Dated: December 12, 1994.
Trevor Potter,
Chairman, Federal Election Commission.
[FR Doc. 94–30875 Filed 12–14–94; 8:45 am]
BILLING CODE 6715–01–M

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Part 3

[Docket No. 94–22]

RIN 1557–AB14

FEDERAL RESERVE SYSTEM

12 CFR Part 208

[Regulation H; Docket No. R–0764]

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 325

RIN 3064–AB15

DEPARTMENT OF THE TREASURY

Office of Thrift Supervision

12 CFR Part 567

[No. 94–152]

RIN 1550–AA59

Risk-Based Capital Standards; Concentration of Credit Risk and Risks of Nontraditional Activities

AGENCIES: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); and Office of Thrift Supervision (OTS), Treasury.

ACTION: Final rule.

SUMMARY: The OCC, the Board, the FDIC and the OTS (collectively "the agencies") are issuing this final rule to implement the portions of section 305 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) that require the agencies to revise their risk-based capital standards for insured depository institutions to ensure that those standards take adequate account of concentration of credit risk and the risks of nontraditional activities. The final rule amends the risk-based capital standards by explicitly identifying concentration of credit risk and certain risks arising from nontraditional activities, as well as an institution's ability to manage these risks, as important factors in assessing an institution's overall capital adequacy.

EFFECTIVE DATE: January 17, 1995.

FOR FURTHER INFORMATION CONTACT: OCC: For issues relating to concentration of credit risk and the risks of nontraditional activities, Roger Tufts, Senior Economic Advisor (202/874–5070), Office of the Chief National Bank Examiner. For legal issues, Ronald Shimabukuro, Senior Attorney, Bank Operations and Assets Division (202/874–4460), Office of the Comptroller of the Currency, 250 E Street, S.W., Washington, DC 20219.

Board: For issues related to concentration of credit risk, David Wright, Supervisory Financial Analyst, (202/728–5854) and for issues related to the risks of nontraditional activities, William Treacy, Supervisory Financial Analyst, (202/452–3859), Division of Banking Supervision and Regulation; Scott G. Alvarez, Associate General Counsel (202/452–3583), Gregory A. Baer, Managing Senior Counsel (202/452–3236), Legal Division, Board of Governors of the Federal Reserve System. For the hearing impaired only, Telecommunication Device for the Deaf (TDD), Dorothea Thompson (202/452–3544), Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551.

FDIC: Daniel M. Gautsch, Examination Specialist (202/898–6912), Stephen G. Pfeifer, Examination Specialist (202/898–8904), Division of Supervision, or Fred S. Carns, Chief, Financial Markets Section, Division of Research and Statistics (202/898–3930). For legal issues, Pamela E. F LeCren, Senior Counsel (202/898–3730) or Claude A. Rollin, Senior Counsel (202/898–3985), Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

OTS: John Connolly, Senior Program Manager, Capital Policy (202) 906–6465; Dorene Rosenthal, Senior Attorney, Regulations, Legislation and Opinions Division (202) 906–7268, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552.

SUPPLEMENTARY INFORMATION:

I. Background

The risk-based capital standards adopted by the agencies tailor an institution's minimum capital requirement to broad categories of credit risk embodied in its assets and off-balance-sheet instruments. These standards require institutions to have total capital equal to at least 8 percent of their risk-weighted assets.[1] Institutions with high or inordinate levels of risk are expected to operate above minimum capital standards. Currently, each agency addresses capital adequacy through a variety of supervisory actions and considers the risks of credit concentrations and nontraditional activities in taking those varied supervisory actions.

Section 305(b) of FDICIA, Pub. L. 102–242 (12 U.S.C. 1828 note), requires the agencies to revise their risk-based capital standards for insured depository institutions to ensure that those standards take adequate account of interest rate risk, concentration of credit risk and the risks of nontraditional activities. This final rule addresses concentration of credit risk and the risks of nontraditional activities. The agencies are addressing interest rate risk through separate rulemakings. *See* OCC, Board and FDIC joint notice of proposed rulemaking, 58 FR 48206 (September 14, 1993) and OTS final rulemaking, 58 FR 45799 (August 31, 1993). In addition, the agencies issued separate final rules to implement the section 305 requirement that risk-based capital standards reflect the actual performance and expected risk of loss of multifamily mortgages.

For the risks related to concentration of credit and nontraditional activities, the agencies published a joint notice of proposed rulemaking on February 22, 1994. *See* 59 FR 8420. The agencies received 54 comments, including duplicate comments among the agencies. A description of the joint proposed rule along with a discussion of the comments follows.

II. Concentration of Credit Risk

A. Proposed Approach

In the joint proposed rule, the agencies stated that it was not currently feasible to quantify the risk related to concentrations of credit for use in a formula-based capital calculation. Although most institutions can identify and track large concentrations of credit risk by individual or related groups of borrowers, and some can identify concentrations by industry, geographic area, country, loan type or other relevant factors, there is no generally accepted approach to identifying and quantifying the magnitude of risk associated with concentrations of credit. In particular, definitions and analyses of concentrations are not uniform within the industry and are based in part on the subjective judgments of each institution using its experience and knowledge of its specific borrowers, market areas and products.

Nonetheless, techniques do exist to identify broad classes of concentrations

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[1] As defined, risk-weighted assets include credit exposures contained in off-balance-sheet instruments.

and to recognize significant exposures. The effective tracking and management of such risk is important to ensuring the safety and soundness of financial institutions. Institutions with significant concentrations of credit risk require capital above the regulatory minimums. As new developments in identifying and measuring concentration of credit risk emerge, the agencies will consider potential refinements to the risk-based capital standards.

Accordingly, the agencies proposed to take account of concentration of credit risk in their risk-based capital guidelines or regulations by amending the standards to explicitly cite concentrations of credit risk and an institution's ability to monitor and control them as important factors in assessing an institution's overall capital adequacy. The joint proposed rule contemplated that in addition to reviewing concentrations of credit risk pursuant to section 305, the agencies also may review an institution's management of concentrations of credit risk for adequacy and consistency with safety and soundness standards regarding internal controls, credit underwriting or other relevant operational and managerial areas to be promulgated pursuant to section 132 of FDICIA.

B. Comments

The vast majority of commenters supported the agencies' decision not to propose any quantitative formula or standard. Many commenters, however, expressed a general concern as to how the agencies would implement and interpret the joint proposed rule. Commenters noted with approval the agencies' observation that rulemaking in this area could inadvertently create false incentives or unintended consequences that might decrease the safety and soundness of the banking and thrift industries or unnecessarily reduce the availability of credit to potential borrowers. Several commenters, particularly smaller banks, agreed with the agencies that, while portfolio diversification is a desirable goal, it may also increase an institution's overall risk if accomplished by lending in unfamiliar market areas to out-of-territory borrowers or by rapid expansion of new loan products for which the institution does not have adequate expertise.

A significant number of commenters went further, however, suggesting that any requirement for institutions to hold additional capital for significant concentrations of credit risk, including the case-by-case approach proposed by the agencies, would hurt small banks with limited portfolios and would encourage unhealthy diversification. Under the "Qualified Thrift Lender" test, for example, thrifts must hold 65 percent of their assets in qualifying categories. This requirement necessarily "concentrates" a thrift's portfolio in certain types of assets. Agricultural banks described their position as similar, and therefore opposed any requirement of additional capital in order to compensate for exposures to concentrations of credit.

One commenter felt that the potential risk of loss from concentrations of credit should be reflected in the allowance for loan and lease losses (ALLL). As described in the December 21, 1993 Interagency Policy Statement regarding the ALLL, the current amount of the loan and lease portfolio that is not likely to be collected should be reflected in the ALLL. In making a determination as to the appropriate level for the ALLL, the policy statement identifies concentrations of credit risk as one of several factors to be taken into account by an institution. While both the ALLL and capital serve as a cushion against losses, the difference between the ALLL and capital is that the ALLL should be maintained at a level that is adequate to absorb estimated losses, while capital is meant to provide an additional cushion for unexpected future losses. Because the magnitude and timing of losses from concentrations are hard to predict and therefore come unexpectedly, institutions with significant levels of concentrations of credit risk should hold capital above the regulatory minimums. At the same time, institutions with concentrations of credit that are experiencing a deterioration in credit quality and collectability should reflect the increased risk in those concentrations in the ALLL. Any identifiable loan and lease losses should be recognized immediately by reducing the asset's value and the ALLL.

C. Final Rules

After careful consideration of all the comments, the agencies have decided to adopt the proposed rules on concentration of credit risk without modification. The agencies believe that there is not currently an acceptable method to add a quantitative formula to the risk-based capital standards in order to measure concentration of credit risk. However, the agencies also believe that institutions identified through the examination process as having significant exposure to concentration of credit risk or as not adequately managing concentration risk, should hold capital in excess of the regulatory minimums.

The agencies have reached this conclusion for two reasons. First, although the agencies recognize that in some cases concentrations of credit are inevitable, they nonetheless can pose important risks. Other things being equal, an institution that is not diversified faces risks that a diversified institution does not, and accordingly presents risks to the deposit insurance fund that a diversified institution does not. Second, Congress in section 305 of FDICIA clearly mandated that these risks be taken into account in determining an institution's capital adequacy. OTS, however, does not believe it is appropriate to, and will not, implement section 305 in a way that penalizes thrift institutions for complying with the statutory Qualified Thrift Lender test. In addition, the agencies are not encouraging out-of-territory lending as a response to diversification concerns.

III. Risks of Nontraditional Activities

A. Proposed Approach

The agencies proposed to take account of the risks posed by nontraditional activities by ensuring that, as members of the industry began to engage in, or significantly expand their participation in, a nontraditional activity, the risks of that activity would be promptly analyzed and the activity given appropriate capital treatment. The agencies also proposed to amend their risk-based capital standards to explicitly cite the risks arising from nontraditional activities, and management's ability to monitor and control these risks, as important factors to consider in assessing an institution's overall capital adequacy.

New developments in technology and financial markets have introduced significant changes to the banking industry, and in some cases have led institutions to engage in activities not traditionally considered part of their business. Both in the risk-based capital regulations and guidelines adopted by the agencies in 1989 and in subsequent revisions and interpretations, the agencies have adopted measures to take adequate account of the risks of nontraditional activities under the risk-based capital standards. For example, the FRB, FDIC and the OCC have recently published for comment a proposal to change the way that the counterparty credit risks are measured and incorporated into a risk-based capital ratio for equity index, commodity, and precious metals off-balance sheet instruments. These proposed changes were unique for each of the distinct products. The OTS intends to issue a parallel proposal in the near future. As nontraditional activities develop in the future, the agencies will address each activity on a case-by-case basis. Thus, to the extent that section 305 constitutes a mandate to the agencies to make certain that risk-based capital standards are kept current with industry practices, the agencies have been acting consistently with the intent of section 305.

B. Comments and Final Rules

While most comments focused on concentration of credit risk rather than nontraditional activities, some commenters noted their approval of the agencies' approach with regard to both parts of the rulemaking. Only a few commenters criticized the agencies' proposal on nontraditional activities, expressing concern that the agencies' proposals were too vague for examiners to apply or that the proposals were too inflexible.

After careful consideration of all the comments, the agencies are adopting the joint proposed rule on nontraditional activities without modification. The agencies believe that this final rule appropriately recognizes that the effect of a nontraditional activity on an institution's capital adequacy depends on the activity, the profile of the institution, and the institution's ability to monitor and control the risks arising from that activity. The agencies will continue their efforts to incorporate nontraditional activities into risk-based capital. In addition, to the extent appropriate, the agencies will issue examination guidelines on new developments in nontraditional activities or concentrations of credit to ensure that adequate account is taken of the risks of these activities.

IV. Paperwork Reduction Act

No collections of information pursuant to section 3504(h) of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*) are contained in this final rule. Consequently, no information has been submitted to the Office of Management and Budget for review.

V. Regulatory Flexibility Act Statement

Each agency hereby certifies pursuant to section 605b of the Regulatory Flexibility Act (5 U.S.C. 605(b)) that the final rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). This final rule does not necessitate the development of sophisticated recordkeeping or reporting systems by small institutions; nor will small institutions need to seek out the expertise of specialized accountants, lawyers, or managers in order to comply with the regulation.

VI. Executive Order 12866

The OCC and OTS have determined that this final rule does not constitute "significant regulatory action" for purposes of Executive Order 12866.

List of Subjects

12 CFR Part 3

Administrative practice and procedure, Capital risk, National banks, Reporting and recordkeeping requirements.

12 CFR Part 208

Accounting, Agriculture, Banks, Banking, Confidential business information, Crime, Currency, Federal Reserve System, Mortgages, Reporting and recordkeeping requirements, Securities.

12 CFR Part 325

Bank deposit insurance, Banks, Banking, Capital adequacy, Reporting and recordkeeping requirements, Savings associations, State nonmember banks.

12 CFR Part 567

Capital, Reporting and recordkeeping requirements, Savings associations.

Authority and Issuance

OFFICE OF THE COMPTROLLER OF THE CURRENCY

12 CFR Chapter I

For the reasons set out in the joint preamble, 12 CFR part 3 is amended as set forth below:

PART 3—MINIMUM CAPITAL RATIOS; ISSUANCE OF DIRECTIVES

1. The authority citation for part 3 is revised to read as follows:

Authority: 12 U.S.C. 93a, 161, 1818, 1828(n), 1828 note, 1831n note, 3907 and 3909.

2. Section 3.1 is revised to read as follows:

This part is issued under the authority of 12 U.S.C. 1 *et seq.*, 93a, 161, 1818, 3907 and 3909.

3. Section 3.10 is revised to read as follows:

§ 3.10 Applicability.

The OCC may require higher minimum capital ratios for an individual bank in view of its circumstances. For example, higher capital ratios may be appropriate for:

(a) A newly chartered bank;

(b) A bank receiving special supervisory attention;

(c) A bank that has, or is expected to have, losses resulting in capital inadequacy;

(d) A bank with significant exposure due to interest rate risk, the risks from concentrations of credit, certain risks arising from nontraditional activities, or management's overall inability to monitor and control financial and operating risks presented by concentrations of credit and nontraditional activities;

(e) A bank with significant exposure due to fiduciary or operational risk;

(f) A bank exposed to a high degree of asset depreciation, or a low level of liquid assets in relation to short-term liabilities;

(g) A bank exposed to a high volume of, or particularly severe, problem loans;

(h) A bank that is growing rapidly, either internally or through acquisitions; or

(i) A bank that may be adversely affected by the activities or condition of its holding company, affiliate(s), or other persons or institutions including chain banking organizations, with which it has significant business relationships.

Dated: November 18, 1994.

Eugene A. Ludwig,

Comptroller of the Currency.

FEDERAL RESERVE SYSTEM

12 CFR Chapter II

For the reasons set forth in the joint preamble, 12 CFR Part 208 is amended as set forth below:

PART 208—MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM (REGULATION H)

1. The authority citation for Part 208 continues to read as follows:

Authority: 12 U.S.C. 36, 248(a), 248(c), 321–338a, 371d, 461, 481–486, 601, 611, 1814, 1823(j), 1828(o), 1831o, 1831p–1, 3105, 3310, 3331–3351, and 3906–3909; 15 U.S.C. 78b, 78l(b), 78l(g), 78l(i), 78o–4(c)(5), 78q, 78q–1, and 78w; 31 U.S.C. 5318.

2. Appendix A to Part 208 is amended by revising the fifth and sixth paragraphs under "*I. Overview*" to read as follows:

Appendix A to Part 208—Capital Adequacy Guidelines for State Member Banks: Risk-Based Measure

I. Overview

* * * * *

The risk-based capital ratio focuses principally on broad categories of credit risk although the framework for assigning assets and off-balance-sheet items to risk categories does incorporate elements of transfer risk as well as limited instances of interest rate and market risk The framework incorporates risks arising from traditional banking activities as well as risks arising from nontraditional activities The risk-based ratio does not however incorporate other factors that can affect an institution's financial condition These factors include overall interest rate exposure, liquidity, funding and market risks, the quality and level of earnings, investment, loan portfolio, and other concentrations of credit risk, certain risks arising from nontraditional activities, the quality of loans and investments, the effectiveness of loan and investment policies, and management s overall ability to monitor and control financial and operating risks, including the risks presented by concentrations of credit and nontraditional activities

In addition to evaluating capital ratios, an overall assessment of capital adequacy must take account of those factors, including, in particular the level and severity of problem and classified assets For this reason, the final supervisory judgement on a bank's capital adequacy may differ significantly from conclusions that might be drawn solely from the level of its risk-based capital ratio.

* * * * *

By order of the Board of Governors of the Federal Reserve System, December 9, 1994

Barbara R. Lowrey,

Associate Secretary of the Board

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Chapter III

For the reasons set forth in the joint preamble, 12 CFR Part 325 is amended as follows.

PART 325—CAPITAL MAINTENANCE

1 The authority citation for part 325 is revised to read as follows·

Authority: 12 U S C 1815(a), 1815(b), 1816, 1818(a), 1818(b), 1818(c), 1818(t), 1819(Tenth), 1828(c), 1828(d), 1828(i), 1828(n), 1828(o), 1828 note, 1831n note, 1831o, 3907, 3909

§ 325.3 [Amended]

2 Section 325 3(a) is amended in the fourth sentence by adding "significant risks from concentrations of credit or nontraditional activities," immediately after "funding risks," and by adding "will take these other factors into account in analyzing the bank's capital adequacy and" immediately after 'FDIC" and before "may"

3 The fifth paragraph of the introductory text of Appendix A to Part 325 is revised to read as follows

Appendix A to Part 325—Statement of Policy on Risk-Based Capital

* * * * *

The risk-based capital ratio focuses principally on broad categories of credit risk, however, the ratio does not take account of many other factors that can affect a bank's financial condition These factors include overall interest rate risk exposure, liquidity funding and market risks, the quality and level of earnings, investment loan portfolio, and other concentrations of credit risk, certain risks arising from nontraditional activities, the quality of loans and investments, the effectiveness of loan and investment policies, and management's overall ability to monitor and control financial and operating risks, including the risk presented by concentrations of credit and nontraditional activities. In addition to evaluating capital ratios, an overall assessment of capital adequacy must take account of each of these other factors, including, in particular, the level and severity of problem and adversely classified assets For this reason, the final supervisory judgment on a bank's capital adequacy may differ significantly from the conclusions that might be drawn solely from the absolute level of the bank's risk-based capital ratio.

* * * * *

By order of the Board of Directors.

Dated at Washington, DC, this 9th day of August 1994

Federal Deposit Insurance Corporation.

Robert E. Feldman,

Acting Executive Secretary

OFFICE OF THRIFT SUPERVISION

12 CFR Chapter V

For the reasons set forth in the joint preamble, 12 CFR Part 567 is amended as follows:

SUBCHAPTER D—REGULATIONS APPLICABLE TO ALL SAVINGS ASSOCIATIONS

PART 567—CAPITAL

1. The authority citation for part 567 continues to read as follows:

Authority: 12 U.S C. 1462, 1462a, 1463, 1464, 1467a, 1828 (note).

2. Section 567.3 is amended by revising paragraphs (b)(3) and (b)(9) to read as follows:

§ 567.3 Individual minimum capital requirements.

* * * * *

(b) * * *

(3) A savings association that has a high degree of exposure to interest rate risk, prepayment risk, credit risk, concentration of credit risk, certain risks arising from nontraditional activities, or similar risks; or a high proportion of off-balance sheet risk, especially standby letters of credit;

* * * * *

(9) A savings association that has a record of operational losses that exceeds the average of other, similarly situated savings associations; has management deficiencies, including failure to adequately monitor and control financial and operating risks, particularly the risks presented by concentrations of credit and nontraditional activities, or has a poor record of supervisory compliance

* * * * *

Dated August 12, 1994

By the Office of Thrift Supervision

Jonathan L. Fiechter,

Acting Director

[FR Doc. 94-30771 Filed 12-14-94, 8:45 am]

BILLING CODES: OCC 4810-33-P; Board 6210-01-P; FDIC 6714-01-P; OTS 6720-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 94-NM-66-AD; Amendment 39-9095; AD 94-25-11]

Airworthiness Directives; Jetstream Model 4101 Airplanes

AGENCY: Federal Aviation Administration, DOT

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain Jetstream Model 4101 airplanes, that requires installation of additional venting between the flight deck and the passenger compartment. This amendment is prompted by results of an engineering analysis that revealed there was insufficient venting in the forward stowage and wardrobe assembly. The actions specified by this AD are intended to prevent injury to the crew resulting from structural failure of the bulkhead between the flight deck and the passenger compartment in the event of windshield failure and subsequent rapid decompression.

DATES: Effective January 17, 1995.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of January 17, 1995.

ADDRESSES: The service information referenced in this AD may be obtained from Jetstream Aircraft, Inc., P.O. Box 16029, Dulles International Airport, Washington, DC 20041-6029. This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue SW , Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: William Schroeder, Aerospace Engineer, Standardization Branch, ANM–113, FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, Washington 98055–4056; telephone (206) 227–2148; fax (206) 227–1320.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to certain Jetstream Model 4101 airplanes was published in the **Federal Register** on July 15, 1994 (59 FR 36096). That action proposed to require installation of additional venting between the flight deck and the passenger compartment.

Interested persons have been afforded an opportunity to participate in the making of this amendment. Due consideration has been given to the single comment received.

The commenter supports the proposed rule.

The FAA has recently reviewed the figures it has used over the past several years in calculating the economic impact of AD activity In order to account for various inflationary costs in the airline industry, the FAA has determined that it is necessary to increase the labor rate used in these calculations from $55 per work hour to $60 per work hour The economic impact information below has been revised to reflect this increase in the specified hourly labor rate.

As a result of recent communications with the Air Transport Association (ATA) of America, the FAA has learned that, in general, some operators may misunderstand the legal effect of AD's on airplanes that are identified in the applicability provision of the AD, but that have been altered or repaired in the area addressed by the AD. Under these circumstances, at least one operator appears to have incorrectly assumed that its airplane was not subject to an AD. On the contrary, all airplanes identified in the applicability provision of an AD are legally subject to the AD. If an airplane has been altered or repaired in the affected area in such a way as to affect compliance with the AD, the owner or operator is required to obtain FAA approval for an alternative method of compliance with the AD, in accordance with the paragraph of each AD that provides for such approvals. A note has been added to this final rule to clarify this requirement. The FAA has determined that this addition will neither increase the economic burden on any operator nor increase the scope of this AD.

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 estimates that 10 airplanes of U.S. registry will be affected by this AD, that it will take approximately 40 work hours per airplane to accomplish the required actions, and that the average labor rate is $60 per work hour. Required parts will be provided by the manufacturer at no cost to the operators. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be $24,000, or $2,400 per airplane.

The total cost impact figure discussed above is based on assumptions that no operator has yet accomplished any of the requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted.

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 "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) 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 final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from the Rules Docket at the location provided under the caption **ADDRESSES.**

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends 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. App. 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 adding the following new airworthiness directive:

94–25–11 Jetstream Aircraft Limited: Amendment 39–9095. Docket 94–NM–66–AD.

Applicability: Model 4101 airplanes, constructors numbers 41005 through 41015 inclusive, 41019 through 41024 inclusive, 41028, and 41029; 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 use the authority provided in paragraph (b) to request approval from the FAA. This approval may address either no action, if the current configuration eliminates the unsafe condition; or different actions necessary to address the unsafe condition described in this AD. Such a request should include an assessment of the effect of the changed configuration on the unsafe condition addressed by this AD. In no case does the presence of any modification, alteration, or repair remove any airplane from the applicability of this AD.

Compliance: Required as indicated, unless accomplished previously.

To prevent injury to the crew resulting from structural failure of the bulkhead between the flight deck and the passenger compartment in the event of windshield failure and subsequent rapid decompression, accomplish the following:

(a) Within 525 hours time-in-service after the effective date of this AD, install additional decompression vents in the left and right stowage and the right forward wardrobe assembly bulkhead between the flight deck and passenger compartment, in accordance with Jetstream Service Bulletin J41–25–018, dated March 15, 1994.

(b) 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, Standardization Branch, ANM–113, 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, Standardization Branch, ANM–113.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Standardization Branch, ANM–113.

(c) Special flight permits may be issued in accordance with §§ 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.

(d) The installation shall be done in accordance with Jetstream Service Bulletin J41-25-018, dated March 15, 1994 This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U S C. 552(a) and 1 CFR part 51 Copies may be obtained from Jetstream Aircraft, Inc , P O Box 16029, Dulles International Airport, Washington, DC 20041-6029 Copies may be inspected at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW , Renton, Washington, or at the Office of the Federal Register, 800 North Capitol Street, NW , suite 700, Washington, DC.

(e) This amendment becomes effective on January 17, 1995

Issued in Renton, Washington, on December 5, 1994

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service

[FR Doc 94-30397 Filed 12-14-94, 8 45 am]

BILLING CODE 4910-13-U

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14 CFR Part 39

[Docket No. 94-NM-87-AD; Amendment 39-9090; AD 94-25-06]

Airworthiness Directives; McDonnell Douglas Model DC-9-80 Series Airplanes and Model MD-88 Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain Model DC-9-80 series airplanes and Model MD-88 airplanes, that requires modification of the engine nose cowls. This amendment is prompted by several in-flight incidents in which the engine nose cowl separated or nearly separated from the airplane. The actions specified by this AD are intended to prevent separation of the engine nose cowl from the airplane during severe vibration of the engine.

DATES: Effective January 17, 1995.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of January 17, 1995.

ADDRESSES: The service information referenced in this AD may be obtained from McDonnell Douglas Corporation, P.O. Box 1771, Long Beach, California 90801-1771, Attention: Business Unit Manager, Technical Administrative Support, Dept. L51, M.C. 2-98. This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Transport Airplane Directorate, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California 90712; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Robert Baitoo, Aerospace Engineer, Propulsion Branch, ANM-141L, FAA, Transport Airplane Directorate, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California 90712; telephone (310) 627-5245; fax (310) 627-5210.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to certain Model DC-9-80 series airplanes and Model MD-88 airplanes series airplanes was published in the **Federal Register** on July 27, 1994 (59 FR 38147). That action proposed to require modification of the left and right engine nose cowls.

Interested persons have been afforded an opportunity to participate in the making of this amendment Due consideration has been given to the comments received.

One commenter supports the propose rule.

Several commenters request that the compliance time for the accomplishment of the modification be extended from the proposed 8 months to 12 or 18 months. These commenters state that they would have to special schedule their fleet of airplanes to accomplish this modification within the proposed compliance time. This would entail considerable additional expenses and schedule disruptions. The FAA concurs. The FAA's intent was that the modification be accomplished during a regularly scheduled maintenance for the majority of the affected fleet, when the airplanes would be located at a base where special equipment and trained personnel would be readily available, if necessary. Based on the information supplied by the commenters, the FAA now recognizes that 12 months corresponds more closely to the interval representative of most of the affected operators' normal maintenance schedules. Paragraph (a) of the final rule has been revised to reflect a compliance time of 12 months. The FAA does not consider that this extension of an additional 4 months for compliance will adversely affect safety

Two commenters state that, during accomplishment of the modification, they found an interference condition on the engine cowls being modified that prevents installation of bolt heads facing forward. One commenter states that the final rule of this AD should not be released until the McDonnell Douglas MD-80 Alert Service Bulletin A71-61 is revised to correct procedures relative to this interference condition. The FAA infers from these commenters that they would like the proposed rule to be revised to cite the latest revision of McDonnell Douglas MD-80 Alert Service A71-61 The FAA concurs Since issuance of the proposed rule, the FAA has reviewed and approved Revision 1, of McDonnell Douglas Alert Service Bulletin, dated October 4, 1994. Revision 1 allows the installation of bolts from the engine flange side when interference with the Hi-Lok bolts exist. The FAA has revised paragraph (a) of the final rule to reflect the latest revision to the alert service bulletin as an additional source of service information

The FAA has recently reviewed the figures it has used over the past several years in calculating the economic impact of AD activity In order to account for various inflationary costs in the airline industry, the FAA has determined that it is necessary to increase the labor rate used in these calculations from $55 per work hour to $60 per work hour The economic impact information, below, has been revised to reflect this increase in the specified hourly labor rate.

As a result of recent communications with the Air Transport Association (ATA) of America, the FAA has learned that some operators may misunderstand the legal effect of AD's on airplanes that are identified in the applicability provision of the AD, but that have been altered or repaired in the area addressed by the AD. Under these circumstances, at least one operator appears to have incorrectly assumed that its airplane was not subject to the AD. On the contrary, all airplanes identified in the applicability provision of an AD are legally subject to the AD. If an airplane has been altered or repaired in the affected area in such a way as to affect compliance with the AD, the owner or operator is required to obtain FAA approval for an alternative method of compliance with the AD, in accordance with the paragraph of each AD that provides for such approvals. A note has been added to the final rule to clarify this requirement.

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

There are approximately 1,062 McDonnell Douglas Model DC–9–80 series airplanes and Model MD–88 airplanes of the affected design in the worldwide fleet. The FAA estimates that 540 airplanes of U.S. registry will be affected by this AD, that it will take approximately 6 work hours per airplane to accomplish the required actions, and that the average labor rate is $60 per work hour. Required parts will cost approximately $100 per airplane. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be $248,400, or $460 per airplane.

The FAA has been advised that 74 U.S.-registered airplanes have been modified in accordance with the requirement of this AD. Therefore, the future economic cost impact of this rule on U.S. operators is now only $214,360.

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 "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) 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 final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from the Rules Docket at the location provided under the caption **ADDRESSES**.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends 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. App. 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 adding the following new airworthiness directive:

94–25–06 McDonnell Douglas: Amendment 39–9090. Docket 94–NM–87–AD.

Applicability: Model DC–9–81 (MD–81), DC–9–82 (MD–82), DC–9–83 (MD–83), and DC–9–87 (MD–87) series airplanes and Model MD–88 airplanes; as listed in McDonnell Douglas MD–80 Alert Service Bulletin A71–61, Revision 1, dated October 4, 1994; 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 use the authority provided in paragraph (b) to request approval from the FAA. This approval may address either no action, if the current configuration eliminates the unsafe condition; or different actions necessary to address the unsafe condition described in this AD. Such a request should include an assessment of the effect of the chnged configuration on the unsafe condition addressed by this AD. In no case does the presence of any modification, alteration, or repair remove any airplane from the applicability of this AD.

Compliance: Required as indicated, unless accomplished previously.

To prevent the engine nose cowl separating from the airplane during severe engine vibration, accomplish the following:

(a) Within 12 months after the effective date of this AD, modify the left and right engine nose cowls in accordance with McDonnell Douglas MD–80 Alert Service Bulletin A71–61, dated May 18, 1994, or Revision 1, dated October 4, 1994.

Note 2: Modification in accordance with either Figure 1, Figure 2, or Figure 3 of the alert service bulletin is acceptable for compliance with this paragraph.

(b) 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 3: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Los Angeles ACO.

(c) Special flight permits may be issued in accordance with §§ 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.

(d) The modification shall be done in accordance with McDonnell Douglas MD–80 Alert Service Bulletin A71–61, dated May 18, 1994, or McDonnell Douglas MD–80 Alert Service Bulletin, Revision 1, dated October 4, 1994. This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51 Copies may be obtained from McDonnell Douglas Corporation, P.O. Box 1771, Long Beach, California 90801–1771, Attention. Business Unit Manager, Technical Administrative Support, Dept. L51, M.C. 2–98. Copies may be inspected 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 90712; or at the Office of the Federal Register, 800 North Capitol Street, NW , suite 700, Washington, DC.

(e) This amendment becomes effective on January 17, 1995.

Issued in Renton, Washington, on December 2, 1994.

James V. Devany,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 94–30144 Filed 12–14–94; 8:45 am]

BILLING CODE 4910–13–U

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14 CFR Part 39

[Docket No. 93–ANE–29; Amendment 39–9088; AD 94–25–04]

Airworthiness Directives; Precision Airmotive Corporation (Formerly Facet Aerospace Products and Marvel-Schebler) Model HA–6 Series Carburetors

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain Precision Airmotive Corporation (formerly Facet Aerospace Products and Marvel-Schebler) Model HA–6 series carburetors, that requires a modification in those carburetors not equipped with a mixture control retainer clip. This amendment is prompted by eight reports of excessive retention screw wear causing rough engine operation or engine power loss on engines equipped with a Model HA–6 series carburetor between January 1986 and August 1992 The actions specified by this AD are

intended to prevent the interruption of fuel flow to the engine caused by the mixture control shaft moving out of position because of excessive wear of the mixture control shaft retention screw.

DATES: Effective February 13, 1995.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of February 13, 1995

ADDRESSES: The service information referenced in this AD may be obtained from Precision Airmotive Corporation, 3220 -100th Street Southwest, Suite E, Everett, WA 98204; telephone (206) 353–8181, fax (206) 348–3545. This information may be examined at the Federal Aviation Administration (FAA), New England Region, Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, MA; or at the Office of the Federal Register, 800 North Capitol Street NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Jon A. Regimbal, Aerospace Engineer, Seattle Aircraft Certification Office, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, WA 98055–4056; telephone (206) 227–2687, fax (206) 227–1181.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to certain Precision Airmotive Corporation (formerly Facet Aerospace Products and Marvel-Schebler) Model HA–6 series carburetors was published in the **Federal Register** on December 21, 1993 (58 FR 67381). That action proposed to require installation of a retainer clip, replacement screw, and washer to prevent movement of the existing mixture control shaft in the event of excessive wear of the mixture control shaft retainer screw, in accordance with Marvel-Schebler/Tillotson Service Bulletin (SB) No. A1–78, dated September 1978.

Interested persons have been afforded an opportunity to participate in the making of this amendment. Due consideration has been given to the comment received.

The commenter (the manufacturer) states that only certain part numbers of HA–6 series carburetors should be affected by the AD. The affected carburetors were manufactured prior to 1979, after which a modification to address mixture control shaft retention problems was introduced and the part numbers were changed. The Federal Aviation Administration (FAA) concurs. The applicability of this final rule has been revised to include only carburetors identified by certain part numbers. In addition, the manufacturer has issued Precision Airworthiness Corporation Mandatory SB No. MSA–6, dated April 6, 1994, that includes the revised effectivity limited by part numbers. This final rule adds this SB as an additional means of compliance to the original Marvel-Schebler/Tillotson SB. Finally, the economic analysis has been revised to show the lower number of affected carburetors.

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

There are approximately 5,000 carburetors of the affected design in the worldwide fleet, but the number of carburetors installed on aircraft of U.S. registry that will be affected by this AD is unknown. The FAA estimates that it will take approximately 1 work hour per carburetor to accomplish the required actions, and that the average labor rate is $55 per work hour. Required parts will cost approximately $34 per carburetor. Based on these figures, the total cost impact of the AD on worldwide operators is estimated to be $445,000.

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 "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) 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 final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from the Rules Docket at the location provided under the caption **ADDRESSES**.

List of Subjects in 14 CFR Part 39

Air Transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends 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. App. 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 adding the following new airworthiness directive:

94–25–04 Precision Airmotive Corporation (formerly Facet Aerospace Products and Marvel-Schebler): Amendment 39–9088. Docket 93–ANE–29.

Applicability: Precision Airmotive Corporation (formerly Facet Aerospace Products and Marvel-Schebler) Model HA–6 series carburetors with part numbers 10–5092, 10–5180, 10–5189, 10–5200, 10–5200–1, 10–5201–11, 10–5206, 10–5206–1, 10–5210, 10–5211, 10–5211–1, 10–5214, 10–5215, 10–5221, 10–5227. These carburetors are installed on but not limited to reciprocating engine powered aircraft manufactured by Beech, Cessna, Piper, and Mooney.

Compliance: Required as indicated, unless accomplished previously.

To prevent the interruption of fuel flow to the engine caused by the mixture control shaft moving out of position because of excessive wear of the mixture control shaft retention screw, accomplish the following:

(a) For affected carburetors not equipped with a mixture control shaft retainer clip (P/N 55–A239), screw (P/N 15–B395), and washer (P/N 78–A292), install these items within 12 months after the effective date of this airworthiness directive (AD) in accordance with Marvel-Schebler/Tillotson Service Bulletin (SB) No. A1–78, dated September 1978, or Precision Airmotive Corporation SB No. MSA–6, dated April 6, 1994.

(b) 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, Seattle Aircraft Certification Office. The request should be forwarded through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Seattle Aircraft Certification Office.

Note: Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the Seattle Aircraft Certification Office.

(c) Special flight permits may be issued in accordance with §§ 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the aircraft to a location where the requirements of this AD can be accomplished.

(d) The installation shall be done in accordance with the following service bulletins:

Document No.	Pages	Date
Marvel Schebler/ Tillotson SB No. A1-78. Total Pages: 2.	1–2	September 1978
Precision Airmotive Corporation SB No. MSA-6. Total Pages: 3.	1–3	April 6, 1994.

This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from Precision Airmotive Corporation, 3220 -100th Street Southwest, Suite E, Everett, WA 98204; telephone (206) 353–8181, fax (206) 348–3545. Copies may be inspected at the FAA, New England Region, Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, MA; or at the Office of the Federal Register, 800 North Capitol Street NW., suite 700, Washington, DC.

(e) This amendment becomes effective on February 13, 1995.

Issued in Burlington, Massachusetts, on December 1, 1994.

James C. Jones,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 94–30179 Filed 12–14–94; 8:45 am]

BILLING CODE 4910–13–P

14 CFR Part 39

[Docket No. 93–ANE–78; Amendment 39–9092; AD 94–25–08]

Airworthiness Directives; Turbomeca Arriel 1 Series Turboshaft Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment supersedes an existing airworthiness directive (AD), applicable to Turbomeca Arriel 1 series turboshaft engines, that currently requires a gearbox chip detector inspection prior to further flight, subsequent inspection at designated intervals, and if necessary, removal of the gearbox, and also requires modification of the gearbox if not accomplished previously. This amendment requires modification to the intermediate gear that would constitute terminating action to the repetitive chip detector inspections. On certain engines this amendment requires immediate modification of the intermediate gear prior to further flight. This amendment is prompted by the availability of design improvements to the intermediate gear. The actions specified by this AD are intended to prevent damage to the aircraft resulting from engine debris following an uncontained engine failure.

DATES: Effective January 17, 1995.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of January 17, 1995.

ADDRESSES: The service information referenced in this AD may be obtained from Turbomeca Engine Corporation, 2709 Forum Drive, Grand Prairie, TX 75051. This information may be examined at the Federal Aviation Administration (FAA), New England Region, Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, MA 01803–5299; or at the Office of the Federal Register, 800 North Capitol Street NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Mark A. Rumizen, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803–5299; telephone (617) 238–7137, fax (617) 238–7199.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) by superseding airworthiness directive (AD) 92–24–08, Amendment 39–8413 (57 FR 54293, November 18, 1992), which is applicable to Turbomeca Arriel 1B, 1D, 1D1, 1A with TU13, and 1A1 with TU13, turboshaft engines, was published in the **Federal Register** on March 15, 1994 (59 FR 11944). That action proposed to require removing gearboxes that were overhauled prior to June 1, 1992, within 30 days after the effective date of that AD. Those gearboxes have intermediate gears that are prone to gear teeth wear due to mixing of used gear train components with new components. That proposed AD would also require immediate modification of certain engines to the TU39 which introduces a thicker web intermediate gear that is more resistant to high cycle fatigue (HCF) failure. Finally, that proposed AD would also continue to require repetitive inspections of the chip detector for evidence of metal chips until installation of modification TU232 to the intermediate gear at the next overhaul or repair of the reduction gearbox. Installation of modification TU232 would constitute terminating action to the inspection requirements of that AD. The actions would be required to be accomplished in accordance with Turbomeca Service Bulletin (SB) No. 292 72 0157, Update No. 2, dated July 30, 1993, and Turbomeca SB No. 292 72 0169, dated July 12, 1993.

Interested persons have been afforded an opportunity to participate in the making of this amendment. Due consideration has been given to the comments received.

One commenter (the manufacturer) states that the economic analysis in the proposed rule is incorrect, and provides revised economic information. The FAA concurs and has revised the economic analysis of this final rule accordingly.

One commenter states that the provision to allow the pilot to perform the chip detector inspection that was specified in AD 92–24–08 should be included in this AD. The FAA concurs and the compliance section has been revised to include this provision.

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

The FAA estimates that 270 engines installed on aircraft of U.S. registry will be affected by this AD, that it will take approximately 4 work hours per engine to accomplish the required actions, and that the average labor rate is $55 per work hour. Required parts will cost approximately $4,222 per engine. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be $1,199,340.

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 "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) 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 final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from the Rules Docket at the location provided under the caption "ADDRESSES "

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator the Federal Aviation Administration amends 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 App 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 removing Amendment Section 39.13 is amended by removing amendment 39–8413 (57 FR 54293, November 18, 1992) and by adding a new airworthiness directive, Amendment 39–9092, to read as follows:

94–25–08 Turbomeca: Amendment 39–9092 Docket 93–ANE–78 Supersedes AD 92–24–08, Amendment 39–8413

Applicability Turbomeca Arriel Model 1B, 1D, 1D1, 1A with TU13, and 1A1 with TU13, turboshaft engines installed on but not limited to Aerospatiale AS–350B helicopters

Compliance Required as indicated, unless accomplished previously

To prevent damage to the aircraft resulting from engine debris following an uncontained engine failure, accomplish the following.

(a) For the following Turbomeca Arriel engine models 1D not modified to TU232, 1D1 not modified to TU232, 1B modified to TU39 but not modified to TU232, 1A with TU13 modified to TU39 but not modified to TU232, and 1A1 with TU13 modified to TU39 but not modified to TU232, accomplish the following

(1) Except for those engines that have been inspected in accordance with AD 92–24–08 within 8 hours time in service (TIS) prior to the effective date of this AD, prior to further flight remove and inspect the reduction gearbox chip detector for evidence of metal chips

(2) Remove from service reduction gearbox modules that do not meet the return to service criteria described in Turbomeca SB No 292 72 0157, Update No. 2, dated July 30, 1993, and replace with a serviceable part

(3) Thereafter, at intervals not to exceed 8 hours TIS since the last inspection, accomplish the following.

(i) Remove and inspect the reduction gearbox chip detector in accordance with paragraph (a)(1) of this AD

(ii) Remove from service, if necessary, the reduction gearbox module in accordance with paragraph (a)(2) of this AD, and replace with a serviceable part.

(4) At the next overhaul or repair of the reduction gearbox module after the effective date of this AD, incorporate modification TU232 in accordance with Turbomeca SB No. 292 72 0169, dated July 12, 1993 Incorporation of modification TU232 constitutes terminating action to the inspections, and replacement, if necessary, required in paragraphs (a)(1), (a)(2), and (a)(3) of this AD.

(b) For the following Turbomeca Arriel engine models: 1B not modified to TU39, 1A with TU13 not modified to TU39, and 1A1 with TU13 not modified to TU39, prior to further flight replace reduction gearbox module No 5 with a reduction gearbox module No 5 modified to standard TU39

(c) For the following Turbomeca Arriel engine models 1B, 1A with TU13, and 1A1 with TU13, with reduction gearbox modules identified by serial numbers specified in paragraph C.(c) of Turbomeca SB No 292 72 0157, Update No. 2, dated July 30, 1993 that were overhauled prior to June 1, 1992, but not overhauled between that date and the effective date of this AD, and with less than 200 hours TIS since overhaul, remove from service and return for overhaul within 30 days after the effective date of this AD, in accordance with Turbomeca Service Bulletin (SB) No 292 72 0157 Update No 2, dated July 30, 1993

(d) The checks required by paragraphs (a)(1) and (a)(3)(i) of this AD may be performed by the pilot holding at least a private pilot certificate as a n exception to the requirements of part 43 of the Federal Aviation Regulations (14 CFR part 43). The checks must be recorded in accordance with Sections 43 9 and 91 417(a)(2)(v) of the Federal Aviation Regulations (14 CFR 43 9 and 14 CFR 91 417(a)(2)(v)), and the records must be maintained as required by the applicable Federal Aviation Regulation

(e) 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, Engine Certification Office. The request should be forwarded through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Engine Certification Office

Note: Information concerning the existence of approved alternative method of compliance with this AD, if any, may be obtained from the Engine Certification Office

(f) 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 aircraft to a location where the requirements of this AD can be accomplished.

(g) The actions required by this AD shall be done in accordance with the following service bulletins:

Document No.	Pages	Update	Date
Turbomeca SB No. 292 72 0157 Total pages: 5.	1–5	2	July 30, 1993.
Turbomeca SB No. 292 72 0169 Total pages. 5.	1–5	Original	July 12, 1993.

This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U S C. 552(a) and 1 CFR part 51 Copies may be obtained from Turbomeca Engine Corporation, 2709 Forum Drive, Grand Prairie, TX 75051 Copies may be inspected at the FAA, New England Region, Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, MA, or at the Office of the Federal Register, 800 North Capitol Street NW , suite 700, Washington, DC.

(h) This amendment becomes effective on January 17, 1995.

Issued in Burlington, Massachusetts, on December 2, 1994.

James C. Jones,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 94–30180 Filed 12–14–94; 8:45 am]

BILLING CODE 4910–13–P

DELAWARE RIVER BASIN COMMISSION

18 CFR Part 420

Water Supply Charges; Amendments to Comprehensive Plan and Basin Regulations

AGENCY: Delaware River Basin Commission.

ACTION: Final rule.

SUMMARY: At its December 7, 1994 business meeting, the Delaware River Basin Commission amended its Comprehensive Plan and Basin Regulations—Water Supply Charges concerning the transfer of Certificates of Entitlement. Holders of Certificates of Entitlement are exempted from the payment of water charges until such Certificates are transferred. The amendments define "transfer"; delete two categories of exemptions from the existing general rule that terminates Certificates of Entitlement upon transfer; and revise a third such category

EFFECTIVE DATE: December 7, 1994.

ADDRESSES: Copies of the Commission's Basin Regulations—Water Supply Charges are available from the Delaware River Basin Commission, P.O. Box 7360, West Trenton, New Jersey 08628.

FOR FURTHER INFORMATION CONTACT: Susan M. Weisman, Commission Secretary, Delaware River Basin Commission: Telephone (609) 883–9500 ext. 203

SUPPLEMENTARY INFORMATION: As noticed in the August 5, 1994 (59 FR 39991) and October 19, 1994 (59 FR 52766) issues of the **Federal Register**, the Commission held a public hearing on the proposed amendments on October 26, 1994. At that hearing, the comment period was extended to include written statements received through November 9, 1994. Based upon testimony received and considerable deliberation, the Commission has amended its Comprehensive Plan and Basin Regulations—Water Supply Charges.

List of Subjects in 18 CFR Part 420

Water supply.

PART 420—[AMENDED]

1. The authority citation for 18 CFR Part 420 is revised to read as follows:

Authority: Delaware River Basin Compact, 75 Stat. 688

2. In section 420.31 paragraphs (d) and (f) are revised to read as follows:

§ 420.31 Certificate of entitlement.

* * * * *

(d) A certificate of entitlement is not transferable, except as provided in paragraphs (e) and (f) of this section. For the purposes of this section, "transfer" shall mean any sale or other conveyance by a holder of a certificate of entitlement involving a specific facility and shall include any transfer which results in a change of ownership and/or control of the facility or of the stock, or other indicia of ownership of a corporation which holds title to the facility.

* * * * *

(f) A certificate of entitlement may be transferred in connection with a corporate reorganization within any of the following categories:

(1) Whenever property is transferred to a corporation by one or more persons solely in exchange for stock or securities of the same corporation, provided that immediately after the exchange the same person or persons are in control of the transferee corporation; that is, they own 80 percent of the voting stock and 80 percent of all other stock of the corporation; or

(2) Where such transfer is merely a result of a change of the name, identify, internal corporate structure or place of organization of a corporate holder of a certificate of entitlement and does not affect ownership and/or control.

Dated: December 9, 1994.

Susan M. Weisman,

Secretary.

[FR Doc. 94–30821 Filed 12–14–94; 8:45 am]

BILLING CODE 6360–01–U

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 135

[Docket No. 88P–0251]

Frozen Desserts: Removal of Standards of Identity for Ice Milk and Goat's Milk Ice Milk; Amendment of Standards of Identity for Ice Cream and Frozen Custard and Goat's Milk Ice Cream; Confirmation of Effective Date

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule; confirmation of effective date.

SUMMARY: The Food and Drug Administration (FDA) is confirming the effective date of September 14, 1995, for compliance with the final rule that appeared in the **Federal Register** of September 14, 1994 (59 FR 47072), that amended the frozen desserts standards of identity. Among other things, the amendments removed the standard of identity for ice milk and amended the standard of identity for ice cream and frozen custard to provide for the use, in these foods, of safe and suitable sweeteners; skim milk that may be concentrated, and from which part or all of the lactose has been removed by a safe and suitable procedure; and hydrolyzed milk proteins as stabilizers. This rule also removed the standard of identity for goat's milk ice milk and made comparable changes in the standard of identity for goat's milk ice cream, which cross-references the standard of identity for ice cream and frozen custard. The rule also required that all sweeteners other than nutritive carbohydrate sweeteners used in ice cream and frozen custards be declared as part of the name of the food until September 14, 1998.

DATES: Effective September 14, 1995, for all products initially introduced or initially delivered for introduction into interstate commerce on or after this date. Compliance with this rule may have begun on September 14, 1994. All sweeteners other than nutritive carbohydrate sweeteners used in ice cream and frozen custard products must be declared as part of the name of the food until September 14, 1998.

FOR FURTHER INFORMATION CONTACT: Nannie H. Rainey, Center for Food Safety and Applied Nutrition (HFS–158), Food and Drug Administration, 200 C St. SW., Washington, DC 20204–0002, 202–205–5099.

SUPPLEMENTARY INFORMATION:

In the **Federal Register** of September 14, 1994 (59 FR 47072), FDA amended the standards of identity for frozen desserts: (1) To remove the standards of identity for ice milk (§ 135.120 (21 CFR 135.120)) and goat's milk ice milk (§ 135.125 (21 CFR 135.125)); and (2) to amend the standards of identity for ice cream and frozen custard (§ 135.110 (21 CFR 135.110)), and, by cross-reference, goat's milk ice cream (§ 135.115 (21 CFR 135.115)), to provide for the use in these foods, of safe and suitable sweeteners and to allow for the use of skim milk that may be concentrated, and from which part or all of the lactose has been removed by a safe and suitable procedure, in the food. FDA also amended the standard of identity for ice cream and frozen custard to provide for the optional use of hydrolyzed milk proteins as stabilizers in the food at a level not to exceed 3 percent by weight to ice cream mix containing not less that 20 percent total milk solids, provided that any whey and modified whey products used contribute, singly or in combination, not more than 25 percent by weight of the total nonfat milk solids content of the finished food.

FDA also amended the standard of identity for ice cream and frozen custard (§ 135.110) to provide for the use of sweeteners other than nutritive carbohydrate sweeteners. When such sweeteners are used in the food, their presence must be declared as part of the name of the food until September 14, 1998, to ensure that consumers will have an opportunity to become familiar with these new food products. After that time, the use of these sweeteners in ice cream will have to be reflected only in the ingredient statement on the label of the food.

FDA gave interested persons until October 14, 1994, to file objections or requests for a hearing. The agency received no objections or requests for a hearing on the final rule. Therefore, FDA has concluded that the final rule published in the **Federal Register** of September 14, 1994, should be confirmed.

List of Subjects in 21 CFR Part 135

Food grades and standards, Food labeling, Frozen foods, Ice cream.

Therefore, under the Federal Food, Drug, and Cosmetic Act (secs. 201, 401, 403, 409, 701, 721 (21 U.S.C. 321, 341, 343, 348, 371, 379e)) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 5.10), and redelegated to the Director, Office of Food Labeling, Center for Food Safety and Applied Nutrition (21 CFR 5.62), notice is given that the amendments of part 135 that were set forth in the **Federal Register** of September 14, 1994 (59 FR 47072) become effective September 14, 1995. Compliance with the amendments may have begun on September 14, 1994.

Dated: December 1, 1994.

F. Edward Scarbrough,

Director, Office of Food Labeling, Center for Food Safety and Applied Nutrition.

[FR Doc. 94–30869 Filed 12–14–94; 8:45 am]

BILLING CODE 4160–01–F

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[TD 8572]

RIN 1545–AT07

Cash Reporting by Court Clerks

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Temporary regulations.

SUMMARY: This document contains temporary regulations relating to the information reporting requirements of court clerks upon receipt of more than $10,000 in cash as bail for any individual charged with a specified criminal offense. The regulations reflect changes to the Internal Revenue Code made by section 20415 of the Violent Crime Control and Law Enforcement Act of 1994 (the Act). The text of these temporary regulations also serves as the text of the proposed regulations set forth in the notice of proposed rulemaking on this subject in the Proposed Rules section of this issue of the **Federal Register**.

EFFECTIVE DATE: These regulations are effective February 13, 1995.

FOR FURTHER INFORMATION CONTACT: Susie K. Bird at (202) 622–4960 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

This regulation is being issued without prior notice and public procedure pursuant to the Administrative Procedure Act (5 U.S.C. 553). For this reason, the collection of information contained in this regulation has been reviewed and, pending receipt and evaluation of public comments, approved by the Office of Management and Budget under control number 1545–1449. The time estimates for the reporting requirements contained in this regulation are reflected in the burden estimates for Form 8300.

For further information concerning this collection of information, where to submit comments on the collection of information, the accuracy of the estimated burden, and suggestions for reducing this burden, please refer to the preamble to the cross-referencing notice of proposed rulemaking published in the Proposed Rules section of this issue of the **Federal Register.**

Background

This document contains amendments to the Income Tax Regulations (26 CFR parts 1 and 602) under section 6050I of the Internal Revenue Code of 1986 (Code). Section 6050I generally requires persons engaged in a trade or business to report cash receipts of more than $10,000. Section 6050I(g), which was enacted on September 13, 1994, by section 20415 of the Act, requires court clerks to report certain cash receipts of more than $10,000. Section 20415(c) of the Act provides that the Secretary of the Treasury or the Secretary's delegate shall prescribe temporary regulations relating to section 6050I(g) of the Code within 90 days of enactment of the Act. Thus, these temporary regulations are required by statute in order to set forth the time, form, and manner of reporting under section 6050I(g).

Explanation of Provisions

The temporary regulations reflect the statutory requirement that any clerk of a Federal or State court who receives more than $10,000 in cash as bail for any individual charged with a specified criminal offense must make a return with respect to the receipt of that cash. For this purpose, a clerk is the clerk's office or the office, department, division, branch, or unit of the court that is authorized to receive bail.

The temporary regulations define the term cash as coin and currency of the United States or of any other country, and a cashier's check, bank draft, traveler's check, or money order having a face amount of $10,000 or less. The term "specified criminal offense" is defined in the temporary regulations as (a) a Federal criminal offense involving a controlled substance (as defined in section 802 of title 21 of the United States Code), provided the offense is described in Part D of Subchapter I or Subchapter II of title 21 of the United States Code; (b) racketeering (as defined in section 1951, 1952, or 1955 of title 18 of the United States Code); (c) money laundering (as defined in section 1956 or 1957 of title 18 of the United States Code); and (d) any state criminal offense substantially similar to an offense described above. The IRS welcomes comments on what constitutes a state criminal offense that is substantially similar to one of the federal specified criminal offenses described in the temporary regulations.

The temporary regulations provide that the required information must be reported on Form 8300 and must be filed with the IRS by the 15th day after the date the cash bail is received. The information return must be filed with the IRS office designated in the instructions for Form 8300 and must contain: (a) The name, address, and taxpayer identification number (TIN) of the individual charged with the specified criminal offense; (b) the name, address, and TIN of each person posting the bail, other than a person posting bail who is licensed as a bail bondsman; (c) the amount of cash received; (d) the date the cash was received; and (e) any other information required by Form 8300 or its instructions.

The temporary regulations also require the furnishing of a written statement to the United States Attorney for the jurisdiction in which the individual charged with the specified criminal offense resides and the jurisdiction in which the specified criminal offense occurred (applicable United States Attorney(s)). The written statement must be filed with the applicable United States Attorney(s) by the 15th day after the date the cash bail is received. The written statement must include the information required to be included on the Form 8300 filed with the IRS, and a copy of the Form 8300 may be used to satisfy this requirement.

The temporary regulations also require the furnishing of a written statement to each person posting bail (payor of bail) whose name is set forth in a Form 8300 required to be filed with the IRS. The statement must be furnished to such a payor of bail on or before January 31 of the year following the year in which the cash is received. The statement must contain: (a) The name and address of the clerk's office making the return; (b) the aggregate amount of reportable cash received during the calendar year by the clerk required to file the Form 8300 in all cash transactions relating to the payor of bail; and (c) a legend stating that the information contained in the statement has been reported to the IRS and the applicable United States Attorney(s).

The temporary regulations apply to cash received by court clerks on or after February 13, 1995.

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in EO 12866 Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) and the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply to these regulations, and, therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, these temporary regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small businesses.

Drafting Information

The principal author of these regulations is Susie K. Bird of the Office of Assistant Chief Counsel (Income Tax and Accounting). However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects

26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 602

Reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR parts 1 and 602 are amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by adding an entry in numerical order to read as follows:

Authority: 26 U.S.C. 7805 * * * Section 1.6050I–2T is issued under 26 U.S.C. 6050I. * * *

Par. 2. Sections 1.6050I–0T and 1.6050I–2T are added to read as follows:

§ 1.6050I–0T Table of contents (temporary).

This section lists the major captions that appear in §§ 1.6050I–1 and 1.6050I–2T.

§ 1.6050I–2T Returns relating to cash in excess of $10,000 received as bail by court clerks (temporary).

(a) *Reporting requirement.* Any clerk of a Federal or State court who receives more than $10,000 in cash as bail for any individual charged with a specified criminal offense must make a return of information with respect to that cash receipt. For purposes of this section, a clerk is the clerk's office or the office, department, division, branch, or unit of the court that is authorized to receive bail.

(b) *Meaning of terms.* The following definitions apply for purposes of this § 1.6050I–2T—

Cash means—

(1) The coin and currency of the United States, or of any other country that circulate in and are customarily used and accepted as money in the country in which issued; and

(2) A cashier's check (by whatever name called, including *treasurer's check* and *bank check*), bank draft, traveler's check, or money order having a face amount of not more than $10,000.

Specified criminal offense means—

(1) A Federal criminal offense involving a controlled substance (as defined in section 802 of title 21 of the United States Code), provided the offense is described in Part D of Subchapter I or Subchapter II of title 21 of the United States Code;

(2) Racketeering (as defined in section 1951, 1952, or 1955 of title 18 of the United States Code);

(3) Money laundering (as defined in section 1956 or 1957 of title 18 of the United States Code); and

(4) Any State criminal offense substantially similar to an offense described in paragraph (b)(2)(i), (ii), or (iii) of this section.

(c) *Time, form, and manner of reporting*—(1) *Time of reporting*. The information return required by this section must be filed with the Internal Revenue Service by the 15th day after the date the cash bail is received.

(2) *Form of reporting*. A report required by paragraph (a) of this section must be made on Form 8300 and must contain the following information—

(i) The name, address, and taxpayer identification number (*TIN*) of the individual charged with the specified criminal offense;

(ii) The name, address, and TIN of each person posting the bail (payor of bail), other than a person posting bail who is licensed as a bail bondsman in the jurisdiction in which the bail is received;

(iii) The amount of cash received;

(iv) The date the cash was received; and

(v) Any other information required by Form 8300 or its instructions.

(3) *Manner of reporting*—(i) *Where to file*. Returns required by this section must be filed with the Internal Revenue Service office designated in the instructions for Form 8300. A copy of the information return required to be filed under this section must be retained for five years from the date of filing.

(ii) *Verification of identity*. A clerk required to make an information return under this section must, in accordance with § 1.6050I–1(e)(3)(ii), verify the identity of each payor of bail listed in the return.

(d) *Requirement to furnish statements*—(1) *Information to federal prosecutors*—(i) *In general*. A clerk required to make an information return under this section must furnish a written statement to the United States Attorney for the jurisdiction in which the individual charged with the specified crime resides and the United States Attorney for the jurisdiction in which the specified criminal offense occurred (applicable United States Attorney(s)). The written statement must be filed with the applicable United States Attorney(s) by the 15th day after the date the cash bail is received.

(ii) *Form of statement*. The written statement must include the information required by paragraph (c)(2) of this section. This paragraph (d)(1)(ii) requirement will be satisfied if the clerk provides to the applicable United States Attorney(s) a copy of the Form 8300 that is filed with the Internal Revenue Service pursuant to this section.

(2) *Information to payors of bail*—(i) *In general*. A clerk required to make an information return under this section must furnish a written statement to each payor of bail whose name is set forth in a return required by this section. A statement required under this paragraph (d)(2) must be furnished to a payor of bail on or before January 31 of the year following the calendar year in which the cash is received. A statement shall be considered to be furnished to a payor of bail if it is mailed to the payor of bail's last known address.

(ii) *Form of statement*. The statement required by this paragraph (d)(2) need not follow any particular format, but it must contain the following information—

(A) The name and address of the clerk's office making the return;

(B) The aggregate amount of reportable cash received during the calendar year by the clerk who made the information return required by this section in all cash transactions relating to the payor of bail; and

(C) A legend stating that the information contained in the statement has been reported to the Internal Revenue Service and the applicable United States Attorney(s).

(e) *Cross-reference to penalty provisions*. See sections 6721 through 6724 for penalties relating to the failure to comply with the provisions of this section.

(f) *Effective Date*. This section applies with respect to cash received by court clerks on or after February 13, 1995.

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

Par. 3. The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805

§ 602.101 [Amended]

Par. 4. Section 602.101(c) is amended by adding the entry for "1.6050I–2T .....1545–1449" in numerical order in the table.

Approved:

Cynthia G. Beerbower,

Deputy Assistant Secretary of the Treasury

Margaret Milner Richardson,

Commissioner of Internal Revenue

[FR Doc. 94–30774 Filed 12–12–94, 8:45 am]

BILLING CODE 4830–01–U

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 2619

Valuation of Plan Benefits in Single-Employer Plans; Expected Retirement Age

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: This rule amends the Pension Benefit Guaranty Corporation's regulation on Valuation of Plan Benefits in Single-Employer Plans (29 CFR Part 2619) by adding a new Table I–95 to appendix D. Table I–95 applies to any plan being terminated either in a distress termination or involuntarily by the PBGC with a valuation date falling in 1995, and is used to determine expected retirement ages for plan participants. This table is needed in order to compute the value of early retirement benefits and, thus, the total value of benefits under the plan.

EFFECTIVE DATE: January 1, 1995.

FOR FURTHER INFORMATION CONTACT: Harold J. Ashner, Assistant General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street NW , Washington, DC 20005–4026; 202–326–4024 (202–326–4179 for TTY and TDD). (These are not toll-free numbers.)

SUPPLEMENTARY INFORMATION: The regulation of the Pension Benefit Guaranty Corporation ("PBGC") on Valuation of Plan Benefits in Single-Employer Plans (29 CFR part 2619) sets forth the methods for valuing plan benefits of terminating single-employer plans covered under Title IV of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Under ERISA section 4041(c) plans wishing to terminate in a distress termination must value guaranteed benefits and benefits liabilities under the plan using formulas set forth in part 2619, subpart C. (Plans terminating in a standard termination may, for purposes of the Standard Termination Notice filed with PBGC, use these formulas to value benefit liabilities, although this is not required.) In addition, when the PBGC terminates an underfunded plan involuntarily pursuant to ERISA Section 4042(a), it uses the subpart C formulas to determine the amount of the plan's underfunding.

Under § 2619.46, early retirement benefits are valued based on the annuity starting date, if a retirement date has been selected, or the expected retirement age, if the annuity starting date is not known on the valuation date