

of the premium, provided that the premiums are not related to or dependent on the balance in the account and the duration of the account balance, without violating Regulation Q.

EFFECTIVE DATE: May 15, 1997.

FOR FURTHER INFORMATION CONTACT: Rick Heyke, Staff Attorney, Legal Division, Board of Governors of the Federal Reserve System (202/452-3688). For the hearing impaired only, Telecommunications Device for the Deaf (TDD), Diane Jenkins (202/452-3544).

SUPPLEMENTARY INFORMATION:

Background

Section 11 of the Banking Act of 1933 prohibits the payment of interest on demand deposits (12 U.S.C. 371a). Regulation Q implements this prohibition (12 CFR 217.3). As an exception to this rule, the Interpretation permits premiums up to \$10 for deposits of less than \$5000 and up to \$20 for deposits of \$5000 or more not more than twice per year (12 CFR 217.101). The Interpretation limits the timing of the premiums to the opening of a new account or an addition to an existing account. The Board has revised the Interpretation to permit in addition premiums, without regard to the amount of the premium, provided that the premiums are not related to or dependent on the balance in an account and the duration of the account balance.

The premium limitations in Regulation Q originally applied to all types of deposits and were established in part to prevent evasion of interest rate ceilings at the retail level prior to the deregulation of interest rates on time and savings deposits (including NOW accounts) pursuant to the Depository Institutions Deregulation and Monetary Control Act of 1980. The premium limitations were agreed upon by the Depository Institutions Deregulation Committee ("DIDC") and supported by all the depository institution regulators in an effort to preserve a relatively level playing field during the period of deposit interest rate deregulation, which ended in 1986. Since then, banks have been permitted to offer premiums on interest bearing accounts, including NOW, time, and savings accounts, without regard to the premium limitations, and the limitations have only applied to demand deposit accounts.

Because the existing exemption is restricted to the opening of or an addition to ¹ a deposit account, it has constrained the ability of depository

institutions to offer incentives to use their products, including encouraging the use of new services such as ATM or debit cards. On June 23, 1981, the Executive Secretary of the DIDC advised one bank that wanted to offer promotions to deposit customers who signed up for an ATM card and another bank that wanted to offer promotions to deposit customers who used an ATM card more than three times per month, that the promotions would constitute impermissible premiums because they would not coincide with opening or adding to an account. In effect, the Interpretation, coupled with these rulings, holds that premiums from use of a debit card, which reduces the amount on deposit, constitute interest on the deposit.

The Board believes that in cases where a premium is not related to or dependent on the balance in a demand deposit account and the duration of that balance, the premium generally should not be viewed as interest.

In light of all the foregoing, the Board is amending its Interpretation effective on date of publication in the **Federal Register** to except from the Regulation's restriction any premiums that are not related to the balance in an account and the duration of the account balance.

Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601-612) requires an agency to publish a regulatory flexibility analysis for any final rule for which the agency was required to publish a general notice of proposed rulemaking. Under 12 U.S.C. 553(b), a general notice of proposed rulemaking is not required for interpretative rules. Accordingly, no regulatory flexibility analysis is required in this case.

The amendment of the Interpretation will reduce the regulatory burden imposed by the Board's Regulation Q on all depository institutions, large and small. Therefore, the Board believes that the amendment will not have a significant adverse economic impact on a substantial number of small entities.

Under 12 U.S.C. 553(d), a 30 day period between publication date and effective date is not required for interpretative rules. Accordingly, this interpretation is effective on date of publication in the **Federal Register**.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act notice of 1995 (44 U.S.C. Ch. 3506; 5 CFR Part 1320, Appendix A.1), the Board has reviewed the rule under authority delegated to the Board by the Office of Management and Budget. No collections of information

pursuant to the Paperwork Reduction Act are contained in the rule.

List of Subjects in 12 CFR Part 217

Banks, Banking, Federal Reserve System.

Authority and Issuance

For the reasons set forth in the preamble, the Board amends part 217 of chapter II of title 12 as set forth below:

PART 217—PROHIBITION AGAINST THE PAYMENT OF INTEREST ON DEMAND DEPOSITS (REGULATION Q)

1. The authority citation for part 217 continues to read as follows:

Authority: 12 U.S.C. 248, 371a, 461, 505, 1818, and 3105.

§ 217.101 [Amended]

2. In § 217.101, paragraph (a)(1) is amended by removing “, or renewal of,” and a new paragraph (b) is added after paragraph (a) concluding text to read as follows:

§ 217.101 Premiums on deposits.

* * * * *

(b) Notwithstanding paragraph (a) of this section, any premium that is not, directly or indirectly, related to or dependent on the balance in a demand deposit account and the duration of the account balance shall not be considered the payment of interest on a demand deposit account and shall not be subject to the limitations in paragraph (a) of this section.

By order of the Board of Governors of the Federal Reserve System, May 9, 1997.

William W. Wiles,

Secretary of the Board.

[FR Doc. 97-12706 Filed 5-14-97; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 96-CE-27-AD; Amendment 39-10026; AD 97-10-14]

RIN 2120-AA64

Airworthiness Directives; Raytheon Aircraft Company Model 1900D Airplanes (formerly Beech Aircraft Corporation)

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD) that applies to Raytheon Aircraft Company

¹ Premiums are also permitted on renewing a deposit, but this has been moot since time deposits were deregulated, and is eliminated in the revision.

(Raytheon) Model 1900D airplanes (formerly referred to as Beech Aircraft Corporation Model 1900D). This action requires inspecting the stabilon attachment angles for the correct thickness, repetitively inspecting for cracks, and replacing the attachment angles that are the incorrect thickness with ones of the correct thickness. Recent reports of the affected airplanes having the incorrect size stabilon attachment angles prompted this action. The actions specified by this AD are intended to prevent separation of the stabilon from the airplane, which could cause loss of airplane stability during flight.

DATES: Effective July 7, 1997.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of July 7, 1997.

ADDRESSES: Service information that applies to this AD may be obtained from Raytheon Aircraft Company, P.O. Box 85, Wichita, Kansas 67201-0085. This information may also be examined at the Federal Aviation Administration (FAA), Central Region, Office of the Assistant Chief Counsel, Attention: Rules Docket 96-CE-27-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. Steven E. Potter, Aerospace Engineer, Wichita Aircraft Certification Service, 1801 Airport Rd., Rm. 100, Mid-Continent Airport, Wichita, Kansas 67209; telephone (316) 946-4124; facsimile (316) 946-4407.

SUPPLEMENTARY INFORMATION:

Events Leading to the Issuance of 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 Raytheon Model 1900D airplanes was published in the **Federal Register** on October 23, 1996 (61 FR 54965). The action proposed to require:

- Inspecting the left and right stabilon attachment angles for proper thickness, which is .090-inch thick;
- If the attachment angles are not the correct thickness (.090-inch thick), the proposed AD would require:
- Repetitively inspecting the stabilon attachment angles for cracks until cracks are visible,
- Replacing the attachment angles with attachment angles of the correct thickness (.090-inch thick) when cracks become visible, and
- If no cracks are visible during the inspections, replacing the attachment

angles with attachment angles of the correct thickness.

—The replacement of the stabilon attachment angles with angles of the correct thickness will terminate the inspection requirements of this AD. Interested persons have been afforded an opportunity to participate in the making of this amendment. No comments were received on the proposed rule or the FAA's determination of the cost to the public.

Accomplishment of this action would be in accordance with Beechcraft Mandatory Service Bulletin No. 2651, Issued: January, 1996.

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 minor editorial corrections. The FAA has determined that these minor corrections will not change the meaning of the AD and will not add any additional burden upon the public than was already proposed.

Cost Impact

The FAA estimates that 215 airplanes in the U.S. registry will be affected by this AD, that it will take approximately 1 hour per airplane to accomplish the initial inspection, and that the average labor rate is approximately \$60 an hour. Based on these figures, the total cost impact of this AD on U.S. operators is estimated to be \$12,900 or \$60 per airplane. This figure is only accounting for the initial inspection and possible replacement of the stabilon attachment angles and is not considering the number of repetitive inspections that may be incurred over the life of the airplane.

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:

97-10-14. Raytheon Aircraft Company (formerly Beech Aircraft Corporation): Amendment 39-10026; Docket No. 96-CE-27-AD.

Applicability: Model 1900D airplanes (serial numbers UE-1 through UE-215), 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 within the next 50 hours time-in-service (TIS) after the effective date of this AD, and thereafter as indicated in the body of this AD, unless already accomplished.

To prevent separation of the stabilons from the airplane, which could cause loss of airplane stability during flight, accomplish the following:

(a) Inspect the left and right stabilon attachment angles for proper thickness, which is .090-inch thick in accordance with the **ACCOMPLISHMENT INSTRUCTIONS**

section of Beechcraft Mandatory Service Bulletin (MSB) No. 2651, Issued: January, 1996.

(b) If the attachment angles are not the correct thickness and measure only .071-inch thick, accomplish the following in accordance with the ACCOMPLISHMENT INSTRUCTIONS section of Beechcraft MSB No. 2651, Issued: January, 1996:

(1) Repetitively inspect the stabilon attachment angles for cracks, at intervals not to exceed 50 hours TIS, until cracks are visible;

(2) When cracks are visible, prior to further flight, replace the attachment angles with attachment angles of the correct thickness (.090-inch thick); and

(3) If no cracks are visible during any of the inspections required by this AD, within the next 600 hours TIS after the effective date of this AD, replace the 0.071-inch thick attachment angles with 0.090-inch thick attachment angles.

(c) Replacing the 0.071-inch thick stabilon attachment angles with 0.090-inch thick attachment angles at any time after the effective date of this AD terminates the repetitive inspection requirements of this AD.

(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 initial or repetitive compliance times that provides an equivalent level of safety may be approved by the Manager, Wichita Aircraft Certification Service, 1801 Airport Rd., Rm. 100, Mid-Continent Airport, Wichita, Kansas 67209. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Wichita Aircraft Certification Office.

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

(f) The inspections and replacements required by this AD shall be done in accordance with Beechcraft Mandatory Service Bulletin No. 2651, Issued: January, 1996. 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 Raytheon Aircraft Company, P. O. Box 85, Wichita, Kansas 67201-0085. 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.

(g) This amendment (39-10026) becomes effective on July 7, 1997.

Issued in Kansas City, Missouri, on May 7, 1997.

Henry A. Armstrong,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 97-12516 Filed 5-14-97; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 97-AWP-11]

Revision of Class E Airspace; Bishop, CA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action revises the legal description for the Class E airspace area at Bishop, CA. A review of airspace classification and air traffic procedures has made this action necessary. The intended effect of this action is to remove overlapping descriptions of controlled airspace.

EFFECTIVE DATE: 0901 UTC July 17, 1997.

FOR FURTHER INFORMATION CONTACT:

William Buck, Airspace Specialist, Operations Branch, AWP-530, Air Traffic Division, Western-Pacific Region, Federal Aviation Administration, 15000 Aviation Boulevard, Lawndale, California 90261, telephone (310) 725-6556.

SUPPLEMENTARY INFORMATION:

History

On March 21, 1997, the FAA proposed to amend Part 71 of the Federal Aviation Regulations (14 CFR part 71) by revising the Class E airspace area at Bishop, CA (62 FR 13562). This action corrects the Class E airspace description at Bishop, CA, by removing reference to airspace currently defined at V-381 from the Bishop, CA, E5 legal description. The airspace associated with V-381 is otherwise thoroughly and appropriately described. A review of airspace classification and air traffic procedures has made this action necessary. The intended effect of this action is to remove overlapping descriptions of controlled airspace.

Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposals to the FAA. No comments to the proposal were received. Class E airspace designations are published in paragraph 6005 of FAA Order 7400.9D dated September 4, 1996, and effective September 16, 1996, which

is incorporated by reference in 14 CFR 71.1. The Class E airspace designations listed in this document will be revised subsequently in this Order.

The Rule

This amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) revises the Class E airspace area at Bishop, CA, by removing reference to airspace currently defined as V-381 from the Bishop, CA, E5 legal description. The airspace associated with V-381 is otherwise thoroughly and appropriately described. A review of airspace classification and air traffic procedures has made this action necessary. The intended effect of this action is to remove overlapping descriptions of controlled airspace.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation—(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 10034; February 26, 1979); and (3) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9D, Airspace Designations and Reporting Points, dated September 4, 1996, and effective September 16, 1996, is amended as follows: