

disconnect panel bracket, in accordance with the service bulletin.

(3) Condition 3. If no riding, chafing, or damage is found: Prior to further flight, install a protective grommet along the entire upper aft edge of the disconnect panel bracket in accordance with the service bulletin.

(b) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Los Angeles Aircraft Certification Office (ACO), FAA, Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Los Angeles ACO.

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

(c) Special flight permits may be issued in accordance with 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 February 10, 1997.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.
[FR Doc. 97-3841 Filed 2-14-97; 8:45 am]

BILLING CODE 4910-13-U

14 CFR Part 39

[Docket No. 96-NM-64-AD]

RIN 2120-AA64

Airworthiness Directives; Airbus Model A310 and A300-600 Series Airplanes Equipped with Pratt & Whitney Turbofan Engines

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 Airbus Model A310 and A300-600 series airplanes. This proposal would require flow checks of the hydraulic pump drain system to ensure that the system is not clogged, and correction of any discrepancy. Additionally, the proposed AD would require replacement of the existing seal of the accessory gearbox with a new, improved seal assembly; this replacement would terminate the requirement for repetitive flow checks. This proposal is prompted by reports indicating that hydraulic fluid had contaminated the engine oil system as a result of failure of the seal of the

hydraulic pump shaft. The actions specified by the proposed AD are intended to prevent clogging of the hydraulic pump drain system, which could cause failure of the seal of the hydraulic pump shaft and subsequent contamination of the engine accessory gearbox oil; this condition could result in an in-flight engine shutdown.

DATES: Comments must be received by March 28, 1997.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-103, Attention: Rules Docket No. 96-NM-64-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 Airbus Industrie, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT: Tim Backman, Aerospace Engineer, Standardization Branch, ANM-113, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (206) 227-2797; fax (206) 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 96-NM-64-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-103, Attention: Rules Docket No. 96-NM-64-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Discussion

The Direction Générale de l'Aviation Civile (DGAC), which is the airworthiness authority for France, recently notified the FAA that an unsafe condition may exist on certain Airbus Model A310 and A300-600 series airplanes. The DGAC advises that it has received reports of engine oil contamination on both of these models of airplanes. Investigation revealed that the contamination was due to failure of the seal of the green hydraulic pump shaft as a result of clogging of the hydraulic pump drain system. The seal is insufficient to handle the increase in the backflow pressure when the hydraulic pump drain system is clogged. Failure of the seal of the green hydraulic pump shaft, if not corrected, could permit contamination of the engine accessory gearbox oil, and result in an in-flight engine shutdown.

Explanation of Relevant Service Information

Airbus has issued the following service bulletins which describe procedures for performing repetitive flow checks of the hydraulic pump drain system to ensure that the system is not clogged, and correction of any discrepancy.

1. For Model A310 series airplanes: Airbus Service Bulletin A310-72-2022, dated February 16, 1993 (for airplanes on which Pratt & Whitney JT9D-7R4D1 and 7R4E1 engines are installed); and Airbus Service Bulletin A310-72-2023, Revision 1, dated December 22, 1993 (for airplanes on which Pratt & Whitney PW4152 and PW 4156A engines are installed).

2. For Model A300-600 series airplanes: Airbus Service Bulletin A300-72-6018, Revision 1, dated December 22, 1993 (for airplanes on which Pratt & Whitney JT9D-7R4H1 engines are installed); and Airbus Service Bulletin A300-72-6019, Revision 1, dated December 22, 1993 (for airplanes on which Pratt & Whitney PW4158 engines are installed).

Additionally, Airbus has issued the following service bulletins which describe procedures to replace the existing carbon seal of the accessory gearbox with a new, improved seal assembly that is capable of withstanding a higher backflow pressure. This new seal assembly will prevent hydraulic fluid leakage into the gearbox, and will eliminate the need to perform repetitive flow checks.

1. For Model A300-600 series airplanes: Airbus Service Bulletin A300-72-6014, dated March 15, 1993 (for airplanes on which Pratt & Whitney PW JT9D-7R4H1 engines are installed); and Airbus Service Bulletin A300-72-6015, Revision 2, dated December 22, 1993 (for airplanes on which Pratt & Whitney PW4158 engines are installed).

2. For Model A310 series airplanes: Airbus Service Bulletin A310-72-2018, Revision 2, dated December 22, 1993 (for airplanes on which Pratt & Whitney PW JT9D-7R4D1 and -7R4E1 engines are installed); and Airbus Service Bulletin A310-72-2019, Revision 2, dated December 22, 1993 (for airplanes on which Pratt & Whitney PW4152 and PW 4156A engines are installed).

The DGAC classified these service bulletins and previous editions of these service bulletins as mandatory and issued French airworthiness directive 92-231-136(B)R2, dated October 13, 1993, in order to assure the continued airworthiness of these airplanes in France.

FAA's Conclusions

These airplane models are manufactured in France and are 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 DGAC has kept the FAA informed of the situation described above. The FAA has examined the findings of the DGAC, reviewed all available information, and determined that AD action is necessary for products of these type designs 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 repetitive flow checks of the hydraulic pump drain system to ensure that the system is not clogged, and correction of any discrepancy. Additionally, the proposed AD would require

replacement of the existing seal of the accessory gearbox with a new, improved seal assembly. This replacement, when accomplished, would provide terminating action for the repetitive flow checks. The actions would be required to be accomplished in accordance with the service bulletins described previously.

Cost Impact

The FAA estimates that 3 Airbus Model A300-600 and A310 series airplanes of U.S. registry would be affected by this proposed AD. It would take approximately 3 work hours per airplane to accomplish the proposed one-time inspection, at an average labor rate of \$60 per work hour. It would take approximately 10 work hours per airplane to accomplish the proposed terminating modification, at an average labor rate of \$60 per work hour. Required parts would cost approximately \$1,500 per airplane. Based on these figures, the cost impact of the proposed AD on U.S. operators is estimated to be \$6,840, or \$2,280 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:

Airbus: Docket 96-NM-64-AD.

Applicability: Model A300B4-620, -622, -622R, and A300C4-620; and Model A310-221, -222, -322, -324, and -325 series airplanes; equipped with Pratt & Whitney turbofan engines; on which Airbus Modification 10399 or 10400 has not been accomplished; certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been otherwise 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 (c) 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 clogging of the hydraulic pump drain system, which could cause failure of the seal of the hydraulic pump shaft and subsequent contamination of the engine accessory gearbox oil, and could result in an in-flight engine shutdown, accomplish the following:

(a) Within 30 days after the effective date of this AD, perform a flow check of the hydraulic pump drain system to ensure that it is not clogged and, prior to further flight, correct any discrepancies, in accordance with either paragraph (a)(1) or (a)(2) of this AD, as applicable. Repeat the flow check, thereafter, at intervals not to exceed 500 flight hours until the modification required by paragraph (b) of this AD is accomplished.

(1) For Model A310 series airplanes: Perform the flow checks and correct discrepancies in accordance with Airbus Service Bulletin A310-72-2022, dated February 16, 1993 (for airplanes on which Pratt & Whitney JT9D-7R4D1 and -7R4E1

engines are installed); or Airbus Service Bulletin A310-72-2023, Revision 1, dated December 22, 1993 (for airplanes on which Pratt & Whitney PW4152 and PW4156A engines are installed); as applicable.

Note 2: Flow checks accomplished prior to the effective date of this AD in accordance with the original issuance of Airbus Service Bulletin A310-72-2023 are considered acceptable for compliance with the applicable action specified in this AD.

(2) For Model A300-600 series airplanes: Perform the flow checks and correct discrepancies in accordance with Airbus Service Bulletin A300-72-6018, Revision 1, dated December 22, 1993 (for airplanes on which Pratt & Whitney JT9D-7R4H1 engines are installed); or Airbus Service Bulletin A300-72-6019, Revision 1, dated December 22, 1993 (for airplanes on which Pratt & Whitney PW4158 engines are installed); as applicable.

Note 3: Flow checks accomplished prior to the effective date of this AD in accordance with the original issuance of Airbus Service Bulletin A300-72-6018 or Airbus Service Bulletin A300-72-6019 are considered acceptable for compliance with the applicable action specified in this AD.

(b) Within 12 months after the effective date of this AD, replace (on both engines) the existing seal of the green hydraulic system gearbox with a new, improved seal assembly in accordance with either paragraph (b)(1) or (b)(2) of this AD, as applicable. Accomplishment of this replacement terminates the repetitive flow check requirements for this AD.

(1) For Model A310 series airplanes: Accomplish the replacement in accordance with Airbus Service Bulletin A310-72-2018, Revision 2, dated December 22, 1993 (for airplanes on which Pratt & Whitney PW JT9D-7R4D1 and -7R4E1 engines are installed); or Airbus Service Bulletin A310-72-2019, Revision 2, dated December 22, 1993 (for airplanes on which Pratt & Whitney PW4152 and PW4156A engines are installed); as applicable.

Note 4: Replacement of the existing seal on the green hydraulic system gearbox with a new, improved seal assembly accomplished prior to the effective date of this AD, in accordance with the original issuance or Revision 1 of Airbus Service Bulletin A310-72-2019, or with the original issuance or Revision 1 of Airbus Service Bulletin A310-72-2018, is considered acceptable for compliance with the applicable action specified in this AD.

(2) Model A300-600 series airplanes: Accomplish the replacement in accordance with Airbus Service Bulletin A300-72-6014, dated March 15, 1993 (for airplanes on which Pratt & Whitney PW JT9D-7R4H1 engines are installed); or Airbus Service Bulletin A300-72-6015, dated March 15, 1993 (for airplanes on which Pratt & Whitney PW4158 engines are installed); as applicable.

(c) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Standardization Branch, ANM-113, FAA, Transport Airplane Directorate. Operators shall submit their requests through an

appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Standardization Branch, ANM-113.

Note 5: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Standardization Branch, ANM-113.

(d) 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 February 10, 1997.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.
[FR Doc. 97-3840 Filed 2-14-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 230

[Release No. 33-7388; File Number S7-6-97]

RIN 3235-AH14

Definition of "Prepared by or on Behalf of the Issuer" for Purposes of Determining if an Offering Document is Subject to State Regulation.

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule.

SUMMARY: The National Securities Markets Improvements Act of 1996 mandates that the Securities and Exchange Commission ("Commission") adopt a definition of the phrase "prepared by or on behalf of the issuer" found in newly revised Section 18 of the Securities Act of 1933. Today, the Commission proposes such a definition.

DATES: Comments should be received on or before March 20, 1997.

ADDRESSES: Comments should be submitted in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Comments also may be submitted electronically at the following E-mail address: rule-comments@sec.gov. All comment letters should refer to File No. S7-6-96; this file number should be included in the subject line if E-mail is used. Comment letters will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. Electronically submitted comment letters will be

posted on the Commission's Internet Web Site (<http://www.sec.gov>).

FOR FURTHER INFORMATION CONTACT:

James R. Budge, Division of Corporation Finance, at (202) 942-2950, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The Commission proposes adding Rule 146¹ under the Securities Act of 1933 ("Securities Act" or "the Act").² The Rule would define the term "prepared by or on behalf of the issuer," as that term is used in newly revised Section 18 of the Act.³

I. Background and Proposed Definition

On October 11, 1996, President Clinton signed into law the National Securities Markets Improvement Act of 1996.⁴ One significant goal of this legislation, embodied in revised Section 18 of the Act, is to reduce duplicative and unnecessary regulatory requirements resulting from the dual system of federal and state securities regulation. The statute reallocates regulatory responsibility relating to securities offerings between the federal and state governments based on the nature of the security or offering. Among other things, it preempts state laws requiring or with respect to registration or qualification of "covered securities" as defined in the Act.⁵ It also prohibits states from directly or indirectly prohibiting, limiting or imposing any conditions on the use of any offering document for a covered security if the offering document is "prepared by or on behalf of the issuer."⁶

The statute requires the Commission to define by rule the phrase "prepared by or on behalf of the issuer," as used in connection with the prohibition on state regulation of offering documents for covered securities.⁷ The Commission today proposes a definition of this term.

¹ The proposed rule would be codified at 17 CFR 230.146.

² 15 U.S.C. 77a et seq.

³ 15 U.S.C. 77r.

⁴ Public Law 104-290, 110 Stat. 3416 (1996).

⁵ The term "covered security" is defined in new section 18(b) [15 U.S.C. 77r(b)].

⁶ The term "offering document" is defined in new section 18(d)(1) [15 U.S.C. 77r(d)(1)], as follows:

(1) Offering Document.—The term "offering document"—

(A) has the meaning given the term "prospectus" in section 2(10), but without regard to the provisions of subparagraphs (A) and (B) of that section; and

(B) includes a communication that is not deemed to offer a security pursuant to a rule of the Commission.

⁷ New Section 18(d)(2) requires the Commission to adopt this definition not later than six months after the section's enactment.