (60 seats or less or 18,000 pounds maximum payload or less) in strictly domestic service as small entities for purposes of the Regulatory Flexibility Act. These finalized amendments will affect only large certificated air carriers.

The reporting requirements in this final rule are subject to the Paperwork Reduction Act, Public Law 96–511, 44 U.S.C. chapter 35. A request for clearance of these requirements was approved by the Office of Management and Budget (OMB) on June 13, 1990. OMB clearance is effective through June 30, 1993. It is anticipated that this rule will result in a total reduction of 1,660 hours in the Department's Information Collection Budget for OMB No. 2138–0013, Report of Financial and Operating Statistics for Large Certificated Air Carriers. Of this total, 361 hours of burden reduction has been attributed to the Department's Information Collection Budget for fiscal year 1990. The 361 hours represents the estimated burden hour reduction resulting from the Department granting waivers, during fiscal year 1990, to air carriers to enable them to file a cash flow statement in lieu of the existing funds flow statement reporting requirement. The remaining 1,299 estimated hours of burden reduction attributable to this final rule will be reflected in the Department's Information Collection Budget for fiscal year 1991. Any comments regarding this burden estimate or any aspect of these information requirements, including suggestions for reducing the reporting burden, may be sent to:

Director, Office of Airline Statistics, DAI-1,
U.S. Department of Transportation,
Research and Special Programs Administration,
400 Seventh Street, SW.,
Washington, DC 20590-0001
and
Office of Information and Regulatory Affairs,
DOT/RSPA Desk Officer,
Office of Management and Budget,
Washington, DC 20503.

Regulatory Identification Number

A regulatory information number (RIN) is assigned to each regulatory action listed in the Unified Agenda of Federal Regulations. The Regulatory Information Service Center publishes the Unified Agenda in April and October of each year. The RIN number contained in the heading of this document can be used to cross reference this action with the Unified Agenda.

List of Subjects in 14 CFR Part 241

Air carriers and Uniform System of Accounts and Reports.

Final Rule

PART 241—[AMENDED]

Accordingly, the Department of Transportation amends 14 CFR part 241, Uniform System of Accounts and Reports for Large Certificated Air Carriers, as follows:

1. The authority for part 241 continues to read as follows:

Authority: Sections 204, 401, 407, 416, 417, 901, 902, 1002 of the Federal Aviation Act of 1958, as amended: 49 U.S.C. 106, 1324, 1371, 1377, 1386, 1387, 1471, 1472 and 1482.

2. Section 04, Air Carrier Groupings, is amended by revising the text to read:

(a) All large certificated air carriers are placed into three basic air carrier groupings based upon their level of operations and the nature of these operations. In order to determine the level of operations, total operating revenues for a twelve-month period are used. The following operating revenue ranges are used to establish air carrier groupings:

Carrier Group	Total Annual Operating Revenues
I	0-$100,000,000
II	$100,000,001-$1,000,000,000
III	$1,000,000,001 +

For reporting purposes, Group I air carriers are further divided into two subgroups: (1) Air carriers with total annual operating revenues from $20,000,000 to $100,000,000 and (2) Air carriers with total annual operating revenues below $20,000,000.

(b) Both the criteria for establishing air carrier groupings and the assignment of each air carrier to a specific group of carriers will be reviewed periodically by the Director, Office of Airline Statistics, to assure the maintenance of appropriate standards for the grouping of carriers. When an air carrier's level of operations passes the upper or lower limit of its currently assigned carrier grouping, the carrier is not automatically transferred to a different group and a new level of reporting. The Office of Airline Statistics will issue an updated listing of the carrier groups on an annual basis. A carrier may petition for reconsideration of its assigned carrier grouping or request a waiver from the accounting and reporting requirements that are applicable to a particular group under the provisions of section 1-2 of this Uniform System of Accounts and Reports.

3. Section 21, Introduction to System of Reports, is amended by revising paragraphs (e) and (f) to read:

§ 21 Introduction to System of Reports.

* * * * *

(e) Upon approval by the Director, Office of Airline Statistics, a carrier may:

(1) Supply its own computer prepared formats provided each schedule conforms with the size and format of the forms prescribed in this part.

(2) Use telefacsmile, or fax, equipment to submit the forms prescribed by this part; however, forms transmitted by fax must conform to an 8½ x 14 inch size. With prior approval, larger forms may be reduced in size of 8½ x 14 for transmission to the Department.

(f) In submitting each schedule prescribed by this part to the Department, each reporting air carrier shall adhere to the following guidelines:

(1) A good quality black ribbon shall be used in preparing the original copy of each schedule.

(2) In no event shall any information be typed on the reverse side of copies submitted to the Department.

(3) Except as provided for in paragraph (e) of this section, no photocopy or similar process shall be used.

* * * * *

4. Section 23, Certification and Balance Sheet Elements, is amended by

A. Revising the reporting instructions for Schedule A to read:

Schedule A—Certification

(a) The certification of the RSPA Form 41 Report shall be signed by an elective corporate officer, executive, or director. Other persons may be authorized by the carrier to sign the certification provided a written authorization disclosing the individual's name and title is forwarded to the Department of Transportation. Since corrections or revisions of reported data are a part of the RSPA Form 41 Report, all correspondence relating to such matters shall be signed only by the person(s) authorized to sign the certification.

(b) The certification of the Form 41 reports, embodied in Schedule A thereof, shall read as follows:

I, the undersigned (Title of officer in charge of accounts) ________ of the (Full name of the reporting company) ______ do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.

B. Revising paragraph (a) of the reporting instructions for Schedule B–1 to read:

Schedule B–1—Balance Sheet

(a) This schedule shall be filed by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of $20 million or more.

* * * * *

C. Revising paragraph (a) of the reporting instructions for Schedule B–1.1 to read:

Schedule B–1.1—Balance Sheet

(a) This schedule shall be filed semiannually by Group I air carriers with annual operating revenues below $20 million.

* * * * *

D. Revising paragraphs (d), (e), (f), (g), (h) and (i) and adding new paragraphs (j) and (k) to the reporting instructions for Schedule B–7 to read:

Schedule B–7—Airframe and Aircraft Engine Acquisitions and Retirements

* * * * *

(d) Column 1, "Year of First Delivery—Airframe," shall reflect, for each reported airframe, the year that the airframe was first delivered by its manufacturer.

(e) Column 2, "Airframe Manufacturer's Serial Number," shall reflect the serial number assigned to each reported airframe by its manufacturer.

(f) Column 4, "Acquisitions or Retirements," shall be used to indicate, for each item entered, whether it represents an acquisition or retirement. This shall be indicated by inserting in Column 4 an "A" for acquisition or an "R" for retirement.

(g) Column 8, "Maximum Seating Capacity," shall reflect the number of passenger seats installed in each airframe acquired. When airframes are designed for multiple adjustable seating configurations, the maximum number of seats for which designed shall be reported. When the seating configuration of airframes is modified subsequent to original acquisition, the revised passenger capacity of each airfame shall be reported in the quarter in which modified and referenced to identify original capacity reported.

(h) Column 9, "Cost," shall reflect the book cost of reported airframe and aircraft engine acquisitions and retirements.

(i) Column 10, "Amortization/Depreciated Cost," shall reflect the book cost, less amortization or depreciation expense, for airframes and aircraft engines that have been retired.

(j) Column 11, "Realization," shall reflect the proceeds from the disposition of airframes and aircraft engines, including any insurance proceeds.

(k) Column 12, "Acquired From/Disposition," shall reflect: (1) for acquisitions: the name of the person or organization from which airframes and aircraft engines are acquired and (2) for dispositions (retirements): the name of the person or organization to which airframes and aircraft engines are sold or a notation as to the nature of the retirement and the account to which any depreciated cost has been charged, if not sold. Items included in accounts 1607, 1608, 1707, and 1708, sold as a part of an airframe or aircraft sales transaction, shall also be identified by the name of the buyer. Other sales of items included in these accounts shall be reported in a separate group in aggregate for each property account affected.

E. Revising the title and reporting instructions for Schedule B–12, *Statement of Changes in Financial Position*, to read:

Schedule B–12—Statement of Cash Flows

(a) This Schedule shall be filed quarterly by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of $20 million or more.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) The statement of cash flows shall separately disclose the amount of net cash provided or used during the reporting period from the carrier's operating activities, investing activities and financing activities. The effect on cash and cash equivalents of the total amount of net cash provided or used during the quarter from each of the above activities shall be clearly disclosed so as to reconcile beginning and ending cash and cash equivalents.

(d) Carriers may use either the direct or indirect method of reporting cash flows. Under either method, the reporting of cash flows from investing and financing activities will remain the same. However, the reporting of cash flows from operating activities does differ between the two methods.

(e) For carriers electing to use the direct method, cash flows from operating activities are reported as gross amounts of the principal components of cash receipts and cash payments from operating activities, such as cash received from passengers and shippers, cash paid to suppliers, and cash paid to employees. Each carrier using the direct method shall provide as part of its statement of cash flows, a separate schedule that reconciles net income (as reported on Schedule P–1.2 in Account 9899) to cash flow from operating activities.

(f) For carriers electing to use the indirect method, cash flows from operating activities shall reflect net income (as reported on Schedule P–1.2 in Account 9899) along with the adjustments necessary to reconcile net income (Account 9899) to net cash for the period (Net Cash Provided or Used By Operating Activities).

(g) Regardless of the method used, the statement of cash flows shall reflect the amount of net cash flow provided or used by operating activities during the reporting period.

(h) The balance of "Cash and Cash Equivalents," at the beginning and ending of the quarterly period covered by the report, should equal the sum of Accounts 1010, "Cash," and 1100, "Short-term Investments," as reported on the immediately preceding and current quarterly Schedule B–1, "Balance Sheet." If the sum of these two accounts does not equal the total "Cash and Cash Equivalents" reported on the statement of cash flows, then a footnote explaining the difference shall be provided as part of the statement of cash flows.

F. Revising paragraphs (b), (e), (f), (g), (h), (i), (j) and (k) and adding new paragraphs (l) and (m) to the reporting instructions for Schedule B–43 to read:

Schedule B–43—Inventory of Airframes and Aircraft Engines

* * * * *

(b) The indicated data shall be reported for each individual airframe, identified by type, model and design of cabin (main deck) as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Type and model refers to aircraft models such as B–707–100, B–707–200, DC–10–40, Beech–18, Piper PA–32, etc. Aircraft type designations are prescribed in Accounting and Reporting Directive No. 137, "List of Aircraft Type Numeric Codes." Copies of this directive and subsequent updates to the list of aircraft type codes are available from the Department's Office of Airline Statistics. Airframes that are authorized for operation over water under FAA regulation FAR 121 shall be so indicated by asterisk.

* * * * *

(e) Column 1, "Year of First Delivery—Airframe," shall reflect, for each reported airframe, the year that the airframe was first delivered by its manufacturer.

(f) Column 2, "Airframe Manufacturer's Serial Number," shall reflect the serial number assigned to each reported airframe by its manufacturer.

(g) Data pertaining to airframes and aircraft engines obtained under operating leases shall be listed in Columns 1 through 9; the cost of improvements to equipment under operating leases shall be reported in Columns 10 through 12.

(h) Column 9, "Available Capacity (Weight)," shall reflect, for each reported aircraft type, the available capacity (stated in pounds) that is used in computing the available ton-miles reported on Schedules T-100, T-1, and T-2.

(i) Column 10, "Acquired Cost or Capitalized Value," shall include (1) the acquisition cost of owned airframes and aircraft engines; (2) the total capitalized cost of obtaining airframes and engines under capital leases; and (3) the cost of improvements to airframes and engines obtained under operating leases.

(j) Column 11, "Allowance for Depreciation or Amortization," shall include (1) the accumulations of all provisions for losses due to use and obsolescence that are applicable to owned airframes and aircraft engines, (2) the amount of amortization recorded for amortizing the value of airframes and engines obtained under capital leases, and (3) the amount of amortization recorded for amortizing the value of improvements to airframes and aircraft engines obtained under operating leases.

(k) Column 12, "Depreciated Cost or Amortized Value," shall be calculated as either (1) Acquired Cost (Column 10) less the Allowance for Depreciation (Column 11) or (2) Capitalized Value (Column 10) less Amortization (Column 11).

(l) Column 13, "Estimated Residual Value," shall state, in dollars, the residual value assigned to owned and capital-leased airframes and aircraft engines, including any overhaul value not subject to depreciation.

(m) Column 14, "Estimated Depreciable or Amortizable Life (Months)," shall state the estimated depreciable or amortizable life from the date of acquisition of each airframe and each group of aircraft engines.

5. Section 24, Profit and Loss Elements, is amended by:

A. Revising paragraph (a) of the reporting instructions for Schedule P-1.1 to read:

Schedule P-1.1—Statement of Operations

(a) This schedule shall be filed semiannually by Group I air carriers with annual operating revenues below $20 million. Data reported on this schedule shall be for the overall or system operations of the air carrier.

* * * * *

B. Revising paragraph (a) of the reporting instructions for Schedule P-1.2 to read:

Schedule P-1.2—Statement of Operations

(a) This schedule shall be filed quarterly by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of $20 million or more.

* * * * *

C. Revising paragraph (a) of the reporting instructions for Schedule P-2 to read:

Schedule P-2—Notes to RSPA Form 41 Report

(a) This schedule shall be filed quarterly by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of $20 million or more.

* * * * *

D. Revising paragraph (a) of the reporting instructions for Schedule P-5.1 to read:

Schedule P-5.1—Aircraft Operating Expenses

(a) This schedule shall be filed by all Group I air carriers. Group I air carriers that have annual operating revenues of $20 million or more shall file this schedule quarterly and only report direct operating expense data (lines 1 thru 9). Group I air carriers with annual operating revenues below $20 million shall file this schedule semiannually and report both direct and indirect operating expense data (lines 1 thru 16).

* * * * *

E. Revising paragraph (a) of the reporting instructions for Schedule P-6 to read:

Schedule P-6—Operating Expenses by Objective Groupings

(a) This schedule shall be filed quarterly by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of $20 million or more.

* * * * *

F. Revising paragraph (a) of the reporting instructions for Schedule P-10 to read:

Schedule P-10—Employment Statistics by Labor Category

(a) This schedule shall be filed annually by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of $20 million or more.

* * * * *

G. Revising paragraph (a) of the reporting instructions for Schedule P-12(a) to read:

Schedule P-12(a)—Fuel Consumption by Type of Service and Entity

(a) This schedule shall be filed monthly by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of $20 million or more.

* * * * *

6. Amended Schedules in RSPA Form 41 Report are shown in Exhibits A, B, C, D, and E. Note: These exhibits will not appear in the CFR.

Issued in Washington, DC on March 21, 1991.

Travis P. Dungan,

Administrator, Research and Special Programs Administration, DOT.

BILLING CODE 4910-62-M

Exhibit A

U.S. Department of Transportation
Research and Special Programs Administration

REPORT OF FINANCIAL AND OPERATING STATISTICS FOR LARGE CERTIFICATED AIR CARRIERS

Period ended ____________________, 19____

____
(Full name of reporting company)

CERTIFICATION*

I, the undersigned ______________________________
(Title of officer in charge of accounts)

of the ______________________________
(Full name of reporting company)

do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.

____
(Signature)

____
(Air Carrier Post Office Address)

Dated ____________________, 19____

***Title 18 U.S.C. Sec. 1001, Crimes and Criminal Procedure, makes it a criminal offense subject to a maximum fine of $10,000 or imprisonment for not more than 5 years, or both, to knowingly and willfully make or cause to be made any false or fraudulent statements or representations in any matter within jurisdiction of any agency of the United States.**

RSPA Form 41 Schedule A (1-85)
Formerly CAB Form 41 Schedule A

Exhibit B

U.S. Department of Transportation
Research and Special Programs Administration

BALANCE SHEET

_______ (OAG Code)

Air Carrier (Corporate Name) ______________________

_______ (Carrier code)

As at ______________________

ASSETS

Current assets:		
Cash and equivalents	1	______
Notes and accounts receivable-net	2	______
Other current assets	3	______
Total current assets	4	______
Property and equipment:		
Owned property and equipment	5	______
Less accumulated depreciation	6	______
Property and equipment obtained under capital leases	7	______
Less accumulated amortization	8	______
Total property and equipment	9	______
Other assets	10	______
Total assets	11	______

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Notes and accounts payable	12	______
Accrued taxes	13	______
Other current liabilities	14	______
Total current liabilities	15	______
Long-term debt	16	______
Other liabilities	17	______
Deferred credits	18	______
Stockholders' equity:		
Capital stock		
Preferred ______ shares outstanding	19	______
Common ______ shares outstanding	20	______
Other paid-in capital	21	______
Retained earnings	22	______
Total stockholders equity	23	______
Less: Treasury stock	24	______
Net stockholders' equity	25	______
Total liabilities and stockholders' equity	26	______

I, the undersigned, (Title)______________ of the above-named air carrier certify that the above report and the attached Financial Schedules and Statements of Operations and Traffic and Capacity Statistics, including the T-100 report and Passenger Origin-Destination Survey, have been examined by me and to the best of my knowledge and belief are true, correct and complete reports for the period stated.

Date: ______________ Signature: ______________

Name (Please Type or Print): ______________

* Denotes inverse amount.

RSPA Form 41 Schedule B-1.1 (1-85)
Formerly CAB Form 41 Schedule B-1.1

Exhibit C

AIRFRAME AND AIRCRAFT ENGINE ACQUISITIONS AND RETIREMENTS								Air Carrier ______________ Quarter Ended ____________, 19___				
Line	Year of First Delivery-Airframe (1)	Airframe Manufacturer's Serial Number (2)	Date Acquired/ Retired (3)	Acquisition or Retirement "A" or "R" (4)	Airframe License Number (5)	Number of Engines Acquired/ Retired (6)	Type, Model, and Cabin Design (7)	Maximum Seating Capacity (8)	Cost (9)	Amortized/ Depreciated Cost (10)	Realization (11)	Acquired From/ Disposition (12)
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												

RSPA Form 41 Schedule B-7

Exhibit D

Air Carrier: ____________________

Period Ended: ____________________

STATEMENT OF CASH FLOWS

RSPA Form 41 Schedule B-12

Exhibit E

INVENTORY OF AIRFRAMES AND AIRCRAFT ENGINES

Air Carrier (Corporate Name) ____________________

Year Ended December 31, ____

Line	Year of First Delivery (1)	Airframe Manufacturer's Serial Number (2)	Airframe License Number* (3)	Date Acquired (4)	Usual Seat Configuration (5)	Number of Aircraft Engines (By Type) (6)	Manufacturer (7)	Type, Model And Cabin Design (8)	Available Capacity (Weight) (9)	Acquired Cost or Capitalized Value (10)	Allowance for Depreciation or Amortization (11)	Depreciated Cost or Amortized Value (12)	Estimated Residual Value (13)	Estimated Depreciable or Amortizable Life (Months) (14)
1														
2														
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														

RSPA Form 41 Schedule B-43

* Denotes airframe currently equipped under FAA Regulation Part 121 for operation over water.

[FR Doc. 91-7140 Filed 3-26-91; 8:45 am]
BILLING CODE 4910-62-C