

adding a new airworthiness directive (AD), to read as follows:

Boeing: Docket 97-NM-185-AD. Supersedes AD 94-25-01, Amendment 39-9085.

Applicability: Model 747 series airplanes, line numbers 202 through 396 inclusive, equipped with Pratt & Whitney Model JT9D-70 engines; 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 (f) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously.

To prevent fatigue cracking of the spring beam, which could result in loss of an outboard strut, accomplish the following:

(a) Prior to the accumulation of 10,000 total flight cycles, or within 30 days after December 22, 1994 (the effective date of AD 94-25-01), whichever occurs later, perform a detailed visual inspection to detect fatigue cracking of the spring beams on the outboard struts, in accordance with Boeing Alert Service Bulletin 747-54A2171, dated October 31, 1994, or Revision 1, dated June 27, 1996. (Remove the gap covers and fairing access panels to perform this inspection.)

(1) If no cracking is detected, repeat the visual inspection thereafter at intervals not to exceed 300 flight cycles until the requirements of paragraph (d) of this AD have been accomplished.

(2) If any cracking is detected, prior to further flight, accomplish the replacement actions specified in paragraph (d) of this AD.

Note 2: Accomplishment of the optional terminating action specified in paragraph (b) of AD 94-25-01 does not constitute terminating action for the requirements of this AD.

(b) For airplanes that have accomplished terminating action in accordance with paragraph (b) of AD 94-25-01: Within 1,000 flight cycles after accomplishment of the terminating action specified by AD 94-25-01, or within 90 days after the effective date of this AD, whichever occurs later, perform a detailed visual inspection to detect fatigue cracking of the spring beams on the outboard struts, in accordance with Boeing Alert Service Bulletin 747-54A2171, dated October 31, 1994, or Revision 1, dated June 27, 1996.

(1) If no cracking is detected, repeat the detailed visual inspection thereafter at intervals not to exceed 300 flight cycles until the requirements of paragraph (d) of this AD have been accomplished.

(2) If any cracking is detected, prior to further flight, accomplish the replacement actions specified in paragraph (d) of this AD.

(c) For airplanes that have accomplished installation of the Boeing-inspected spare titanium spring beams in accordance with Boeing Service Bulletin 747-54A2171, Revision 1, dated June 27, 1996: Within 3,000 flight cycles after accomplishment of the installation of the spare spring beams, or within 90 days after the effective date of this AD, whichever occurs later, perform a detailed visual inspection to detect fatigue cracking of the spring beams on the outboard struts, in accordance with Boeing Alert Service Bulletin 747-54A2171, dated October 31, 1994, or Revision 1, dated June 27, 1996.

(1) If no cracking is detected, repeat the detailed visual inspection thereafter at intervals not to exceed 300 flight cycles until the requirements of paragraph (d) of this AD have been accomplished.

(2) If any cracking is detected, prior to further flight, accomplish the replacement actions specified in paragraph (d) of this AD.

(d) For all airplanes: Prior to the accumulation of 10,000 total flight cycles, or within 18 months after the effective date of this AD, whichever occurs later, replace the spring beams on the outboard struts with new, improved spring beams, in accordance with Boeing Service Bulletin 747-54-2177, dated June 27, 1996. Accomplishment of this replacement constitutes terminating action for the repetitive inspection requirements of this AD.

(e) As of the effective date of this AD, no person shall install a spring beam assembly, part numbers 65B89175-5, -6, -9, -10, -13, -14, -19, and -20, on any airplane.

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

(g) 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 June 30, 1998.

Vi L. Lipski,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.
[FR Doc. 98-17947 Filed 7-6-98; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 98-NM-167-AD]

RIN 2120-AA64

Airworthiness Directives; British Aerospace (Jetstream) Model 4101 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 British Aerospace (Jetstream) Model 4101 airplanes. This proposal would require modification of the attach points of the uplock system of the nose landing gear (NLG). This proposal is prompted by issuance of mandatory continuing airworthiness information by a foreign civil airworthiness authority. The actions specified by the proposed AD are intended to prevent wear of the attach points of the uplock system of the NLG; such wear could result in damage to the adjacent emergency hydraulic system, or jamming of the uplock system and consequent inability to extend and retract the NLG.

DATES: Comments must be received by August 6, 1998.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 98-NM-167-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 AI(R) American Support, Inc., 13850 Mclearen Road, Herndon, Virginia 20171. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT: Norman B. Martenson, Manager, International Branch, ANM-116, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-2110; fax (425) 227-1149.

SUPPLEMENTARY INFORMATION: Comments Invited

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

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

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 98-NM-167-AD." The postcard will be date stamped and returned to the commenter.

Availability of NPRMs

Any person may obtain a copy of this NPRM by submitting a request to the FAA, Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 98-NM-167-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Discussion

The Civil Aviation Authority (CAA), which is the airworthiness authority for the United Kingdom, notified the FAA that an unsafe condition may exist on certain British Aerospace (Jetstream) Model 4101 airplanes. The CAA advises that it has received reports of wear of the attach points of the uplock system of the nose landing gear (NLG). Investigation revealed that the wear is due to excessive loads from the uplock system, which caused excessive movement of the uplock mechanisms. Such wear of the attach points of the NLG uplock system, if not corrected, could result in damage to the adjacent emergency hydraulic system, or jamming of the uplock system and consequent inability to extend and retract the NLG.

Explanation of Relevant Service Information

The manufacturer has issued Jetstream Alert Service Bulletin J41-53-041, dated July 25, 1997, which describes procedures for modification of the attach points of the uplock system of the NLG. The modification involves installation of nested angle stiffeners on the "Z" members near the NLG and removal and replacement of the distance tubes and pieces with new distance tubes and pieces. Accomplishment of the actions specified in the alert service bulletin is intended to adequately address the identified unsafe condition. The CAA classified this alert service bulletin as mandatory and issued British airworthiness directive 009-07-97 in order to assure the continued airworthiness of these airplanes in the United Kingdom.

FAA's Conclusions

This airplane model is manufactured in the United Kingdom and is type certificated for operation in the United States under the provisions of § 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the CAA has kept the FAA informed of the situation described above. The FAA has examined the findings of the CAA, reviewed all available information, and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

Explanation of Requirements of Proposed Rule

Since an unsafe condition has been identified that is likely to exist or develop on other airplanes of the same type design registered in the United States, the proposed AD would require accomplishment of the actions specified in the alert service bulletin described previously.

Cost Impact

The FAA estimates that 58 airplanes of U.S. registry would be affected by this proposed AD, that it would take approximately 10 work hours per airplane to accomplish the proposed modification, and that the average labor rate is \$60 per work hour. Required parts would cost approximately \$170 per airplane. Based on these figures, the cost impact of the proposed AD on U.S. operators is estimated to be \$44,660, or \$770 per airplane.

The cost impact figure discussed above is 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:

British Aerospace Regional Aircraft

[Formerly Jetstream Aircraft Limited; British Aerospace (Commercial Aircraft) Limited]; Docket 98-NM-167-AD.

Applicability: Jetstream Model 4101 airplanes, constructor's numbers 41004 through 41100 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 (b) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously.

To prevent wear of the attach points of the uplock system of the nose landing gear (NLG), which could result in damage to the adjacent emergency hydraulic system, or jamming of the uplock system, and consequent inability to extend and retract the NLG, accomplish the following:

(a) Prior to the accumulation of 9,000 total landings, or within 1,000 landings after the effective date of this AD, whichever occurs later, modify the attach points of the uplock system of the NLG, in accordance with Jetstream Alert Service Bulletin J41-53-041, dated July 25, 1997.

(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, International Branch, ANM-116, 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, International Branch, ANM-116.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the International Branch, ANM-116.

(c) 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.

Note 3: The subject of this AD is addressed in British airworthiness directive 009-07-97.

Issued in Renton, Washington, on June 30, 1998.

Vi L. Lipski,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.
[FR Doc. 98-17950 Filed 7-6-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 275 and 279

[Release No. IA-1728; IC-23293; File No. S7-20-98]

RIN 3235-AH45

Investment Adviser Year 2000 Reports

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule.

SUMMARY: The Securities and Exchange Commission ("Commission") is publishing for comment a proposed new rule and form under the Investment Advisers Act of 1940 that would require most registered investment advisers to file with the Commission a report regarding preparations for the Year 2000 computer problem. The reports would inform the Commission about the steps that investment advisers have taken, and will take, to prepare for the challenges posed by the Year 2000 problem.

DATES: Comments must be received on or before August 10, 1998.

ADDRESSES: Comments should be submitted in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Stop 6-9, Washington, D.C. 20549. Comments also may be submitted electronically to the following E-mail address: rule-comments@sec.gov. All comment letters should refer to File No. S7-20-98; this file number should be included on the subject line if E-mail is used. Comment letters will be available for public inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Electronically submitted comment letters also will be posted on the Commission's Internet web site (<http://www.sec.gov>).

FOR FURTHER INFORMATION CONTACT:

Arthur B. Laby, Special Counsel, at (202) 942-0716, Task Force on Investment Adviser Regulation, Division of Investment Management, Securities and Exchange Commission, 450 Fifth Street, N.W., Mail Stop 5-6, Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION: The Commission today is requesting public comment on proposed rule 204-5 [17 CFR 275.204-5] and Form ADV-Y2K [17 CFR 279.9] under the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. 80b].

I. Background

The Commission is undertaking a review of U.S. public companies and the

U.S. securities industry to examine whether they will be prepared for the computer challenges associated with the Year 2000.¹ As part of this initiative, in March 1998, the Commission requested comment on proposed rule changes that would require certain broker-dealers² and transfer agents³ to file with the Commission a report on Year 2000 readiness. The Commission today is requesting comment on a new rule and form that would require most investment advisers registered with the Commission under the Advisers Act to file a report on Year 2000 readiness.

Investment advisers ("advisers") manage approximately \$13 trillion of savings of American families. These assets are managed on behalf of investors directly, as well as indirectly through financial institutions such as employee benefit plans, trusts, hedge funds and mutual funds. Mutual funds alone control over \$5 trillion of assets,⁴ 35 percent of which are estimated to be retirement plan assets.⁵ Thus, investment advisers play a key role in the economic life of America today.

Advisers manage these assets using computer systems that connect them with the markets, service providers and clients. In addition, advisers depend upon internal computer systems for various management, compliance and recordkeeping functions.⁶ The development and growth of the Internet has made advisory clients more dependent upon their advisers' computer systems to provide them with information about their adviser and their portfolios. The failure of the advisers' or third parties' computer

¹ On January 1, 2000, certain computer systems may function erroneously if necessary modifications have not been made because, among other things, the systems may read incorrectly the date 01/01/00 as being the year 1900 or another incorrect date. Problems may arise earlier than January 1, 2000, because dates after December 31, 1999, already are being entered into computer programs and may be misread.

² Reports to be Made by Certain Brokers and Dealers, Exchange Act Release No. 39724 (Mar. 5, 1998) [63 FR 12056 (Mar. 12, 1998)].

³ Reports to be Made by Transfer Agents, Exchange Act Release No. 39726 (Mar. 5, 1998) [63 FR 12062 (Mar. 12, 1998)].

⁴ The Investment Company Institute, Current Statistical Releases, Trends in Mutual Fund Investing, April 1998, available at <http://www.ici.org/facts_figures/trends_0498.html>.

⁵ The Investment Company Institute, Retirement Statistics, Retirement Plans Hold 35 Percent of Mutual Fund Assets (Oct. 14, 1997), available at <http://www.ici.org/retirement/retirement_statistics96.html>.

⁶ Under the federal securities laws, advisers and investment companies are obligated to make, and keep current, certain books and records relating to their business. See rule 204-2 under the Advisers Act [17 CFR 275.204-2]; rule 31a-1 under the Investment Company Act of 1940 [17 CFR 270.31a-1].