

§ 611.330 Confidentiality in voting.

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(b) Except as provided in this paragraph, System institutions shall not use ballots or proxy ballots that must be signed by the stockholder or that contain an identifying character or mark that can be used to identify how an individual stockholder's vote is cast.

(1) Institutions may use a form of identity code on the ballot if they also provide for tabulation of the votes by an independent third party.

(2) In mail balloting, institutions may adopt procedures that require the stockholders to sign or otherwise verify their eligibility to vote, so long as the marked ballot is in a separate sealed envelope that accompanies any document that identifies the stockholder.

(3) In proxy voting, an institution's procedures shall provide that the proxy ballot be returned in a separate sealed envelope, which envelope is accompanied by a signed proxy authorization form.

(4) Where the identity of the voting stockholders is necessary to determine the voting weight of ballots, the institution shall use a form of identity code on the ballot and shall require that the votes are tabulated by an independent third party.

(5) In a vote in which identity codes are used on the ballots, the independent third party that tabulates the votes shall certify in writing that such party will not disclose to any person (including the institution, the directors, stockholders, or employees) any information regarding how or whether any stockholder has voted. However, the independent third party shall disclose such information to the Farm Credit Administration, if requested, in the event a vote is contested or otherwise.

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4. Section 611.340 is amended by removing the words "the election of directors" and adding in their place, the word "voting" in the heading; by removing the words "the election of board members" and adding in their place, the words "a stockholder vote" in paragraph (a); by removing the word "election" and adding in its place, the word "voting" the first and last place it appears in the first sentence of paragraph (d); by removing the words "an election" and adding in their place, the words "a stockholder vote" in the last sentence of paragraph (d); by removing the word "election" and adding in its place, the word "vote" the last place it appears in the last sentence of paragraph (d); and by revising paragraph (c) to read as follows:

§ 611.340 Security in voting.

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(c) Ballots and proxy ballots shall be physically safeguarded before the time of distribution or mailing to voting stockholders and after the time of receipt by the banks and associations until disposal. In an election of directors, ballots, proxy ballots and election records shall be retained until the end of the term of office of the director and promptly destroyed thereafter. In other stockholder votes, ballots, proxy ballots, and records shall be retained for at least 5 years after the vote.

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Subpart E—Transfer of Authorities

5. Section 611.505 is amended by revising paragraph (e) to read as follows:

§ 611.505 Farm Credit Administration review.

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(e) The effective date of a transfer shall be not less than 35 days after mailing of the notification to stockholders of the results of the stockholder vote, or 15 days after the date of submission to the Farm Credit Administration of all required documents for the Agency's consideration of final approval, whichever occurs later. If a petition for reconsideration is filed within 35 days after the date of mailing of the notification of stockholder vote, the constituent institutions shall agree on a second effective date to be used in the event the transfer is approved on reconsideration. The second effective date shall be not less than 60 days after stockholder notification of the results of the first vote, or 15 days after the date of the reconsideration vote, whichever occurs later.

Subpart G—Mergers, Consolidations, and Charter Amendments of Associations

6. Section 611.1122 is amended by revising paragraph (k) to read as follows:

§ 611.1122 Requirements for mergers or consolidations.

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(k) The effective date of a merger or consolidation shall be a date which is not less than 35 days after the date of mailing of the notification to stockholders of the results of the stockholder vote, or 15 days after the date of submission to the Farm Credit Administration of all required documents for the Agency's consideration of final approval, whichever occurs later. If a petition for

reconsideration is filed within 35 days after mailing of the notification to stockholders of the results of the stockholder vote, the constituent institutions shall agree on a second effective date to be used in the event the merger or consolidation is approved on reconsideration. The second effective date shall be not less than 60 days after stockholder notification of the results of the first vote, or 15 days after the date of the reconsideration vote, whichever occurs later.

Dated: March 17, 1998.

Nan P. Mitchem,

Acting Secretary, Farm Credit Administration Board.

[FR Doc. 98-7342 Filed 3-19-98; 8:45 am]

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

[Docket No. 97-NM-59-AD]

RIN 2120-AA64

Airworthiness Directives; Boeing Model 747 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the adoption of a new airworthiness directive (AD) that is applicable to certain Boeing Model 747 series airplanes. This proposal would require an inspection to determine the material type of the stop support fittings of the main entry doors. The proposed AD also would require repetitive visual inspections to detect cracks of certain stop support fittings of the main entry doors, and replacement of any cracked stop support fitting with a certain new stop support fitting. This proposal is prompted by reports that stress corrosion cracking was found on certain stop support fittings of the main entry doors. The actions specified by the proposed AD are intended to detect and correct such stress corrosion cracking, which could lead to failure of the stop support fittings. Failure of the stop support fittings could result in loss of a main entry door and consequent rapid decompression of the airplane.

DATES: Comments must be received by May 4, 1998.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport

Airplane Directorate, ANM-114, Attention: Rules Docket No. 97-NM-59-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056. Comments may be inspected at this location between 9:00 a.m. and 3:00 p.m., Monday through Friday, except Federal holidays.

The service information referenced in the proposed rule may be obtained from Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124-2207. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT: Bob Breneman, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Transport Airplane Directorate, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-2776; fax (425) 227-1181.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications shall identify the Rules Docket number and be submitted in triplicate to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this notice may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report summarizing each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 97-NM-59-AD." The postcard will be date stamped and returned to the commenter.

Availability of NPRMs

Any person may obtain a copy of this NPRM by submitting a request to the FAA, Transport Airplane Directorate, ANM-114, Attention: Rules Docket No.

97-NM-59-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Discussion

The FAA has received numerous reports of cracks on the stop support fittings (made from either 7079-T651 or 7075-T651 material) of the numbers 1, 2, 3, and 4 main entry doors on Boeing Model 747 series airplanes. The cause of these cracks has been attributed to stress corrosion. The effects of such stress corrosion cracking, if not detected and corrected in a timely manner, could lead to failure of the stop support fittings. Failure of the stop support fittings could result in loss of a main entry door and consequent rapid decompression of the airplane.

Explanation of Relevant Service Information

The FAA has reviewed and approved Boeing Service Bulletin 747-53-2358, dated August 26, 1993, which describes procedures for performing a high frequency eddy current (HFEC) inspection to determine the material type of the stop support fittings of the main entry doors. The service bulletin also describes procedures for repetitive visual inspections to detect cracks of the stop support fitting (not made from 7075-T73 material) of the main entry doors, and replacement of any cracked fitting with a new fitting made from 7075-T73 material. In addition, the service bulletin describes procedures for optional replacement of the stop support fittings of the main entry doors with stop support fittings made from 7075-T73 material, which would eliminate the need for repetitive inspections. The new stop support fitting is less susceptible to stress corrosion cracking.

Explanation of Requirements of Proposed Rule

Since an unsafe condition has been identified that is likely to exist or develop on other products of this same type design, the proposed AD would require an HFEC inspection to determine the material type of the stop support fittings of the main entry doors. The proposed AD also would require repetitive visual inspections to detect cracks of the stop support fitting (not made from 7075-T73 material) of the main entry doors, and replacement of any cracked fitting with a new fitting made from 7075-T73 material. In addition, the proposed AD provides for an optional replacement of the stop support fittings of the main entry doors with stop support fittings made from 7075-T73 material, which would constitute terminating action for the

repetitive inspection requirements. The actions would be required to be accomplished in accordance with the service bulletin described previously.

Differences Between the Proposal and the Relevant Service Information

Operators should note that the proposed compliance time of 18 months for the repetitive inspections differs from the compliance time recommended in the referenced service bulletin. In developing an appropriate compliance time for this action, the FAA considered not only the degree of urgency associated with addressing the subject unsafe condition, but the susceptibility of the subject area to stress corrosion cracking. In addition, the FAA finds that a compliance time of 18 months will allow the inspection to be performed at a base during regularly scheduled maintenance where special equipment and trained maintenance personnel will be available, if necessary. In consideration of these items, the FAA finds that repetitive visual inspections conducted at the proposed compliance time of 18 months will better ensure that any detrimental effect associated with stress corrosion cracking will be identified and corrected prior to the time that it could adversely affect the stop support fittings of the main entry doors.

In addition, unlike the procedures described in the referenced service bulletin, this proposed AD would not permit further flight with cracking detected in the stop support fittings. The FAA has determined that, due to the safety implications and consequences associated with such cracking, all stop support fittings that are found to be cracked must be replaced prior to further flight.

Furthermore, the FAA is not proposing to mandate the replacement of stop support fittings for several reasons:

1. Accessing the stop support fittings for inspection is easily accomplished.

2. The cracked stop support fittings are easily detectable by means of a visual inspection.

3. The visual inspection will preclude the occurrence of multiple failed stop support fittings, which could result in a catastrophic failure.

The FAA also is not including the option for inspection at an initial compliance time of 6 years since date of manufacture of the airplane, as recommended by the referenced service bulletin. The FAA has determined that all affected airplanes are older than 6 years since date of manufacture of the airplane.

Other Relevant Rulemaking

The FAA has previously issued AD 92-02-01, amendment 39-8137 (57 FR 5373, February 14, 1992), which addresses cracking of certain support fittings on Boeing Model 747 series airplanes having line numbers 001 through 113 inclusive. That AD currently requires repetitive inspections for cracking of the doorstop support fittings at the forward edge of the number 5 main entry door, and replacement, if necessary.

Cost Impact

There are approximately 515 Boeing Model 747 series airplanes of the affected design in the worldwide fleet. The FAA estimates that 164 airplanes of U.S. registry would be affected by this proposed AD.

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

Should an operator be required to accomplish the proposed visual inspection, it would take approximately 2 work hours per door to accomplish the proposed actions, at an average labor rate of \$60 per work hour. Based on these figures, the cost impact of the visual inspection proposed by this AD on U.S. operators is estimated to be \$120 per door.

Should an operator elect to accomplish the optional terminating action that would be provided by this proposed AD action, the number of hours required to accomplish it would be approximately 124 work hours per door, at an average labor rate of \$60 per work hour. Required parts would cost approximately \$13,000 per door. Based on these figures, the cost impact of the optional terminating action on U.S. operators is estimated to be \$20,440 per door.

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

Regulatory Impact

The regulations proposed herein would not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore,

in accordance with Executive Order 12612, it is determined that this proposal would not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this proposed regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A copy of the draft regulatory evaluation prepared for this action is contained in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption ADDRESSES.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

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

PART 39—AIRWORTHINESS DIRECTIVES

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

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

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

Boeing: Docket 97-NM-59-AD.

Applicability: Model 747-100, -100B, -200, -200B, -200C, -300, -400, and 747SR series airplanes, having line numbers 1 through 830 inclusive; certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (d) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously.

To detect and correct stress corrosion cracking of the stop support fittings of the main entry doors and the resultant failure of the stop support fittings, which could result in loss of a main entry door and consequent rapid decompression of the airplane, accomplish the following:

(a) Within 18 months after the effective date of this AD, perform a high frequency eddy current inspection to determine the material type of the stop support fittings of the main entry doors, in accordance with the Accomplishment Instructions of Boeing Service Bulletin 747-53-2358, dated August 26, 1993.

(1) If the fitting is made from 7075-T73 material, no further action is required by this AD.

(2) If the fitting is NOT made from 7075-T73 material, prior to further flight, perform a visual inspection to detect cracks of the stop support fitting of the main entry doors, in accordance with the service bulletin.

(i) If no crack is detected, repeat the visual inspection thereafter at intervals not to exceed 18 months.

(ii) If any crack is detected, prior to further flight, replace the fitting with a stop support fitting made from 7075-T73 material, in accordance with the service bulletin.

(b) Replacement of the stop support fitting of the main entry doors with a stop support fitting made from 7075-T73 material, in accordance with Boeing Service Bulletin 747-53-2358, dated August 26, 1993, constitutes terminating action for the repetitive inspection requirements of this AD for the replaced fitting.

(c) As of the effective date of this AD, no person shall install a stop support fitting made from either 7079-T651 or 7075-T651 material on any airplane.

(d) 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 (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, Seattle ACO.

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

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

Issued in Renton, Washington, on March 13, 1998.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

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