

Loans to partnerships, joint ventures, and associations.

Part 31 applies different rules to implement different restrictions applicable to partnerships. For purposes of the limits on loans to executive officers, a loan made to a partnership in which an executive officer of the lending bank holds a majority interest is deemed to have been made to the executive officer. For all other purposes under Part 31, a loan to a partnership will be attributed to an executive officer or other insider only if the partnership is a "related interest" of the insider or if the loan is transferred to, or used for the tangible economic benefit of, the insider. Part 32 does not make any similar distinction based on the restriction in question. Under Part 32, a loan made to a partnership, joint venture, or association will be attributed to all members of such an entity—regardless of the percentage of ownership—unless a person's liability is limited by a valid agreement. Conversely, loans to members of a partnership, joint venture, or association will not be attributed to the entity under Part 32 unless either the "common enterprise" or "direct benefit" test is met.

Dated: October 2, 1996.

Eugene A. Ludwig,

Comptroller of the Currency.

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SMALL BUSINESS ADMINISTRATION

13 CFR PART 121

Small Business Size Standards; Notice of Waiver of the Nonmanufacturer Rule

AGENCY: Small Business Administration.

ACTION: Notice to waive the Nonmanufacturer Rule for Purified Terephthalic Acid Ground (PTAG) and Un-Ground (PTAU).

SUMMARY: This notice advises the public that the Small Business Administration (SBA) is establishing a waiver of the Nonmanufacturer Rule for Purified Terephthalic Acid Ground (PTAG) and Un-Ground (PTAU). The basis for a waiver is that no small business manufacturers are available to participate in the Federal market for these products. The effect of a waiver will allow otherwise qualified nonmanufacturers to supply the products of any domestic manufacturer on a Federal contract set-aside for small businesses or awarded through the SBA 8(a) Program.

EFFECTIVE DATE: October 21, 1996.

FOR FURTHER INFORMATION CONTACT: David Wm. Loines, Procurement Analyst, (202) 205-6475, FAX (202) 205-7324.

SUPPLEMENTARY INFORMATION: Public Law 100-656, enacted on November 15, 1988, incorporated into the Small Business Act the previously existing regulation that recipients of Federal contracts set-aside for small businesses or the SBA 8(a) Program procurement must provide the product of a small business manufacturer or processor if the recipient is other than the actual manufacturer or processor. This requirement is commonly referred to as the Nonmanufacturer Rule. The SBA regulations imposing this requirement are found at 13 CFR 121.406(b). Section 303(h) of the law provides for waiver of

this requirement by SBA for any "class of products" for which there are no small business manufacturers or processors in the Federal market. To be considered available to participate in the Federal market on these classes of products, a small business manufacturer must have submitted a proposal for a contract solicitation or received a contract from the Federal Government within the last 24 months. The SBA defines "class of products" based on two coding systems. The first is the Office of Management and Budget Standard Industrial Classification Manual. The second is the Product and Service Code (PSC) established by the Federal Procurement Data System.

The SBA was asked to issue a waiver for PTAG and PTAU because of an apparent lack of any small business manufacturers or processors for them within the Federal market. The SBA searched its Procurement Automated Source System (PASS) for small business participants and found none. We then published a notice in the Federal Register on May 6, 1996 (vol. 61, no. 88, found none). We then published a notice in the Federal Register on May 6, 1996 (vol. 61, no. 88, p. 20191), of our intent to grant a waiver for these classes of products unless new information was found. The proposed waiver covered PTAG and PTAU (PSC 6810). The notice described the legal provisions for a waiver, how SBA defines the market and asked for small business participants of these classes of products. After the 15-day comment period, no small businesses were identified for PTAG and PTAU. This waiver is being granted pursuant to statutory authority under section 303(h) of Public Law 100-656 for PTAG and PTAU. The waiver will last indefinitely but is subject to both an annual review and a review upon receipt of information that the conditions required for a waiver no longer exist. If such

information is found, the waiver may be terminated.

Judith A. Roussel,

Associate Administrator for Government Contracting.

[FR Doc. 96-26932 Filed 10-18-96; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 95-CE-40-AD; Amendment 39-9782; AD 96-21-05]

RIN 2120-AA64

Airworthiness Directives; Fairchild Aircraft SA226 and SA227 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD) that applies to certain Fairchild Aircraft SA226 and SA227 series airplanes that do not have a certain elevator torque tube installed. This action requires drilling inspection access holes in the elevator torque tube arm, inspecting the elevator torque tube for corrosion, replacing any corroded elevator torque tube, and applying a corrosion preventive compound. Several reports of corrosion found in the elevator torque tube area on the affected airplanes prompted this action. The actions specified by this AD are intended to prevent failure of the flight control system caused by a corroded elevator torque tube, which could result in loss of control of the airplane.

DATES: Effective November 29, 1996.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of November 29, 1996.

ADDRESSES: Service information that applies to this AD may be obtained from Fairchild Aircraft, P.O. Box 790490, San Antonio, Texas 78279-0490; telephone

(210) 824-9421. This information may also be examined at the Federal Aviation Administration (FAA), Central Region, Office of the Assistant Chief Counsel, Attention: Rules Docket 95-CE-40-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Mr. Hung Viet Nguyen, Aerospace Engineer, FAA, Airplane Certification Office, 2601 Meacham Boulevard, Fort Worth, Texas 76193-0150; telephone (817) 222-5155; facsimile (817) 222-5960.

SUPPLEMENTARY INFORMATION:

Events Leading to This AD

A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an AD that would apply to certain Fairchild Aircraft SA226 and SA227 series airplanes was published in the Federal Register on September 19, 1995 (60 FR 48431). The action proposed to require drilling inspection access holes in the elevator torque tube arm, inspecting the elevator torque tube for corrosion, replacing any corroded elevator torque tube, and applying a corrosion preventive compound. Accomplishment of the proposed inspection access hole drilling, the inspection, and the corrosion preventive compound application as specified in the notice of proposed rulemaking (NPRM) would be in accordance with either Fairchild Service Bulletin (SB) 226-27-050 or Fairchild SB 227-27-028, both Issued: January 22, 1990.

Several reports of corrosion found in the elevator torque tube area on the affected airplanes prompted the proposal.

Interested persons have been afforded an opportunity to participate in the making of this amendment. One comment was received in favor of the proposal and no comments were received regarding the FAA's determination of the cost to the public.

Since issuing Fairchild SB 226-27-050, Fairchild Aircraft has designed an improved elevator torque tube, part number (P/N) 27-44026-007. The FAA has determined that airplane owners/operators of Fairchild Aircraft SA226 and SA227 series airplanes that have a P/N 27-44026-007 elevator torque tube installed should not have to accomplish the actions specified in the NPRM.

The FAA's Determination

After careful review of all available information related to the subject presented above, the FAA has

determined that air safety and the public interest require the adoption of the rule as proposed except for the exemption of those airplanes with a P/N 27-44026-007 elevator torque tube installed and minor editorial corrections. The FAA has determined that this exemption and the minor corrections will not change the meaning of the AD and will not add any additional burden upon the public than was already proposed.

Compliance Time of This AD

The compliance time for this AD is presented in calendar time instead of hours time-in-service (TIS). The FAA has determined that a calendar time for compliance would be the most desirable method because the unsafe condition described by this AD is caused by corrosion. Corrosion can occur on airplanes regardless of whether the airplane is in service or on the ground.

Cost Impact

The FAA estimates that 390 airplanes in the U.S. registry will be affected by this AD, that it will take approximately 10 workhours per airplane to accomplish the required action, and that the average labor rate is approximately \$60 an hour. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be \$234,000. This figure is based on the assumption that no owner/operator of the affected airplanes has accomplished the required inspection access hole drilling, inspection, or corrosion preventive compound application. It also is based on the assumption that no elevator torque tube would be found corroded and need to be replaced. The FAA has no way of determining how many owners/operators of the affected airplanes may have already complied with this AD.

Regulatory Impact

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 copy of the final 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, 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. 106(g), 40113, 44701.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding a new airworthiness directive (AD) to read as follows:

96-21-05 Fairchild Aircraft: Amendment 39-9782; Docket No. 95-CE-40-AD.

Applicability: The following airplane models and serial numbers, certificated in any category, that do not have a part number (P/N) 27-44026-007 elevator torque tube installed:

Model	Serial Nos.
SA226-T	T201 through T275 and T277 through T291.
SA226-T(B)	T(B)276 and T(B)292 through T(B)417.
SA226-AT	AT001 through AT074.
SA226-TC	TC201 through TC419.
SA227-TT	TT421 through TT541.
SA227-AT	AT423 through AT695.
SA227-AC	AC406, AC415, AC416, and AC420 through AC772.

Note 1: This AD applies to each airplane identified in the preceding applicability revision, 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 within the next six calendar months after the effective date of this AD, unless already accomplished.

To prevent failure of the flight control system caused by a corroded elevator torque tube, which could result in loss of control of the airplane, accomplish the following:

(a) Drill two .5-inch diameter holes in the inboard side of the elevator torque tube arm in accordance with the ACCOMPLISHMENT INSTRUCTIONS section of and as specified in Figure 1 of Fairchild Aircraft Service Bulletin (SB) 226-27-050 or Fairchild Aircraft SB 227-27-028, both Issued: January 22, 1990, as applicable.

(b) Inspect the elevator torque tube in accordance with the ACCOMPLISHMENT INSTRUCTIONS section of Fairchild Aircraft SB 226-27-050 or Fairchild Aircraft SB 227-27-028, both Issued: January 22, 1990, as applicable.

(1) If corrosion is found inside the elevator torque tube, prior to further flight after the inspection required by paragraph (b) of this AD, replace the corroded elevator torque tube with a P/N 27-44026-007 elevator torque tube in accordance with the applicable maintenance manual.

(2) If corrosion is not found inside the elevator torque tube, prior to further flight after the inspection required by paragraph (b) of this AD, apply a corrosion preventive compound in accordance with the ACCOMPLISHMENT INSTRUCTIONS section of Fairchild Aircraft SB 226-27-050 or Fairchild Aircraft SB 227-27-028, both Issued: January 22, 1990, as applicable.

(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.

(d) An alternative method of compliance or adjustment of the compliance time that provides an equivalent level of safety may be approved by the Manager, Airplane Certification Office (ACO), FAA, 2601 Meacham Boulevard, Fort Worth, Texas 76193-0150. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Fort Worth ACO.

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

(e) The drilling, inspection, and application required by this AD shall be done in accordance with Fairchild Aircraft Service Bulletin 226-27-050 or Fairchild Service Bulletin 227-27-028, both Issued: January 22, 1990. 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 Fairchild Aircraft, P.O. Box 790490, San Antonio, Texas 78279-0490. Copies may be inspected at the FAA, Central Region, Office of the Assistant Chief Counsel, Room 1558, 601 E. 12th Street, Kansas City, Missouri, or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(f) This amendment (39-9782) becomes effective on November 29, 1996.

Issued in Kansas City, Missouri, on October 10, 1996.

Marvin R. Nuss,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 96-26705 Filed 10-18-96; 8:45 am]

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DEPARTMENT OF COMMERCE

Bureau of Export Administration

15 CFR Parts 734, 740, 742, 752, 771A, 774, 776A and 799A

[Docket No. 960928265-6265-01]

RIN 0694-AB09

Commercial Communications Satellites and Hot Section Technology for the Development, Production or Overhaul of Commercial Aircraft Engines

AGENCY: Bureau of Export Administration, Commerce.

ACTION: Interim final rule.

SUMMARY: This interim final rule amends parts 774 and 799A of the Export Administration Regulations (the Commerce Control List) by revising Export Control Classification Numbers (ECCNs) 9A04A and 9A004 to control all commercial communications satellites. This interim final rule also amends the Export Administration Regulations (EAR) by imposing enhanced national security and foreign policy controls on all commercial communications satellites controlled under ECCNs 9A04.a. and 9A004.a. and hot section technology for the development, production or overhaul of commercial aircraft engines controlled under ECCNs 9E03.a.1 through a.12, .f and related controls, and 9E003.a.1 through a.12., .f and related controls, to supplement the national security controls on those items. The provisions of this interim final rule apply for items transferred from the USML to the CCL and to license applications for those items received after the effective date of this rule.

This interim final rule also amends the EAR to exclude commercial communications satellites and hot section technology from the *de minimis* provisions for items and commingled technology exported from abroad, from the mandatory foreign availability decontrol or export licensing provisions of the EAR, and from Special Comprehensive License eligibility. Finally, this interim final rule also

amends the licensing policy provisions of parts 742 and 776A of the EAR to reflect these new national security and foreign policy controls, providing for case-by-case review of applications for export and reexport to all destinations to determine if the export or reexport is consistent with U.S. national security and foreign policy interests.

Exporters are advised that license applications for commercial communications satellites controlled under ECCN 9A04.a. and 9A004.a., and hot section technology controlled under ECCN 9E03.a.1. through a.12 and .f, and related controls, and 9E003.a.1. through a.12 and .f, and related controls, will be subject to full interagency review in accordance with Executive Order 12981 of December 5, 1995 (60 FR 62981), as amended.

The EAR have been totally revised by an interim rule published on March 25, 1996 (61 FR 12714) that provides for a transition period within which exporters can take advantage of both the old rules and the new rules until November 1, 1996. Therefore, this interim final rule and all other amendments to the EAR during the transition period will amend both the new EAR and the old EAR, which are now designated with the letter "A" following the part number.

DATES Effective Date: This interim final rule is effective October 21, 1996 except the amendments to parts 776A and 799A are effective October 21, 1996 until November 1, 1996.

Comments: Comments must be received December 5, 1996.

ADDRESSES: Written comments should be sent to Nancy Crowe, Regulatory Policy Division, Office of Exporter Services, Bureau of Export Administration, Room 2705, 14th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20230.

FOR FURTHER INFORMATION CONTACT: Gene Christiansen, Office of Strategic Trade, Telephone: (202) 482-2984.

SUPPLEMENTARY INFORMATION:

Background

On October 23, 1992, the Bureau of Export Administration added a new ECCN 9A04 to the CCL to control certain commercial communications satellites previously controlled on the USML.

On March 25, 1996, BXA published an interim rule in the Federal Register (61 FR 12714) that completely revised and simplified the EAR, and redesignated the parts of the EAR prior to publication of that rule (15 CFR parts 768-799) by including an "A" following the part number (e.g., old part 768 is