SUMMARY: The Farm Credit Administration (FCA) published a final rule under part 615 on May 28, 1999 (64 FR 28884). The final rule amends the regulations to help Farm Credit System banks and associations respond to rapid and continual changes in financial markets and instruments. In accordance with 12 U.S.C. 2252, the effective date of the final rule is 30 days from the date of publication in the **Federal Register** during which either or both Houses of Congress are in session. Based on the records of the sessions of Congress, the effective date of the regulations is July 15, 1999.

EFFECTIVE DATE: The regulation amending 12 CFR part 615 published on May 28, 1999 (64 FR 28884) is effective July 15, 1999.

FOR FURTHER INFORMATION CONTACT:
Laurie A. Rea, Senior Policy Analyst, Office of Policy Analysis, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4498;
or
Richard Katz, Senior Attorney, Office of General Counsel, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4020, TDD (703) 883–4444.

(12 U.S.C. 2252(a)(9) and (10))

Dated: July 9, 1999.

Vivian L. Portis,

Secretary, Farm Credit Administration Board.

[FR Doc. 99–18096 Filed 7–14–99; 8:45 am]

BILLING CODE 6705–01–P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

14 CFR Parts 257 and 258

[Docket Nos. OST–95–179, OST–95–623, and OST–95–177]

RIN: 2105–AC10, 2105–AC17

Petitions Involving the Effective Dates of the Disclosure of Code-Sharing Arrangements and Long-Term Wet Leases Final Rule and the Disclosure of Change-of-Gauge Services Final Rule

AGENCY: Office of the Secretary (OST), Transportation.

ACTION: Final rule and notice of proposed disposition of petitions.

SUMMARY: Two new rules that the Department of Transportation adopted on March 15, 1999, the Final Rule on Disclosure of Code-Sharing Arrangements and Long-Term Wet Leases, 14 CFR part 257 (''Code-Share Rule''), and the Final Rule on Disclosure of Change-of-Gauge Services, 14 CFR part 258 (''Change-of-Gauge Rule''), are both scheduled to go into effect on July 13, 1999. These rules will enable consumers to make informed choices about their air transportation and to travel without undue confusion. We have received one petition requesting a waiver until October 15, 1999, of the Code-Share Rule's requirement that the transporting carrier's corporate and network names be disclosed. We grant this petition. We have also received seven petitions requesting delay of both rules' effective date, one to mid-October, 1999, and six to March 15, 2000; one of these seeks an additional grace period until September 15, 2000, for tour operators. These latter petitions cite Computer Reservations Systems' (''CRSs'') and other information systems' programming and software problems related to the year 2000 (''Y2K'') as justification for delaying the rules' effective date. We are postponing the effective date of both rules until August 25, 1999, and we are requesting comments on our tentative findings that those parts of the rules that are not affected by CRS reprogramming should take effect on August 25, that the effective date of those parts of the rules that are affected by CRS reprogramming should be further postponed until March 15, 2000, and that as a matter of discretion we should refrain from enforcing both rules in their entirety against the tour operators for an additional grace period of six months.

DATES: *Effective Dates:* The effective date of the rule adding 14 CFR part 257 and removing 14 CFR 399.88, published at 64 FR 12838 on March 15, 1999, is delayed until August 25, 1999. The effective date of the rule adding 14 CFR part 258, published at 64 FR 12854 on March 15, 1999, is delayed until August 25, 1999.

Comment Date: Comments on further delaying the effective date of these rules, or particular provisions of these rules, must be received by July 30, 1999 for consideration to be assured. Comments received after that date will be considered to the extent practicable. If the Department decides to further delay the effective date of these rules, or particular provisions of these rules, it will publish a document in the **Federal Register** announcing the new effective date.

ADDRESSES: Comments may be submitted by one of the following methods:

(1) By mail to the Docket Management Facility (OST–95–179, OST–95–623, OST–95–177), U.S. Department of Transportation, Room PL–401, 400 Seventh St. SW, Washington, DC 20590–0001.

(2) By hand delivery to room PL–401 on the Plaza level of the Nassif Building, 400 Seventh St. SW, Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is 202–366–9329.

(3) By fax to Docket Management Facility at 202–366–2251.

(4) Electronically through the Web Site for the Docket Management System at http://dms.dot.gov.

FOR FURTHER INFORMATION CONTACT: Betsy L. Wolf, Senior Trial Attorney, Office of Aviation Enforcement and Proceedings (202–366–9359), Office of the General Counsel, U.S. Department of Transportation, 400 Seventh Street, SW, Washington, DC 20590.

SUPPLEMENTARY INFORMATION:

Background

On March 15, 1999, the Department issued two new rules under 49 U.S.C. 41712, our authority to prohibit unfair and deceptive practices and unfair methods of competition. These rules will protect consumers of air transportation in two ways: by ensuring that they are told what kind of service they are considering before they decide to buy it and by giving them written information that will help them avoid confusion and other mishaps in the course of their transportation. Among other things, the Code-Share Rule requires air carriers involved in code-sharing arrangements or long-term wet leases to identify these arrangements in the written or electronic schedule information they provide to the public, in the Official Airline Guide (''OAG'') and comparable publications, and in CRSs with an asterisk or comparable mark and to disclose the transporting carrier's corporate name and any other name under which the service is held out to the public. The rule also requires air carriers and ticket agents to disclose this same information orally to prospective passengers before booking transportation, and it requires these sellers to provide this information in a written notice once a consumer has booked a flight involving a code-share arrangement or a long-term wet lease.[1] The Change-of-Gauge rule has

[1] In the interest of clarity and brevity, in the remainder of this notice, we refer in most instances to the disclosures that the Code-Share Rule specifically requires and that are not specifically required under existing law or policy—namely, disclosure of the transporting carrier's corporate name and any other name under which a code-share or long-term wet-lease service is held out to the public—as ''the new code-share and long-term wet-lease disclosures.''

comparable requirements for service with one flight number that requires a change of aircraft en route. For many if not most carriers and for all ticket agents, the ability to comply fully with these requirements hinges on the ability of the CRSs both to display all of the relevant information and to print it as the required written notice.

Requests for Postponement

On April 29, 1999, American Airlines, Inc., American Eagle Airlines, Inc., and Executive Airlines, inc. d/b/a American Eagle (collectively, ''American'') requested a waiver of the Code-Share Rule until October 15, 1999 for disclosure of Executive's corporate name. American is in the process of merging Executive into AMR Corporation, American's parent company. When the merger is complete, Executive will surrender its certificate of public convenience and necessity and conduct all further operations as American Eagle. American expects to complete the merger by October 15 and asked for a waiver in order to avoid the time and expense of reprogramming software to comply with the rule in the short time remaining before then after the rule takes effect. Under these circumstances, we agree with American that compliance with the rule would be unreasonably burdensome, so we grant its petition with regard to Executive.

On May 4, Midwest Express Airlines requested a 90-day extension of the effective dates of both rules, claiming that the CRS enhancements that it has ordered from SABRE will not be ready by July 13. Similarly, on May 24, the Air Transport Association of America, Inc. (''ATA'') filed a petition asking the Department to postpone the rules' effective date until March 15, 2000. ATA stated that its member carriers and the CRSs have been working to reprogram and reconfigure their various information systems to be able to comply with both rules by July 13, but they have found this task, which requires coordination among all affected entities, more complex and time-consuming than they had anticipated. ATA stated that these efforts are coinciding unavoidably with the industry's commitment of considerable information services resources to ''pressing Y2K needs.'' With Y2K commanding the highest priority, ATA reported that ''many industry information services are planning to 'lock down' their systems early in the fourth quarter of 1999 and until after leap year day 2000.''

ATA's petition drew supporting answers from the OAG, Aeropostal Alas de Venezuela, C.A., The SABRE Group, and EDS. The SABRE Group, which operates the SABRE CRS, stated that SABRE also serves as the internal reservation system of over 50 domestic and international carriers. Claiming that SABRE, like every other technology system, is ''working diligently to avoid any problems associated with the [Y2K] issue,'' The SABRE Group confirmed that SABRE intends to impose a freeze, during which it will permit no new implementations of any kind, from November 1, 1999, to early in March of 2000. EDS, which operates the SHARES computer systems to provide hosting services to multiple domestic and international air carriers, states that it will be imposing a similar freeze from November 1, 1999, through the end of January.

On June 14, the United States Tour Operators Association, Inc. (''USTOA'') filed a petition asking not only for an extension of both rules' effective date until March 15, 2000, in support of ATA's petition, but also for a grace period for tour operators of another six months—i.e., until September 15, 2000. USTOA agreed with ATA that much work remains to be done by the air carriers and CRSs before the former will be able to comply with the rules and that Y2K issues should take top priority. USTOA stated that tour operators use CRSs as a source of information for their own '''front-end information systems','' which ''are extensive and complex because they include functionality to book air, along with hotel, rental car, airport transfers, dining, sightseeing activities, compute total retail price, print out itinerary and pay vendors.'' According to USTOA, tour operators will need to reprogram these front-end information systems in order to comply with both rules, and this endeavor will in turn entail ''knowing the specifications set by the originators of the information—the airlines and CRSs.'' USTOA requested an additional six-month grace period for tour operators to reprogram their own systems.

On June 25, four foreign carriers, AVIATECA, S.A., LACSA Airlines, TACA International Airlines, S.A., and NICARAGUENSE DE AVIACION, requested an extension of the rules' effective date until March 15, 2000. These carriers are multi-hosted in SABRE, which, as noted, has announced that it will not be able to provide the requisite enhancements to enable these carriers to comply with the rules as of July 13.[2]

The Department's Concerns

We recognize that it is critical that information systems in the air transportation industry be prepared to continue functioning normally through the end of the 20th century and into the 21st. The Department has actively sought to avoid imposing any substantial information burdens on the industry that would interfere with its ability to become Y2K-compliant. In fact, when we adopted the two rules at issue here in March, all information available to us indicated that the CRSs and major airline reservations systems were or would be Y2K compliant. We had attempted to gauge the rules' effect on Y2K compliance by reviewing statements from Annual Reports, 10–K and 10–Q Statements filed with the Securities and Exchange Commission, news reports, press releases, and other documents of the four CRSs, the nine largest U.S. air carriers, and other relevant entities. While recognizing that there could be no guarantees, we found that most entities expected to be Y2K compliant on time and had made contingency plans to use in the event that they are not. We concluded that the public interest would best be served by issuing the rules in March and making them effective in July rather than waiting until next year, because the need for effective disclosure has been pressing and is likely to increase as air carriers' relationships and operations grow ever more complex. *See* 64 *Fed. Reg.* 12838, 12850–12851 (March 15, 1999) (Code-Share Rule) and 64 *Fed. Reg.* 12854, 12859 (March 15, 1999) (Change-of-Gauge Rule).

Because of the rules' implications for consumer welfare and because the technological problems suggested by the parties do not apply to all parts of the new rules, we concluded initially that the public interest would not be served by extending the effective date for both rules in their entirety until March 15, 2000. Without more detailed and concrete information from the parties, however, we could not make an informed decision on which parts of the rules might have to be postponed or for how long. We believed that Y2K compliance might no longer be an issue for the entire industry; we knew that sellers and providers of air transportation could comply with some parts of the rule without any reprogramming by the CRSs. The rules do add several new disclosure requirements, including requiring ticket agents as well as air carriers to provide

[2] On May 25, Aer Lingus Limited (''Aer Lingus'') requested a temporary waiver of the Code-Share Rule until October 31, 1999, for reasons unrelated to the issues raised by the other parties. We have disposed of Aer Lingus's request elsewhere.

both oral and written notice of code-sharing arrangements and change-of-gauge services, but they also retain and consolidate existing disclosure requirements that already apply to air carriers.[3] Several of the new requirements do require reprogramming on the part of the CRSs: the new code-share and long-term wet-lease disclosures in schedules, the OAGs, and the CRSs, these same disclosures via oral notice to consumers before booking transportation, these same disclosures via written notice to purchasers, and a generic written notice of change-of-gauge services to purchasers. CRS reprogramming does not come into play for the Code-Share Rule's advertising requirement. Furthermore, CRS listings already indicate code-share services and change-of-gauge services, so travel agents are able now to comply with existing oral disclosure requirements that apply only to air carriers.[4]

Additional Information from Interested Parties

Because of our need to resolve these issues quickly and craft a solution that both accommodates legitimate Y2K concerns and allows only those delays to the rules' consumer benefits that are unavoidable, we met with interested parties at the Department on Tuesday, June 29.[5] Those in attendance gave us more detailed information than the parties had provided in their pleadings on how Y2K compliance issues relate to compliance with the rules, on why CRSs cannot be reprogrammed to allow all parties to comply with the new rules in their entirety by July 13, and on why the parties need until March of next year (and, in the case of USTOA, an additional six months) to be ready to comply. The following five paragraphs contain the gist of this information.

First, for air carriers and ticket agents to comply with the rules' new requirements, the CRSs must be reprogrammed (1) to allow carriers to input the new code-share and long-term wet-lease disclosures, (2) to display all of this information on screens viewed by travel agents, and (3) to print both these new disclosures and the generic written disclosure required for change-of-gauge services. Additionally, OAG must make changes to be able to assimilate and list all of the new information from air carriers, and carriers themselves have reprogramming work to do to be able, among other things, to provide written notice of code-share services, long-term wet leases, and change-of-gauge services at airports when this notice is not sent to passengers earlier along with a ticket or itinerary. USTOA's members sell tour packages, mostly through travel agents but in some cases directly to the public; they cannot begin to reprogram their own front-end information systems until after the CRSs have completed their reprogramming.

Second, the CRSs cannot accomplish all of the reprogramming they must do by July 13.[6] To ingest, process, display, and dispense all of the additional information the new rules require, the CRSs must more than double the size of their existing data fields, from 19 characters to 39 characters. This task requires massive reprogramming, consuming considerable resources for considerable amounts of time, and is further complicated by the need for a standard, industry-wide solution.

Third, the CRSs, the other information systems, and the carriers initially failed to apprehend the enormity of the task before them. Meanwhile, as Y2K looms ever larger, the information systems are all imposing freezes on new implementations from November through at least the beginning of next year. They will use the initial months of these freezes to arrange things so that they can quickly identify, analyze, and fix any problems that may arise during the transition to the next century. They do not have unlimited resources. Therefore, not only can they not possibly finish the reprogramming required by the Code-Share and Change-of-Gauge Rules by July 13, but they deem it highly unlikely that they will be able to finish, test, and implement this reprogramming before their freezes commence in November even though they will continue their good-faith efforts.

Fourth, while the reprogramming necessary for the new code-share and long-term wet-lease disclosures plus the generic written notice of change-of-gauge services constitute the barrier to compliance with both new rules in their entirety by July 13, CRS displays do already indicate code-share service and identify the transporting carrier, and they do already indicate change-of-gauge service. Virtually all travel agents now use CRSs to book transportation and issue tickets. Therefore, with the exception of USTOA's members discussed below, ticket agents[7] should already be able to comply with the oral disclosure requirements currently in effect for air carriers and foreign air carriers.

Fifth, USTOA's members are tour operators. They do most of their business through travel agents, but they do have some direct dealings with consumers. Unlike conventional travel agents, they use their own front-end systems rather than CRSs, as noted. Not only will they need six months after the CRSs are reprogrammed to reprogram their own systems to display and process all of the information required for compliance with the two rules, as also noted, but unlike the CRSs, these systems do not currently indicate code-share service, identify the transporting carrier, or indicate change-of-gauge service. Therefore, unlike conventional travel agents, USTOA's members are not already able to comply with the oral disclosure requirements currently in effect for carriers.

Disposition

On the one hand, the parties have satisfied us that they cannot comply with the two rules in their entirety by July 13 and will not be able to comply before the information systems' freezes on implementation take effect in November. Moreover, we must continue to take care not to impose information burdens on the industry that could interfere with Y2K compliance. On the other hand, the rules will give consumers information that is of critical importance to them in making informed decisions about their travel purchases and in avoiding problems during travel.

[3] The Department's policy on airline designator code-sharing, 14 CFR § 399.88, requires air carriers to give reasonable and timely disclosure of code-sharing arrangements by identifying them in schedules given to the public, the OAG, and CRSs, by disclosing them in discussions with consumers, and by providing frequent, periodic notice of them in advertisements. The Department's orders approving code-sharing arrangements involving foreign air carriers apply these same requirements to the foreign carriers. *See, e.g.*, Order 94–5–31. As for change-of-gauge service, the Department's CRS rules, 14 CFR § 255.4(b)(2), require that CRS displays give notice of any flight that involves a change of aircraft en route, and we require as a matter of policy that carriers give consumers notice of aircraft changes for change-of-gauge flights. *See* Order 89–1–31 at 5.

[4] USTOA's members are not able at present to comply with these requirements, as discussed below.

[5] Specifically, the Acting Assistant Secretary for Aviation and International Affairs, the General Counsel, and Department staff met with representatives from ATA, American, Continental, Delta, Midwest Express, Northwest, TWA, US Airways, Aeropostal, Canadian, OAG, and SABRE.

[6] Although only SABRE has commented on the record and sent representatives to the meeting, the parties confirmed that the other CRSs are situated similarly.

[7] As a technical matter, both rules apply to ticket agents as that term is defined in 49 U.S.C. 40102 (40): a ticket agent is ''a person (except an air carrier, a foreign air carrier, or an employee of an air carrier or foreign air carrier) that as a principal or agent sells, offers for sale, negotiates for, or holds itself out as selling, providing, or arranging for, air transportation.'' Thus, all travel agents are ticket agents, but not all ticket agents are travel agents.

Compliance with some parts of the rules does not require any CRS reprogramming. For example, travel agents, who still sell most air transportation, are in a position to begin providing some of this information by complying with the oral disclosure portions of the rules that already apply to carriers. We have therefore tentatively decided to dispose of the requests for postponement by granting them only insofar as necessary—*i.e.*, by only postponing the effective date until March 15, 2000, for those parts of the rules with which carriers and ticket agents cannot fully comply until the CRSs have completed their reprogramming, as specified below. To this end, we are postponing the effective date of both rules until August 25, 1999, and giving interested parties fifteen days to submit comments on our tentative findings and the actions they contemplate. We will issue a final notice on or before August 25.

Accordingly, this document postpones the effective date of the Code-Sharing Rule, 14 CFR part 257, the Change-of-Gauge Rule, 14 CFR part 258, and the removal of 14 CFR 399.88, until August 25, 1999.

This document also invites comment on whether the effective date of certain parts of the rule should be further extended. In this regard, based on the petitions and public input received since parts 257 and 258 were adopted, the Department believes that the effective date of the following parts of the Code-Share Rule should not be further postponed:

- § 257.1 Purpose.
- § 257.2 Applicability.
- § 257.3 Definitions.
- § 257.4 Unfair and deceptive practice.
- § 257.5 Notice requirement.
  (b) Oral notice to prospective consumers, but only insofar as compliance with this section does not require reprogramming by CRSs.[8]
  (d) Advertising.

Similarly, the Department believes the effective date of the following parts of the Change-of-Gauge Rule should not be further postponed:

- § 258.1 Purpose.
- § 258.2 Applicability.
- § 258.3 Definitions.
- § 258.4 Unfair and deceptive practice.
- § 258.5 Notice requirement.
  (a) Notice in schedules.
  (b) Oral notice to prospective consumers.

However, if the Department views are not altered by the comments we are inviting here, the Department will take further action by August 25, 1999, to postpone the effective date of the following parts of the Code-Share Rule until March 15, 2000:

- § 257.5 Notice requirement.
  (a) Notice in schedules.
  (b) Oral notice to prospective consumers, except as specified in paragraph (1).
  (c) Written notice.[9]

Similarly, we would postpone the effective date of the following part of the Change-of-Gauge Rule until March 15, 2000:

- § 257.5 Notice requirement.
  (c) Written notice.

Finally, we believe that USTOA has shown good cause for the Department to refrain as a matter of discretion from enforcing both rules in their entirety against tour operators until six months after March 15, 2000.[10]

In closing, we strongly encourage the CRSs and other information systems to proceed with their reprogramming efforts with all possible expedition. Any affected parties that can comply with the rules before they become effective should do so. For example, while we are tentatively agreeing to postpone the effective date of both rules' written notice requirements, we are aware that some carriers and some travel agents are already disclosing much of the required information in the itineraries they provide to passengers, and we encourage all sellers of air transportation to do so who have the capability.

Regulatory Analyses and Notices

The Department has determined that this action is not an economically significant regulatory action under Executive Order 12866 or the Department's Regulatory Policies and Procedures, and it has not been reviewed by the Office of Management and Budget. This rule is significant under the Department's Regulatory Policies and Procedures because of congressional and public interest. The rule does not impose unfunded mandates or requirements that will have any effect on the quality of the human environment. A summary of the regulatory analyses of the rules whose effective date is being extended here was published at 64 FR 12850–12851 and 12859, March 15, 1999. Also published there were discussions of the rules' effects on small businesses and their Federalism and Paperwork Reduction Act implications. Apart for the Y2K implications recently brought to light and addressed above, the determinations made previously are not significantly affected by the limited extensions of the effective date made and proposed here.

Authority: 49 U.S.C. 41712.

Issued in Washington, DC on July 9, 1999, under authority delegated by 49 CFR 1.56a(h)2.

A. Bradley Mims,

Acting Assistant Secretary for Aviation and International Affairs.

[FR Doc. 99–17963 Filed 7–14–99; 8:45 am]

BILLING CODE 4910–62–P

[8] In other words, carriers, which are currently required to disclose code-share and change-of-gauge services in discussions with consumers, would be required as of August 25 to make these disclosures before booking transportation, and the same requirements would apply to travel agents. The new code-share and long-term wet-lease disclosures would not be required at this time.

[9] It is our understanding that carriers are already complying with those parts of the schedule notice requirement that go beyond 14 CFR 257.5(a) and the oral notice requirement imposes no new requirement on carriers.

[10] We tentatively find that imposing the same requirements on tour operators that those parts of the rules that are to take effect on August 25 will impose on travel agents would burden the tour operators excessively by forcing them to reprogram their front-end systems not once but twice.

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4044

Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: The Pension Benefit Guaranty Corporation's regulation on Allocation of Assets in Single-Employer Plans prescribes interest assumptions for valuing benefits under terminating single-employer plans. This final rule amends the regulation to adopt interest assumptions for plans with valuation dates in August 1999. Interest assumptions are also published on the PBGC's web site (http://www.pbgc.gov).

EFFECTIVE DATE: August 1, 1999.

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, 202–326–4024. (For TTY/TDD users, call the Federal relay service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4024.)

SUPPLEMENTARY INFORMATION: The PBGC's regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044) prescribes actuarial assumptions for valuing plan benefits of terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974.

Among the actuarial assumptions prescribed in part 4044 are interest