

the Finance Board has not submitted any information to the Office of Management and Budget for review.

#### List of Subjects in 12 CFR Part 937

Federal home loan banks, Reporting and recordkeeping requirements.

Accordingly, the Federal Housing Finance Board hereby proposes to amend title 12, chapter IX, of the Code of Federal Regulations, by adding a new part 937, to read as follows:

#### PART 937—FINANCIAL STATEMENTS OF THE BANKS

Sec.

937.1 Definitions.

937.2 Financial statement requirement.

937.3 Annual financial statements.

937.4 Quarterly financial statements.

**Authority:** 12 U.S.C. 1422a, 1422b, 1426, 1431, and 1440.

##### § 937.1 Definitions.

As used in this part:

*Bank* means a Federal Home Loan Bank established under the authority of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1421 *et seq.*).

*Finance Board* means the agency established as the Federal Housing Finance Board.

*Form 10-K* means the Annual Report on Form 10-K (17 CFR 249.310) promulgated by the SEC pursuant to the provisions of the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

*Form 10-Q* means the Quarterly Report on Form 10-Q (17 CFR 249.308a) promulgated by the SEC pursuant to the provisions of the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

*Member* means an institution that has been approved for membership in a Bank and has purchased capital stock in the Bank in accordance with §§ 933.20 and 933.24 of this chapter.

*Regulation S-X* means the accounting rules promulgated by the SEC (17 CFR part 210).

*SEC* means the agency established as the Securities and Exchange Commission.

##### § 937.2 Financial statement requirement.

(a) Each Bank shall prepare, file with the Finance Board for review and distribute to its members annual and quarterly financial statements as provided in this part.

(b) The fact that annual or quarterly financial statements have been filed with the Finance Board shall not be deemed a finding that the Finance Board has passed upon the accuracy or adequacy of those financial statements.

##### § 937.3 Annual financial statements.

(a) A Bank's annual financial statements shall conform as to form and

content to the requirements of Regulation S-X as referenced in Item 8 of Form 10-K.

(b) Annual financial statements shall be distributed to each member of a Bank within 90 days after the end of the fiscal year covered by the financial statements.

(c) At the time the Bank's annual financial statements are distributed to the Bank's members, but no later than 90 days after the end of the fiscal year covered by the financial statements, five copies of the annual financial statements shall be filed with Elaine L. Baker, Secretary to the Finance Board, Federal Housing Finance Board, 1777 F Street, NW., Washington DC 20006. The annual financial statements will be available for public inspection at this address.

(d) The Bank shall indicate in a transmittal letter accompanying the annual financial statements whether the financial statements reflect a change from the preceding year in any accounting principles or practices, or in the method of applying any such principles or practices.

(e) Except where information is required by the requirements of Item 8 of Form 10-K or of Regulation S-X to be given for the fiscal year or as of specified date, it shall be given as of the latest practicable date.

##### § 937.4 Quarterly financial statements.

(a) A Bank's quarterly financial statements shall conform as to form and content to the requirements of Item 1 of Form 10-Q and to the requirements of rule 10-01 of Regulation S-X (17 CFR 210.10-01).

(b) Quarterly financial statements shall be distributed to each member of a Bank within 45 days after the end of the fiscal quarter covered by the financial statements.

(c) At the time the Bank's quarterly financial statements are distributed to the Bank's members, but no later than 45 days after the end of the fiscal quarter covered by the financial statements, five copies of the quarterly financial statements shall be filed with Elaine L. Baker, Secretary to the Finance Board, Federal Housing Finance Board, 1777 F Street, NW., Washington DC 20006. The quarterly financial statements will be available for public inspection at this address.

(d) No financial statements need be filed or distributed for the fourth quarter of any fiscal year.

By the Board of Directors of the Federal Housing Finance Board.

**Bruce A. Morrison,**

*Chairperson.*

[FR Doc. 98-1969 Filed 1-30-98; 8:45 am]

BILLING CODE 6725-01-U ]

#### DEPARTMENT OF TRANSPORTATION

##### Federal Aviation Administration

##### 14 CFR Part 39

[Docket No. 97-CE-144-AD]

RIN 2120-AA64

##### Airworthiness Directives; AERMACCI S.p.A. S.205 Series and Models S.208 and S.208A Airplanes

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** This document proposes to adopt a new airworthiness directive (AD) that would apply to AERMACCI S.p.A. S.205 series and Models S.208 and S.208A airplanes. The proposed AD would require inspecting all flight control cables (elevator control, aileron control, rudder, flaps, nose gear steering, parking brake, safety belts, and autopilot systems) for cracks in the eye end, and replacing any control cable with any crack in the eye end. The proposed AD is the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Italy. The actions specified by the proposed AD are intended to prevent loss of critical airplane functions because of cracked flight control cables, which could result in loss of control of the airplane if occurring during flight.

**DATES:** Comments must be received on or before March 9, 1998.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 97-CE-144-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106. Comments may be inspected at this location between 8 a.m. and 4 p.m., Monday through Friday, holidays excepted.

Service information that applies to the proposed AD may be obtained from SIAI Marchetti S.p.A., Product Support Department, Via Indipendenza 2, 21018 Sesto Calende (VA), Italy; telephone: +39-331-929117; facsimile: +39-331-922525. This information also may be examined at the Rules Docket at the address above.

**FOR FURTHER INFORMATION CONTACT:** Mr. David O. Keenan, Project Officer, FAA, Small Airplane Directorate, Aircraft Certification Service, 1201 Walnut, suite 900, Kansas City, Missouri 64106; telephone: (816) 426-6934; facsimile: (816) 426-2169.

**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 should 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 that summarizes 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 No. 97-CE-144-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, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 97-CE-144-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

**Discussion**

The Registro Aeronautico Italiano (R.A.I.), which is the airworthiness authority for Italy, recently notified the FAA that an unsafe condition may exist on AERMACCI S.p.A. S.205 series and Models S.208 and S.208A airplanes. The R.A.I. reports that manufacturing tooling may have caused cracks in the cable eyes on the flight control cables. This includes the control cables for the elevator control, aileron control, rudder,

flaps, nose gear steering, parking brake, safety belts, and autopilot systems.

Cracked flight control cables, if not corrected in a timely manner, could result in loss of critical airplane functions with possible loss of control of the airplane if occurring during flight.

**Relevant Service Information**

SIAI Marchetti S.p.A. has issued Mandatory Service Bulletin No. 205B58, not dated, which includes procedures for inspecting the flight control cables for cracks in the eye end on the above-referenced airplanes. This service bulletin also specifies removing and discarding any cracked flight control cable.

The R.A.I. classified this service bulletin as mandatory and issued Italian AD 95-119, dated May 2, 1995, in order to assure the continued airworthiness of these airplanes in Italy.

**The FAA's Determination**

These airplane models are manufactured in Italy and are type certificated for operation in the United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the R.A.I. has kept the FAA informed of the situation described above.

The FAA has examined the findings of the R.A.I.; reviewed all available information, including the service information referenced above; and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

**Explanation of the Provisions of the Proposed AD**

Since an unsafe condition has been identified that is likely to exist or develop in other AERMACCI S.p.A. S.205 series and Models S.208 and S.208A airplanes of the same type design registered in the United States, the FAA is proposing AD action. The proposed AD would require inspecting all flight control cables (elevator control, aileron control, rudder, flaps, nose gear steering, parking brake, safety belts, and autopilot systems) for cracks in the eye end, and replacing any control cable that has a crack in the eye end. Accomplishment of the proposed inspection would be in accordance with the previously referenced service information. Accomplishment of the proposed replacement(s), if applicable, would be in accordance with the maintenance manual.

**Cost Impact**

The FAA estimates that 70 airplanes in the U.S. registry would be affected by the proposed AD, that it would take approximately 20 workhours per airplane to accomplish the actions in the proposed AD, and that the average labor rate is approximately \$60 an hour. Parts cost approximately \$100 per airplane. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$910,000, or \$1,300 per airplane.

**Differences Between Service Bulletin, Italian AD, and This Proposed AD**

SIAI Marchetti S.p.A. Mandatory Service Bulletin No. 205B58, not dated, includes procedures for inspecting the flight control cables for cracks in the eye end. This service bulletin also specifies removing and discarding any cracked flight control cable. Italian AD 95-119, dated May 2, 1995, mandates the actions in this service bulletin for all S.205 series and Models S.208 and S.208A airplanes on the Italian register.

No where in SIAI Marchetti S.p.A. Mandatory Service Bulletin No. 205B58 is there reference to replacing cracked flight control cables; only to removing and discarding these cables. The proposed AD differs from this service bulletin in that it proposes replacing cracked flight control cables with new cables of the same design.

**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 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) 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 has been placed 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 USC 106(g), 40113, 44701.

**§ 39.13 [Amended]**

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

**Aermacci S.P.A.:** Docket No. 97–CE–144–AD.

**Applicability:** Models S.205–18/F, S.205–18/R, S.205–20/F, S.205–20/R, .205–22/R, S.208, and S.208A airplanes, all serial numbers, 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 (e) 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 in the body of this AD, unless already accomplished.

To prevent loss of critical airplane functions because of cracked flight control cables, which could result in loss of control of the airplane if occurring during flight, accomplish the following:

(a) Within the next 100 hours time-in-service (TIS) after the effective date of this AD, inspect all flight control cables (elevator control, aileron control, rudder, flaps, nose gear steering, parking brake, safety belts, and autopilot systems) for cracks in the eye end. Accomplish this inspection in accordance with SIAI Marchetti, S.p.A. Mandatory Service Bulletin No. 205B58.

(b) If any cracked flight control cable is found, prior to further flight after the inspection required by paragraph (a) of this AD, replace the cracked cable with a new cable of the same design that is found to be free of cracks in the eye end. The replacement(s) shall be accomplished in accordance with the applicable maintenance manual.

(c) As of the effective date of this AD, no person may install a flight control cable on

an affected airplane, unless the cable has been found to be free of cracks in the eye end.

(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.

(e) An alternative method of compliance or adjustment of the compliance times that provides an equivalent level of safety may be approved by the Manager, Small Airplane Directorate, 1201 Walnut, suite 900, Kansas City, Missouri 64106. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Small Airplane Directorate.

**Note 2:** Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Small Airplane Directorate.

(f) Questions or technical information related to SIAI Marchetti, S.p.A. Mandatory Service Bulletin No. 205B58, should be directed to SIAI Marchetti S.p.A., Product Support Department, Via Indipendenza 2, 21018 Sesto Calende (VA), Italy; telephone: +39–331–929117; facsimile: +39–331–922525. This service information may be examined at the FAA, Central Region, Office of the Regional Counsel, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

**Note 3:** The subject of this AD is addressed in Italian AD 95–119, dated May 2, 1995.

Issued in Kansas City, Missouri, on January 26, 1998.

**Michael Gallagher,**

*Manager, Small Airplane Directorate, Aircraft Certification Service.*

[FR Doc. 98–2421 Filed 1–30–98; 8:45 am]

BILLING CODE 4910–13–U

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

[Docket No. 97–CE–147–AD]

RIN 2120–AA64

**Airworthiness Directives; Industrie Aeronautiche e Meccaniche Rinaldo Piaggio S.p.A. Model P–180 Airplanes**

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** This document proposes to adopt a new airworthiness directive (AD) that would apply to certain Industrie Aeronautiche e Meccaniche Rinaldo Piaggio S.p.A. (Piaggio) Model P–180 airplanes. The proposed AD would require installing a shield on the front section of the engine cradles. The proposed AD is the result of mandatory

continuing airworthiness information (CAI) issued by the airworthiness authority for Italy. The actions specified by the proposed AD are intended to prevent water from damaging the power/propeller controls and cables, which could result in reduced airplane controllability.

**DATES:** Comments must be received on or before March 9, 1998.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 97–CE–147–AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106. Comments may be inspected at this location between 8 a.m. and 4 p.m., Monday through Friday, holidays excepted.

Service information that applies to the proposed AD may be obtained from I.A.M. Rinaldo Piaggio S.p.A., Via Cibrario, 4 16154 Genoa, Italy. This information also may be examined at the Rules Docket at the address above.

**FOR FURTHER INFORMATION CONTACT:** Mr. David O. Keenan, Project Officer, FAA, Small Airplane Directorate, Aircraft Certification Service, 1201 Walnut, suite 900, Kansas City, Missouri 64106; telephone: (816) 426–6934; facsimile: (816) 426–2169.

**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 should 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 that summarizes 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