

Textron, Inc. (BHTI)-manufactured restricted category Model HH-1K, TH-1F, TH-1L, UH-1A, UH-1B, UH-1E, UH-1F, UH-1H, UH-1L, and UH-1P helicopters was published in the Federal Register on September 5, 1996 (61 FR 46742). That action proposed to require a one-time inspection of the tail rotor slider (slider) to verify that it was manufactured with the correct outside diameter.

Interested persons have been afforded an opportunity to participate in the making of this amendment. No comments were received on the proposal or the FAA's determination of the cost to the public. The FAA has determined that air safety and the public interest require the adoption of the rule as proposed, with one exception. The word "barrel" was added to paragraph (a) of the AD to indicate that the splined shaft of the slider is also known as the barrel of the slider. This change neither increases the costs associated with the AD nor increases the scope of the AD.

The FAA estimates that 80 helicopters of U.S. registry will be affected by this AD, that it will take approximately 0.5 work hour per helicopter to accomplish the required inspection, and that the average labor rate is \$60 per work hour. Replacement of the slider requires 8 hours, and required parts cost approximately \$72 per helicopter. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be \$46,560 if replacement of the slider is required in all of the fleet.

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 final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from 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.

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 to read as follows:

AD 97-01-06 California Department of Forestry; Erickson Air Crane Co.; Garlick Helicopters; Hawkins and Powers Aviation, Inc.; International Helicopters, Inc.; Smith Helicopters; Southwest Florida Aviation; West Coast Fabrications; Western International Aviation, Inc.; Williams Helicopter Technology, Inc.; and UNC Helicopters: Amendment 39-9877. Docket No. 96-SW-03-AD.

Applicability: Bell Helicopter Textron, Inc.-manufactured Model HH-1K, TH-1F, TH-1L, UH-1A, UH-1B, UH-1E, UH-1F, UH-1H, UH-1L, and UH-1P helicopters, certificated in the restricted category.

Note 1: This AD applies to each helicopter 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 helicopters that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must use the authority provided in paragraph (b) to request approval from the FAA. This approval may address either no action, if the current configuration eliminates the unsafe condition, or different actions necessary to address the unsafe condition described in this AD. Such a request should include an assessment of the effect of the changed configuration on the unsafe condition addressed by this AD. In no case does the presence of any modification, alteration, or repair remove any helicopter from the applicability of this AD.

Compliance: Required within 5 hours time-in-service after the effective date of this AD, unless accomplished previously.

To prevent fatigue failure of the tail rotor slider (slider), which could cause loss of the tail rotor and subsequent loss of control of the helicopter, accomplish the following:

(a) Using a calibrated caliper or micrometer, measure the outside diameter of the splined shaft (barrel) of the slider, part number (P/N) 204-010-720-3 or P/N 204-010-720-003, at two points that are 90 degrees apart on the outside circumference of

the barrel, one-half to one inch from either end of the slider. If the outside diameter of the slider is less than 1.300 inches, remove the slider and replace it, prior to further flight, with a slider that has an outside diameter of 1.300 inches or greater.

(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, Rotorcraft Certification Office, Rotorcraft Directorate, FAA. Operators shall submit their requests through an FAA Principal Maintenance Inspector, who may concur or comment and then send it to the Manager, Rotorcraft Certification Office.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Rotorcraft Certification Office.

(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, Rotorcraft Certification Office, Rotorcraft Directorate, FAA. Operators shall submit their requests through an FAA Principal Maintenance Inspector, who may concur or comment and then send it to the Manager, Rotorcraft Certification Office.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Rotorcraft Certification Office.

(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 helicopter to a location where the requirements of this AD can be accomplished.

(e) This amendment becomes effective on February 13, 1997.

Issued in Fort Worth, Texas, on December 31, 1996.

Larry M. Kelly,

Acting Manager, Rotorcraft Directorate, Aircraft Certification Service.

[FR Doc. 97-404 Filed 1-8-97; 8:45 am]

BILLING CODE 4910-13-U

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

[Release No. 34-38110; File No. S7-30-95]

RIN 3235-AG66

Order Execution Obligations

AGENCY: Securities and Exchange Commission.

ACTION: Final rule; revised effective date; revised compliance dates.

SUMMARY: The Securities and Exchange Commission is revising: (1) The effective date of Rule 11Ac1-4 ("Limit Order Display Rule") and amendments

to Rule 11Ac1-1 ("ECN Amendment" to the "Quote Rule") from January 10 to January 13, 1997; (2) the effective date of the amendment to subsection (a)(25)(ii) of the Quote Rule ("Subject Security Definition") to April 10, 1997; and (3) the compliance dates of the ECN Amendment with respect to most over-the-counter ("OTC") securities.

DATES: Effective January 9, 1997, the effective date for the Limit Order Display Rule, and the amendments to the Quote Rule, adopted August 28, 1996, by the Securities and Exchange Commission, and published on September 12, 1996 (61 FR 48290) (collectively, "Order Execution Rules"), is being changed to January 13, 1997, except that the effective date for the amendment to § 240.11Ac1-1(a)(25)(ii) the Subject Security Definition in the Quote Rule is April 10, 1997. The compliance date with respect to the ECN Amendment (except for the Subject Security Definition) for exchange-traded securities and 50 of the 1000 most actively traded OTC securities is January 13, 1997. The compliance date of the ECN Amendment for an additional 100 of these 1,000 securities is January 31, 1997, and the compliance date for the remaining 850 most actively traded securities is February 21, 1997. The final compliance date for the remainder of the securities is March 28, 1997.

FOR FURTHER INFORMATION CONTACT: Betsy Prout Lefler, Special Counsel, Gail Marshall-Smith, Special Counsel, or David Oestreicher, Special Counsel, (202) 942-0158, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, N.W., Mail Stop 5-1, Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION:

I. Background

On August 28, 1996, the Securities and Exchange Commission ("Commission") adopted Rule 11Ac1-4,¹ the "Limit Order Display Rule," and amendments to Rule 11Ac1-1, the "ECN Amendment," to require OTC market makers and exchange specialists to display certain customer limit orders, and to publicly disseminate the best prices that the OTC market maker or exchange specialist has placed in certain electronic communications networks ("ECNs"), or to comply indirectly with the ECN Amendment by using an ECN that furnishes the best market maker and specialist prices therein to the public quotation system. The Commission also expanded the definition of "subject security" under

the Quote Rule, which brought all exchange-traded securities, rather than just the subset of such securities known as "Rule 19c-3 securities," under the scope of the mandatory quotation requirements of the Quote Rule. In the Adopting Release, the Commission deemed the effective date of all these initiatives January 10, 1997. Thereafter, the Commission modified the compliance dates with respect to the Limit Order Display Rule so that the display of customer limit orders in OTC securities now will be phased-in over several months.²

More recently, the Commission received a letter from the National Association of Securities Dealers ("NASD") requesting additional relief from the Limit Order Display Rule and the ECN Amendment.³ First, the NASD letter requests that the implementation date of both the Limit Order Display Rule and the ECN Amendment be delayed by one business day to ensure an orderly and safe introduction of the software necessary to operate in accordance with the new rules. Second, the NASD letter requests that the ECN Amendment be phased-in according to the same schedule as the Limit Order Display Rule.

The Commission is hereby modifying the effective dates and compliance dates in response to the NASD letter. In addition, in order to address concerns about the impact on marketwide quotation systems and third market makers upon implementation of the mandatory quotation requirement of the Order Execution Rules, the Commission is moving from January 10, to April 10, 1997, the effective date of the new definition of "subject security" under the Quote Rule (Rule 11Ac1-1(a)(25)(ii)), as discussed below.

II. Discussion

A. Implementation Date of the ECN Amendment

With regard to the implementation date of the Limit Order Display Rule and the ECN Amendment (collectively, "rules"), the NASD letter expresses concern that introducing software that has been significantly revised during the evening of January 9 poses a serious risk of potential system malfunction or an untimely start-up of the market. Instead, the NASD believes that introduction of the new software over the weekend preceding Monday, January 13, 1997,

would provide the NASD with an opportunity to take the appropriate time to carefully load the software and build the necessary databases to ensure a smooth transition. According to the NASD letter, the NASD's technology staff, several ECNs, and many industry members including members of the Quality of Markets Committee (made up of institutions, retail investors and broker-dealers) agree that it would be imprudent to commence implementation, and the attendant software changes, on Friday, January 10th. Moreover, the NASD letter notes that several broker-dealers that are revising their own internal systems would not introduce their software changes on January 10 because of the risks in migrating to the new code within a limited period of time during a trading week.

B. ECN Amendment Phase-in

The NASD letter also requests that the phase-in schedule for securities under the Limit Order Display Rule be extended to the ECN Amendment. This request is intended to ensure that investors and other market participants have an opportunity to obtain experience with the ECN Amendment scaled over a manageable set of securities. The NASD believes this phase-in will enable all interested parties to more accurately determine the impact that full implementation of the ECN Amendment will have on issues such as system capacity and trading patterns.

C. Implementation of the Subject Security Definition

The Order Execution Rules' amendment to the definition of the term "subject security" under the Quote Rule brought all exchange-traded securities, rather than just the subset of such securities known as "Rule 19c-3 securities," under the scope of the mandatory quotation requirements of the Quote Rule. Under this amendment, an OTC market maker must publish firm two-sided quotations for any exchange-traded security in which its executed volume, during the most recent calendar quarter, comprised more than one percent of the aggregate trading volume of the security. Thus, firms that previously did not quote in certain exchange-traded securities may be required to publish quotations in such securities when the amendment becomes effective. In the Adopting Release, the Commission asked the NASD and the Intermarket Trading System ("ITS") Participants to review their existing limitations on the automated generation of quotations.

² See Securities Exchange Act Release No. 37972 (November 22, 1996), 61 FR 63709.

³ See Letter from Alfred R. Berkeley, III, President Nasdaq, to Richard R. Lindsey, Director, Division of Market Regulation ("Division"), Commission, dated December 18, 1996 ("NASD letter").

¹ 17 CFR 240.11Ac1-4.

This review has not been completed. The Commission believes that additional time should be provided for this review, prior to implementation of the expanded definition of "subject security," because of the additional quotation obligations that may result from the rules. The Commission also believes that extending the effective date will give additional time to evaluate the effect on existing systems of the potential increase in quotation traffic that may be caused by the mandatory quotation requirement for exchange-traded securities.

III. Conclusion

For the reasons described above, the Commission is modifying the effective date of the Limit Order Display Rule and the amendments to the Quote Rule (except as discussed below concerning subsection (a)(25)(ii) of the Quote Rule) until the start of business on Monday, January 13, 1997, rather than on January 10, 1997.

In addition the Commission is modifying the compliance dates of the ECN Amendment in order to phase-in the implementation of the ECN Amendment. Accordingly, beginning on January 13, 1997, compliance with the ECN Amendment will be required with respect to all exchange-traded securities and 50 of the 1000 Nasdaq securities, as identified by Nasdaq for the first phase of compliance with the Limit Order Display Rule. On January 31, 1997, compliance with the ECN Amendment will be required with respect to the additional 100 of these 1,000 securities selected by Nasdaq. The ECN Amendment will apply to the remaining 850 of the 1,000 securities on February 21, 1997, as identified by Nasdaq. The next phase-in date will be on March 28, 1997, and, unlike the Limit Order Display Rule, will cover all remaining Nasdaq securities. The Commission will review the operation of the markets during this phase-in period.

Finally, the Commission is modifying the effective date of the amendment to Rule 11Ac1-1(a)(25)(ii) from January 10, 1997, to April 10, 1997. In the interim, the Commission expects the NASD and the ITS Participants to continue to review the NASD's and ITS Plan's limitations on automated quotations.

Dated: January 2, 1997.

By the Commission.
Jonathan G. Katz,
Secretary.
[FR Doc. 97-440 Filed 1-8-97; 8:45 am]
BILLING CODE 8010-01-M

FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Parts 33, 34, 35, 36, 292 and 300

[Docket No. RM96-16-000; Order No. 593]

Revision of Form of Notice Requirements; Final Rule

Issued January 2, 1997.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Federal Energy Regulatory Commission is revising the form of notice requirements applicable to filings under several parts of its regulations. The final rule establishes requirements for submitting diskette copies of the notices of filing for the Federal Register, in addition to the paper copies currently required, in order to speed the process of noticing such filings. In addition, the final rule makes a minor correction to the regulations being revised, to delete a reference to filing fees.

EFFECTIVE DATE: This final rule is effective on February 10, 1997.

FOR FURTHER INFORMATION CONTACT:

L. Jorn Dakin, (Legal Information),
Office of the General Counsel, Federal Energy Regulatory Commission, 888 First St. NE., Washington, D.C. 20426, (202) 208-2172
Michael Miller, (Technical Information),
Office of Executive Director, Federal Energy Regulatory Commission, 888 First St. NE., Washington, D.C. 20426, (202) 208-1415.

SUPPLEMENTARY INFORMATION: In addition to publishing the full text of this document in the Federal Register, the Commission also provides all interested persons an opportunity to inspect or copy the contents of this document during normal business hours in the Public Reference Room at 888 First Street N.E., Washington, DC 20426.

The Commission Issuance Posting System (CIPS), an electronic bulletin board service, provides access to the

texts of formal documents issued by the Commission. CIPS is available at no charge to the user and may be accessed using a personal computer with a modem by dialing 202-208-1397, if dialing locally, or 1-800-856-3920 if dialing long distance. CIPS is also available on the Internet through the FedWorld System (by modem or Internet). To access CIPS, set your communications software to 19200, 14400, 12000, 9600, 7200, 4800, 2400 or 1200 bps, full duplex, no parity, 8 data bits and 1 stop bit. The full text of this order will be available on CIPS in ACSII and WordPerfect 5.1 format. The complete text on diskette in WordPerfect format may also be purchased from the Commission's copy contractor, La Dorn Systems Corporation, also located in the Public Reference Room at 888 First Street N.E., Washington, DC 20426.

I. Introduction

The Federal Energy Regulatory Commission is revising the form of notice requirements for filings under Parts 33, 34, 35, 36, 292 and 300 of the Commission's regulations.¹ The revised requirements provide that an electronic version, in addition to the paper copy, of the draft notice of filing (in either ASCII text, WordPerfect 5.1 for DOS or WordPerfect 5.2 for Windows format) be submitted on a 3½" diskette. This diskette is to be a part of the filing. In addition, all entities submitting filings for which there is not a requirement of a draft notice (but for which the entity expects the Commission to issue a notice) are encouraged to provide a draft notice in the same fashion as set out in these revised regulations. Finally, a reference to filing fees under Part 33 of the regulations, in the caption and text of 18 CFR 33.2, will be deleted. The Commission no longer charges filing fees for applications under Part 33.

II. Public Reporting Burden

The final rule, if adopted, would amend reporting requirements, but would result in insignificant changes to the reporting burden. In the long term, the Commission's switch to electronic filing should result in further reductions in reporting burden and savings to the entities that make such filings. These reporting requirements are associated with the following data collections:

Data collection	CFR	Respondents	Frequency	Responses	Hrs. per filing	Total
FERC-516	Part 35	328	2.97	975	901	878,500

¹ 18 CFR Parts 33, 34, 35, 36, 292, and 300.