

presence of IFR aircraft at lower altitudes, especially during inclement weather conditions. A greater degree of safety is achieved by depicting the area on aeronautical charts. Unless a written adverse or negative comment, or a written notice of intent to submit an adverse or negative comment is received within the comment period, the regulation will become effective on the date specified above. After the close of the comment period, the FAA will publish a document in the **Federal Register** indicating that no adverse or negative comments were received and confirming the date on which the final rule will become effective. If the FAA does receive, within the comment period, an adverse or negative comment, or written notice of intent to submit such a comment, a document withdrawing the direct final rule will be published in the **Federal Register**, and a notice of proposed rulemaking may be published with a new comment period.

Comments Invited

Although this action is in the form of a final rule and was not preceded by a notice of proposed rulemaking, comments are invited on this rule. Interested persons are invited to comment on this 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 under the caption **ADDRESSES**. All communications received on or before the closing date for comments will be considered, and this rule may be amended or withdrawn in light of the comments received. Factual information that supports the commenter's ideas and suggestions is extremely helpful in evaluating the effectiveness of this action and determining whether additional rulemaking action would be needed.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy-related aspects of the rule that might suggest a need to modify the 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 action will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this rule must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 97-ACE-15." The postcard

will be date stamped and returned to the commenter.

Agency Findings

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.

The FAA has determined that this regulation is noncontroversial and unlikely to result in adverse or negative comments. For the reasons discussed in the preamble, I certify that this regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under Department of Transportation (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.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

Accordingly, the Federal Aviation Administration amends part 71 of the Federal Aviation Regulations (14 CFR part 7) as follows:

PART 71—AMENDED

1. The authority citation of 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.

§ 71.1 [Amended]

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

Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth.

* * * * *

ACE MO E5 Aurora, MO. [Revised]

Aura Memorial Municipal Airport, MO. (lat. 36°57'44" N., long. 93°41'43" W.)

That airspace extending upward from 700 feet above the surface within a 6.3 mile

radius of Aurora Memorial Municipal Airport and within 2 miles each of the 181° bearing from the Aurora Memorial Municipal Airport extending from the 6.3-mile radius to 9.3 miles south of the airport.

* * * * *

Issued in Kansas City, MO, on July 11, 1997.

Christopher R. Blum,

Acting Manager, Air Traffic Division, Central Region.

[FR Doc. 97-21406 Filed 8-12-97; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Office of the Secretary

14 CFR Part 241

[Docket No. OST-95-744]

RIN 2139-AA04

Passenger Origin-Destination Survey Reports

AGENCY: Office of Secretary, DOT.

ACTION: Final rule.

SUMMARY: The Department of Transportation (DOT or the Department) requires that large certificated U.S. air carriers participating in code-share arrangements report both the ticketing and operating air carriers in their quarterly Passenger Origin-Destination Survey reports. DOT needs the information to assess accurately the effects of code-sharing alliances in air transportation. Also, the Department expands by one position the field entitled "Total Dollar Value of Ticket" to accommodate current charges; and standardizes the format for floppy disk submissions by using the same 200 character record layout that is used for magnetic tape submissions. The latter changes are technical in nature and should reduce processing errors. This action is taken to respond to Congressional concerns on the impact of international code-share operations.

EFFECTIVE DATE: January 1, 1998.

FOR FURTHER INFORMATION CONTACT:

Bernard Stankus, Office of Airline Information, K-25, Bureau of Transportation Statistics, 400 Seventh Street, SW., Washington, DC 20590, (202) 366-4387.

SUPPLEMENTARY INFORMATION:

Background

On June 24, 1996, the Bureau of Transportation Statistics (BTS) issued a Notice of Proposed Rulemaking ("NPRM") (61 FR 32375) seeking public comments on a proposal to revise the Passenger Origin-Destination Survey

Report (Survey). BTS proposed that carriers identify the ticketed and operating carriers for each flight segment, expand the field entitled "Total Dollar Value of Ticket" by one position to accommodate current charges, and use the same 200 character record layout for floppy disk submissions that is used for magnetic tape submissions.

Comments to the docket were received from American Airlines, Inc. (American), Continental Airlines, Inc. (Continental); Delta Air Lines, Inc. (Delta); Northwest Airlines, Inc. (Northwest); Prestige Airways (Prestige); United Air Lines, Inc. (United); USAir; and the Airports Council International—North America (ACI-NA).

American and Northwest do not object to adding one position to the "Total Dollar Value of Ticket" field. American believes this action will increase the accuracy of reports by reflecting better the actual value of tickets for premium services and long, multi-segment itineraries. United did not state specific objections to expansion of the "Total Dollar Value of Ticket" field; however, it requested that the Department rescind a reporting directive that required carriers to use five positions when reporting fares. United believes imposition of a reporting requirement before a final rule prejudges the issues.

Northwest does not object to the standardization of the format for floppy disk submissions.

Delta, Northwest and United believe that requiring air carriers to make incremental changes to the Survey would be a waste of limited resources in light of the Department's plan to completely modernize the Survey. American believes that "a considerable period will be required for the Department to issue a rule and transition to the new system." Therefore, American believes that DOT should go forward with the proposed rule.

Northwest estimates that it would require a minimum of 740 hours of reprogramming to collect and report the expanded data. Delta and United estimate 600 hours of reprogramming. Delta believes a 60-day lead time is insufficient. Northwest and United request a minimum 180-day lead time. American believes the final rule should become effective 60 days after publication. USAir could implement the rule change within 30 days, although it would prefer a 60-day lead time.

American and ACI-NA support the proposal that U.S. carriers participating in code-share arrangements report both the ticketing and operating air carriers.

ACI-NA stated that U.S. airport operators need accurate domestic and international O&D data to understand market developments.

American, Delta and Prestige request that DOT clarify the proposal by clearly stating that the reporting carrier must report both operating and ticketing carriers only for segments ticketed under agreements to which it is a party.

Continental and Delta request that carriers be required to report only those tickets that the carrier actually lifts. For example, Delta states that it should not be required to report tickets that are issued and lifted by a foreign alliance partner (for travel on a flight operated by Delta), since these tickets are not in Delta's custody or control.

While Northwest strongly objects to the proposal to collect both the operating and ticketed carriers, it stated it would provide expanded data if the data that relates to its foreign code-share partners were withheld from the public. Northwest believes that these data are highly confidential and competitively sensitive. American, Delta and ACI-NA believe that code-share data involving foreign partners of U.S. carriers should not be given special confidential treatment. Delta and United believe that foreign carriers who are part of immunized alliances and required to contribute data to the Survey should be able to access Survey data. United stated:

One of the primary purposes of granting alliances antitrust immunity is to enable the participating carriers to cooperate in planning their marketing strategies in order to compete effectively with other alliances. To that end, the partners in these alliances should be allowed to have access to the O&D Survey reports, particularly now that these reports will include details relating to the results of code-share services.

American states that foreign carriers only report a portion of their operations and should not access the data unless they report their whole system.

ACI-NA requests that DOT collect O&D data from commuter air carriers that operate aircraft with 19 or more seats. ACI-NA believes that commuter air carriers are important players in the transborder Canada and Mexico markets, U.S. Caribbean market and as feeders to international flights.

Reporting Operating and Ticketed Air Carriers

The Department does not agree with the comments that making incremental changes to the Survey when there are plans to modernize the reporting system is a misuse of the air carriers' and the Department's limited resources. American Airlines is correct in its

assertion that a considerable period will be required for the Department to issue a rule and transition to the new system. The adoption of a new Survey system is not imminent; and the Department believes that adoption of a new system is three to five years away. In February 1997, the Airline Tariff Publishing Company completed the system specification and implementation guide for the transaction control number (TCN). The Department envisions that the TCN would be the foundation of the modernized Survey. However, due to personnel and budget constraints in FY 1997, the Office of Airline Information (OAI) has been unable to proceed in this venture. Once OAI obtains adequate resources, it would take one to two years to develop a prototype reporting system. The next step would be to solicit carrier volunteers for a 6 to 12 month test the system. If the test is successful, OAI would then proceed to the rulemaking process.

While the Department recognizes that there is a burden placed on carriers in implementing a reporting change, it is also aware of the increasing importance of code-share relationships within the air transportation industry. Code-sharing has become more widespread in both interstate and foreign air transportation. Congress has urged the DOT to analyze more thoroughly the effects of international code-sharing on air transportation and U.S. air carriers. Under the current Survey reporting, the DOT has difficulty evaluating the effects of code-sharing alliances on air carriers and consumers. As currently designed, the Survey does not identify both carriers on a code-share ticket.

According to a reporting clarification sent to participating carriers by letter on September 11, 1995, the Survey identifies the carrier transporting the passenger (operating carrier), but not the ticketing carrier (carrier of record on the ticket). To assess accurately the effects of international code-share agreements, DOT needs to know the ticketed carrier as well as the transporting carrier for the various legs of the passenger's flight. If both code-sharing partners are identified in the survey, it will eliminate the need for special reports, as now obtained from certain U.S. carriers, regarding major international code-share alliances. These special reports are the only source of information on code-share operations. The reporting changes directed by this rulemaking will produce superior data on international and domestic code-share flights where there is a U.S. operating carrier.

In the United States, regional carrier service is growing as major carriers are handing over more service to their code-

share partners. Service to small communities can be affected by code-sharing, creating a need for DOT to monitor the impact on the communities from code-share services.

This need for international and purely domestic code-share data, coupled with the fact that many international passengers interline on domestic code-share flights, creates an urgency to the Department's need to collect information on the ticketed and operating carriers for both international and domestic tickets. This rule benefits carriers that currently have special reporting requirements for their international code-share operations. The need for maintaining and submitting data into two data bases will be eliminated. The code-share data that are reported in the special reports will now be captured in the carriers' regular Survey submission when the carriers report both the ticketing and operating air carriers. Moreover, the new reporting scheme will simplify data analysis by having data on both the ticketing and operating air carriers in a single record. Presently, analysts must compare aggregated data sets with no way of matching individual trip itineraries.

The reporting carrier is required to identify ticketed and operating carriers only for those segments in which it participates in a code-share agreement. This relieves the reporting carrier from the potentially substantial burden of reporting third-party downline code-share arrangements. In such situations, the reporting carrier may not have the information necessary to comply with such a requirement. Therefore, in the case of third party code-share arrangements, the reporting carrier would report the code of the ticketed carrier as both the ticketed and operating carrier.

First Operating Carrier Is Responsible for Survey Reporting

The first operating carrier, that is a participant in the Survey, is responsible for submitting the applicable Survey data. Since the operating carrier generally performs the passenger ticket lift at the gate, it should have the necessary information for Survey reporting.

Delta and Continental commented that carriers should be required to report only those tickets that the carrier actually lifts. Under Delta's and Continental's suggestion, certain passenger trip itineraries, that are reportable under the Survey procedures, would be omitted from the data base. This would occur when the first operating carrier is a participating carrier and the lifting carrier is a

nonparticipating carrier. Under this scenario, the lifted ticket would not be reported in the Survey. This problem would be further compounded if there are two or more additional participating carriers on the ticket and the subsequent carriers believe the information has already been reported by the preceding participating carrier.

An example of this cited by Delta is when tickets are issued and lifted by a foreign alliance partner for travel on a flight operated by Delta and Delta does not have custody or control of the tickets. The Department has considered the impact of this situation and believes that excluding such tickets from the Survey would adversely affect the Department's ability to accurately assess the effects of code-share alliances. Travel arrangements, such as the example cited by Delta are a critical component in accurately assessing the impact of U.S.-foreign air carrier code-share alliances.

Because of the importance of these data, the U.S. partner of a foreign code-share alliance must ensure that when it appears as the first participating carrier on the ticket, the ticket's trip itinerary is included in the Survey. While the Department has decided not to adopt Delta's and Continental's suggestion, it does recognize that such situations do create reporting difficulties for participating carriers. In an attempt to ameliorate the problem, the Department invites U.S. air carriers that find themselves in this situation to endeavor to reach an agreement with their foreign partners that would allow for the data to be reported. This could be accomplished by the U.S. and foreign alliance partners submission of a joint request to waive the Survey reporting requirements so as to allow the foreign partner to include such traffic in its special Survey reports. The Department would look favorably on such a waiver when it is assured that all reportable Survey data will be captured and reported in the data base.

Total Dollar Value of Ticket

The Department proposed expanding the data field for the total U.S. dollar amount of fare by one position. This change was proposed to accommodate current airline passenger fares, which can exceed \$9,999.

On June 14, 1996, the Department issued Accounting and Reporting Directive #203 which directed air carriers to use five positions to report total value of ticket. United Airlines filed comments objecting to the issuance of the Accounting and Reporting Directive #203 on the grounds that it prejudices the outcome of the

rulemaking process. The Department disagreed with United that Accounting and Reporting Directive #203 should be rescinded. The Department determined that the change was a technical change required by the level of current air carrier fares. Carriers must have adequate space to report actual fares. Expanding the field one space gave the air carriers the space they needed to report actual fares. Because the "Survey Record Layout" is printed in Code of Federal Regulations, we included the expansion of the dollar value of ticket field in this rulemaking. In finalizing the proposal to expand by one position the reportable dollar amount of fare, the Department notes that United's objection to Directive #203 was strictly procedural and United did not object to the proposed change per se.

Also, to clarify the definition of "Total dollar value of ticket" the Department is amending Appendix A of section 241.19-7 Section V.D. (h) to identify Passenger Facility Charges as an example of an "other charge."

Fare-Basis Codes

In order to create sufficient space on the tape layout for the reporting of both the ticketed and operating air carriers, the Department made a technical change to the fare-basis codes. All fare-basis codes are now a single-character alpha code, as follows:

C—Unrestricted Business Class
D—Restricted Business Class
F—Unrestricted First Class
G—Restricted First Class
X—Restricted Coach/Economy Class
Y—Unrestricted Coach/Economy Class
U—Unknown (This fare category is used when none is shown on a ticket coupon, or when a fare category is not discernible, or when two or more carrier fare codes are compressed into a single stage of a passenger trip).

Confidentiality

This rule does not amend the regulations applicable to the disclosure of international Survey data (14 CFR 241.19-7 (d) and (e)). Presently, foreign air carriers do not submit regular Survey data and do not have access to international Survey data. Foreign carriers are not being required now to submit Survey data and they will continue to be denied access to international Survey data. Some foreign carriers are required to submit special reports to the Department as a condition for receiving antitrust immunity for code-sharing/alliance agreements with U.S. carriers. These special reports are granted confidential treatment and the

data from the special reports are not merged into the regular Survey.

Moreover, this rule does not amend the regulations applicable to which tickets must be reported in the Survey. Besides the technical changes, the purpose of this rule is to properly identify the operating and ticketing carriers. Northwest argues that it will be placed at a competitive disadvantage if it has to divulge the identity of the operating and ticketed carriers from its code-share operations. It stated that many of its competitors do not have code-share partners, or are not involved in foreign code-share alliances of the same nature and magnitude as Northwest's alliances.

We disagree with Northwest's argument. Presently, Northwest knows the international traffic carried by U.S. carriers that have no code-sharing agreements. These carriers have to make an educated guess at Northwest's international traffic because Northwest's actual traffic may be obscured by its code-share arrangement. This rule will properly identify all U.S. carriers' international traffic and place code-sharing and noncode-sharing carriers on a more equal playing field. While we will be able to identify code-share passengers, the code-share carriers are not required to divulge their revenue splits.

United and Delta argue that foreign code-share partners be granted access to international Survey data. This would enable the code-share carriers to cooperate in planning their marketing strategies to compete effectively with other alliances. United agrees with the Department's prior conclusion that dissemination of Survey data among reporting carriers is procompetitive. United goes on to say that its foreign air carrier partners are willing to waive the confidential treatment of their special reports if they are granted access to international Survey data.

As stated earlier, foreign carriers are denied access to international Survey data. Foreign carriers are not participating air carriers as they do not submit regular Survey data. The special reports that some foreign carriers are required to submit comprise a sample of ticketed itineraries that contain a U.S. point; therefore, the special reports do not sample a foreign carrier's entire operation. Because of this difference in the U.S. and foreign carriers' Survey submissions, the level of reported data is not comparable. Moreover, the special reports are only viewed by Department analysts on an individual basis and the reports are not merged into the regular Survey. Finally, the issue of whether foreign air carriers should submit

Survey data is beyond the scope of this rulemaking.

Standardize Formats for Floppy Disk Submissions

The Department has encouraged carriers that do not have the capability to report via magnetic tape or cartridge to submit their reports via floppy diskettes. To avoid the multitude of formats currently received, this final rule prescribes, as proposed, a 200 position format with standard lengths of fields for submission of personal computer (PC) generated Survey reports. The field descriptions and field lengths will be identical to the fields prescribed for magnetic tape/cartridge submissions (see Appendix A section IX. ADP Instructions of 14 CFR 241.19). However, to simplify the PC submissions, the submitter may report the dollar value of the ticket in the field immediately after the last reported city code, rather than in positions 196–200. Submitters may separate fields by using commas or tabs (comma delimited ASCII or tab delimited ASCII format). No comments were submitted in opposition to this change.

Effective Date for Reporting

We set January 1, 1998, as the effective date for this rule. The initial reports will be due at the Department by May 15, 1998. We believe this gives the carriers sufficient time to make the necessary program changes to their data-processing system.

Survey Reporting by Commuter Air Carriers

ACI-NA requested that the Department require commuter air carriers that operate 19-seat aircraft or larger to report Survey data. While we concur with ACI-NA that commuter air carriers are important players in the transborder Canada and Mexico markets, the issue of collecting Survey data from the commuter air carrier segment of the air transportation industry is outside the scope of this rulemaking.

Cost/Benefits

Cost

Delta and United both estimate that the proposed reporting changes would require 600 hours of reprogramming to collect and report the new data. Using this estimate for the approximately 40 air carriers submitting Survey data, there would be a one-time industry burden of 24,000 hours (40 carriers × 600 hours). This estimate may double-count the burden for code-share regional carriers which have their Survey processed by their parent or an affiliated

carrier. The Department estimates that the change will require a recurrent four-hour burden increase to report both the ticketed and operating air carriers. Using a \$50 per hour cost, the one-time industry reprogramming cost is estimated at \$1,240,000, and the recurrent reporting cost at \$32,000 per year.

Benefits

The above costs would be partially offset by the elimination of the need for U.S. carriers to submit special Survey reports for their international code-share operations.

The Survey is the primary data source for international and domestic market analysis. In the last few years, the utility of the Survey has decreased as code-share operations have increased. Carriers have been mis-identified and records have been deleted for not passing edit checks. For the 12-months ended September 1996, revenues from international air services totaled over \$24.5 billion. Significant code-share/alliance agreements have been approved with the grant of antitrust immunity. The Department will benefit from a reliable data system that assesses the impact of these agreements on the traveling public and other U.S. carriers. Reporting of ticketed and operating carriers will give the Department access to the data it requires to conduct more informative analyses of these agreements. While the Department cannot put a dollar value to the benefits of more reliable data, it does believe that the benefits outweigh the costs.

Rulemaking Analyses and Notices

Executive Order 12866 and DOT Regulatory Policies and Procedures

This rule is not considered a significant regulatory action under section 3(f) of Executive Order 12866 and, therefore, is not subject to review by the Office of Management and Budget.

This rule is not considered significant under the regulatory policies and procedures of the Department of Transportation (44 FR 11034). The rule will not result in any unfunded mandate to state, local or tribal governments in the aggregate, or to the private sector, of \$100 million or more in any one year. The purpose of the rule is to improve the accuracy and reliability of the Survey. This objective is achieved by amending 14 CFR 241.19–7 to require the proper identification of operating and ticketed air carriers; to add one position to the field "Total Dollar Value of Ticket;" and to standardize the format

for floppy disk submissions. There are about 40 carriers that report the Survey.

Executive Order 12612

This rule has been analyzed in accordance with the principles and criteria contained in Executive Order 12612 ("Federalism") and the DOT has determined the rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

Regulatory Flexibility Act

I certify this rule will not have a significant economic impact on a substantial number of small entities. The amendments will affect only large certificated U.S. air carriers operating scheduled passenger service. The Department's economic regulations define "large certificated air carrier" as U.S. air carriers, holding a certificate issued under 49 U.S.C. 41102, that operate aircraft designed to have a maximum passenger capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds or that operate aircraft in international service. Consequently, small carriers are not affected by this final rule.

National Environmental Protection Act

The Bureau of Transportation Statistics has analyzed the amendments for the purpose of the National Environmental Protection Act. The amendments will not have any impact on the quality of human environment.

Paperwork Reduction Act

The reporting and recordkeeping requirements associated with this rule are being sent to the Office of Management and Budget in accordance with 44 U.S.C. Chapter 35 under OMB NO: 2139-0001. *Administration:* Bureau of Transportation Statistics; *Title:* Passenger Origin-Destination Survey Report; *Need for Information:* Statistical information on airline passenger movements; *Proposed use of Information:* Balance of benefits analyses for international agreements and monitoring adequacy of air service

to small communities; *Frequency:* Quarterly; *Burden Estimate:* 50,848 annual hours; *Average Annual Burden Hours per Respondent after Reprogramming is Completed*—670. For further information contact: The Office of Information Resource Management, M-32, Office of the Secretary of Transportation, 400 Seventh Street, SW., Washington, DC. 20590-0001, (202) 366-4735 or Transportation Desk Officer, Office of Management and Budget, New Executive Office Building, Room 3228, Washington, DC. 20503.

Regulation Identifier Number

A regulation identifier number (RIN) is assigned to each regulatory action listed in the Unified Agenda of Federal Regulations. The Regulatory Information Service Center publishes the Unified Agenda in April and October of each year. The RIN number 2139-AA04 contained in the heading of this document can be used to cross reference this action with the Unified Agenda.

List of Subjects in 14 CFR Part 241

Air carriers uniform system of accounts and reports.

Final Rule

Accordingly, the Bureau of Transportation Statistics amends 14 CFR part 241 Uniform System of Accounts and Reports for Large Certificated Air Carriers, as follows:

PART 241—[AMENDED]

1. Revise Sec. 19-7(b) to read as follows:

§ 19-7 Passenger origin-destination survey.

- (a) * * *
- (b) Those participating air carriers that have access to automatic data processing (ADP) services shall utilize magnetic tape, cartridge, floppy diskette or other ADP media for transmitting the prescribed data. Those carriers without ADP capability should contact the Office of Airline Information for further instructions ((202) 366-4373).

* * * * *

2. In Appendix A of Sec. 19-7, revise Sec. V.B to read as follows:

* * * * *

B. *Selection of Reportable Flight Coupons.* The flight coupons identified above are to be examined to isolate the reportable flight coupons, i.e. coupons from which data are to be recorded. Flight coupon data are reported only by the first honoring and participating carrier (operating carrier). Such carriers shall report the required data for the entire ticketed itinerary.

If a participating carrier has preceded an examining carrier on any stage in the trip itinerary, including any stage in a conjunction itinerary and any stage in a reissued ticket (either before or after reissue) that coupon is not reportable.

For conjunction tickets, the ticket number for the first ticket booklet determines if the conjunction tickets should be reported in the Survey. Otherwise, conjunction tickets do not require special treatment and are governed by the rules for regular tickets.

No adjustment is made in the Survey for alterations or changes in the trip itinerary subsequent to the stage covered by the reportable coupon.

3. In Appendix A of Sec. 19-7, in Sec. V.D., revise paragraph D.(1); the table in paragraph D.(2)(a); paragraph D.(2)(b); paragraph (c) and the first paragraph of (d) to read as follows:

* * * * *

D. Recording of Data from Reportable Flight Coupons. (1) The following items are to be reported from the reportable flight coupons:

- (a) Point of origin,
 - (b) Operating carrier on each flight stage (if unknown, identify ticketed carrier),
 - (c) Ticketed carrier on each flight stage,
 - (d) Fare-basis on each flight coupon, C, D, F, G, X or Y,
 - (e) Points of stopover or connection (interline and intraline),
 - (f) Point of destination,
 - (g) Number of passengers, and
 - (h) Total dollar value of ticket (fare plus tax and other charges, such as Passenger Facility Charges).
- (2) * * *
- (a) * * *

000001	UCA	YV	UA	Y	JFK	TW	TW	X
Passenger(s)	Utica	Mesa Operating Carrier	United Ticketed Carrier	Fare Code	New York Kennedy Airport	TWA Operating Carrier	TWA Ticketed Carrier	Fare Code

Surface Transportation

SFO			(Blank space)
San Francisco	Operating Carrier	Ticketed Carrier	Fare Code

OAK	UA	UA	G	LAX	DL	DL	F
Oakland	United Operating Carrier	United Ticketed Carrier	Fare	Los Angeles	Delta Operating Carrier	Delta Operating Carrier	Fare Code

SLC	NW	NW	D	PHX	AA	AA	C	LAX
Salt Lake City	Northwest Operating Carrier	Northwest Ticketed Carrier	Fare Code	Phoenix	American Operating Carrier	American Ticketed Carrier	Fare Code	Los Angeles

JL	JL	C	NRT	04596
Japan Air Lines Operating Carrier	Japan Air Lines Ticketed Carrier	Fare Code	Tokyo Narita	Dollars of Fare + Tax

* * * * *

(b) All entries for operating and ticketed carriers for a coupon stage of an itinerary are to be recorded using two character IATA-assigned or DOT codes, as in the above example. Note that the fare code summary was properly inserted after the ticketed carrier's code, i.e., UA for United Air Lines and Y for unrestricted coach class service. When a two-character carrier code is shown on the ticket, record that code for the ticketed carrier. However, if a code is obviously incorrect, record the correct carrier code. If the reporting carrier does not know the operating carrier on a downline code-share segment, it would use the ticketed carrier's code for both the operating and ticketed carriers. The reporting carrier is not responsible for knowing the operating carrier of a downline code-share where it is not a party to the code-share segment. Except for the infrequent compression of data to fit into the stage-length limitation (7 or 23 stages at the carrier's option), all carrier codes are to be recorded, including data on air taxis,

commuters, intra-state, and other carrier portions of itineraries. On tickets involving interchange service or other cooperative carrier arrangements, the juncture point(s) where the passenger moves from one carrier system to another is to be recorded as an intermediate point in the itinerary, even when not shown on the ticket and even though the flight may overfly the juncture point.

(c) Entries for fare-basis codes are to be taken from the "fare basis" and "fare description" portions of the ticket and simplified into the appropriate category, as shown below. No attempt shall be made to determine and record fare-basis codes for that portion of a conjunction ticket appearing in the ticket. Fare-basis codes are to be recorded in one-character alphabetic codes. The fare-basis codes are recorded as follows:

C—Unrestricted Business Class
D—Restricted Business Class
F—Unrestricted First Class
G—Restricted First Class

X—Restricted Coach/Economy Class

Y—Unrestricted Coach/Economy Class

U—Unknown (This fare category is used when none is shown on a ticket coupon, or when a fare category is not discernible, or when two or more carrier fare codes are compressed into a single stage of a passenger trip).

(d) In recording the number of passengers, each single-passenger ticket is to be recorded as one passenger. Tickets for infants under two years of age not occupying a seat are not to be counted. A revenue passenger is defined in Section X.

* * * * *

4. In Appendix A to Sec. 19-7, in Sec. IX, revise the first table in paragraph A.(1) and paragraphs B. and C. to read as follows:

* * * * *

A. * * *

(1) * * *

Field	Tape positions (from-to)	Tape record layout
PASSENGER COUNT	1-6	1. Passenger field must contain leading zeros, and no blanks.
1ST CITY CODE	7-9	
1ST OPERATING CARRIER	10-11	
1ST TICKETED CARRIER	12-13	
FARE BASIS CODE	14	2. City field contains the 3-letter alpha code for the airport in the first 3 positions.
2ND CITY CODE	15-17	
2ND OPERATING CARRIER	18-19	
2ND TICKETED CARRIER	20-21	
FARE BASIS CODE	22	3. Ticketed and operating carrier fields are to contain the 2 character air carrier code. An unknown carrier is to be coded "UK" and surface carrier is to be coded "— —" (dash dash).
3RD CITY CODE	23-25	
3RD OPERATING CARRIER	26-27	
3RD TICKETED CARRIER	28-29	
FARE BASIS CODE	30	4. Fare basis code is a one position alpha code.
4TH CITY CODE	31-33	
4TH OPERATING CARRIER	34-35	
4TH TICKETED CARRIER	36-37	
FARE BASIS CODE	38	
5TH CITY CODE	39-41	
5TH OPERATING CARRIER	42-43	
5TH TICKETED CARRIER	44-45	
FARE BASIS CODE	46	
6TH CITY CODE	47-49	
6TH OPERATING CARRIER	50-51	
6TH TICKETED CARRIER	52-53	

Field	Tape positions (from-to)	Tape record layout
FARE BASIS CODE	54	5. Portion of record for sorting, summarizing, and sequencing includes columns 7 through 200.
7TH CITY CODE	55-57	
7TH OPERATING CARRIER	58-59	
7TH TICKETED CARRIER	60-61	6. Dollar amount in positions 196-200 is right justified.
FARE BASIS CODE	62	
8TH CITY CODE	63-65	
8TH OPERATING CARRIER	66-67	7. Positions 66-193 are used only by those carriers who want to report more data, and are not compressing to 7 stages (see Sec. V.D. (3) for compressing rules.
8TH TICKETED CARRIER	68-69	
FARE BASIS CODE	70	
9TH CITY CODE	71-73	
9TH OPERATING CARRIER	74-75	
9TH TICKETED CARRIER	76-77	
FARE BASIS CODE	78	
10TH CITY CODE	79-81	
10TH OPERATING CARRIER	82-83	
10TH TICKETED CARRIER	84-85	
FARE BASIS CODE	86	
11TH CITY CODE	87-89	
11TH OPERATING CARRIER	90-91	
11TH TICKETED CARRIER	92-93	
FARE BASIS CODE	94	
12TH CITY CODE	95-97	
12TH OPERATING CARRIER	98-99	
12TH TICKETED CARRIER	100-101	
FARE BASIS CODE	102	
13TH CITY CODE	103-105	
13TH OPERATING CARRIER	106-107	
13TH TICKETED CARRIER	108-109	
FARE BASIS CODE	110	
14TH CITY CODE	111-113	
14TH OPERATING CARRIER	114-115	
14TH TICKETED CARRIER	116-117	
FARE BASIS CODE	118	
15TH CITY CODE	119-121	
15TH OPERATING CARRIER	122-123	
15TH TICKETED CARRIER	124-125	
FARE BASIS CODE	126	
16TH CITY CODE	127-129	
16TH OPERATING CARRIER	130-131	
16TH TICKETED CARRIER	132-133	
FARE BASIS CODE	134	
17TH CITY CODE	135-137	
17TH OPERATING CARRIER	138-139	
17TH TICKETED CARRIER	140-141	
FARE BASIS CODE	142	
18TH CITY CODE	143-145	
18TH OPERATING CARRIER	146-147	
18TH TICKETED CARRIER	148-149	
FARE BASIS CODE	150	
19TH CITY CODE	151-153	
19TH OPERATING CARRIER	154-155	
19TH TICKETED CARRIER	156-157	
FARE BASIS CODE	158	
20TH CITY CODE	159-161	
20TH OPERATING CARRIER	162-163	
20TH TICKETED CARRIER	164-165	
FARE BASIS CODE	166	
21ST CITY CODE	167-169	
21ST OPERATING CARRIER	170-171	
21ST TICKETED CARRIER	172-173	
FARE BASIS CODE	174	
22ND CITY CODE	175-177	
22ND OPERATING CARRIER	178-179	
22ND TICKETED CARRIER	180-181	
FARE BASIS CODE	182	
23RD CITY CODE	183-185	
23RD OPERATING CARRIER	186-187	
23RD TICKETED CARRIER	188-189	
FARE BASIS CODE	190	

Field	Tape positions (from-to)	Tape record layout
24TH CITY CODE	191-193	
BLANK	194-195	
US VALUE OF TICKET IN \$	196-200	

* * * * *

B. *Editing of Tape Records.* Prior to submission of data, each carrier is requested to edit and correct its data so that its O&D Survey report may be as error-free as is reasonably practicable. The methods to be used in editing are left to the carriers' discretion, but with assistance available upon request from the Department's Office of Airline Information (OAI). To aid the carriers in maintaining a current file of editing criteria, OAI will re-issue, as needed, the city/airport-carrier file to each participating carrier. There will be a five-position field to denote the city/airport-carrier. The first three positions denotes the airport and the last two positions denotes the air carrier.

C. *Standard Formats for Floppy Disk or Cartridge Submissions.* Carriers should use the 200 position format with the standard length fields prescribed for magnetic media submissions. The record layout is detailed in subsection A(1) of this section. However, to simplify the PC submissions, the submitter may report the dollar value of the ticket in the field immediately after the last reported city code, rather than in positions 196-200. Submitters may separate fields by using commas or tabs (comma delimited ASCII or tab delimited ASCII format).

5. In Appendix A to Sec. 19-7, in Sec. X., revise the definition of "Fare basis" code and add the following new definitions to read as follows:

* * * * *

Fare basis code. The alphabetic code(s) or combination of alphabetic and numeric codes appearing in the "Fare basis" box on the flight coupon which describe the applicable service and discount to which the passenger is entitled. All fare basis codes are summarized into basic categories; namely C—Unrestricted Business Class, D—Restricted Business Class, F—Unrestricted First Class, G—Restricted First Class, X—Restricted Coach/Economy Class, Y—Unrestricted Coach/Economy Class, and U—Unknown (This fare category is used when none is shown on a ticket coupon, or when a fare category is not discernible, or when two or more carrier fare codes are compressed into a single stage of a passenger trip).

* * * * *

Operating air carrier. Under a code-share arrangement, the air carrier whose aircraft and flight crew are used to perform a flight segment.

* * * * *

Ticketed air carrier. Under a code-share arrangement, the air carrier whose two-character air carrier code is used for a flight segment, whether or not it actually operates the flight segment.

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Issued in Washington, DC, on August 7, 1997.

Robert Goldner,

Acting Assistant Secretary for Aviation and International Affairs.

[FR Doc. 97-21356 Filed 8-12-97; 8:45 am]

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DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 357

[Department of the Treasury Circular, Public Debt Series, No. 2-86]

Regulations Governing Book-Entry Treasury Bonds, Notes and Bills

AGENCY: Bureau of the Public Debt, Fiscal Service, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury is publishing a final rule to its TRADES Commentary, (Appendix B of 31 CFR Part 357), to update the list of states that have enacted Revised Article 8 of the Uniform Commercial Code and that were the subject of prior notices published by Treasury in the **Federal Register**. Appendix B provides explanatory information regarding the regulations governing Treasury securities held in the commercial book-entry system, referred to as the Treasury/Reserve Automated Debt Entry System ("TRADES").

EFFECTIVE DATE: August 13, 1997.

FOR FURTHER INFORMATION CONTACT:

Walter T. Eccard, Chief Counsel (202) 219-3320, or Cynthia E. Reese, Deputy Chief Counsel, (202) 219-3320. Copies of the final rule are being made available for downloading from the Bureau of the Public Debt home page at the following address:
www.publicdebt.treas.gov.

SUPPLEMENTARY INFORMATION: The final rule to govern Treasury securities held in the commercial book-entry system, or TRADES, was published August 23, 1996 (61 FR 43626), and was effective January 1, 1997. Appendix B of the rule, the TRADES Commentary, addresses the limited scope of federal preemption of state law under § 357.11 of the Section-by-Section Analysis. If the choice of law rules set forth in TRADES lead to the application of the law of a state that has not yet adopted Revised Article 8 of the Uniform Commercial Code (Revised Article 8) then TRADES applies Revised Article 8 (as approved by the American Law Institute and the National Conference of Commissioners on Uniform State Laws, or the "uniform version"). Treasury indicated in the preamble to the final rule that if a state passes a version of Revised Article 8 that is substantially identical to the uniform version, then reference to the uniform version would no longer be required. In the TRADES Commentary, Treasury further stated that it had reviewed the laws of those states which had adopted Revised Article 8 as of the date of the publication of the final rule and had concluded that they were substantially identical to the uniform version. Those 28 states were enumerated and listed by name alphabetically in a footnote.

Treasury further indicated that it would publish in the **Federal Register** a notice setting forth its conclusion as to whether additional state enactments of Revised Article 8 are "substantially identical" to the uniform version for purposes of the regulations. Treasury has published such notices with respect to California (62 FR 26, January 2, 1997) and the District of Columbia (62 FR 34010, June 18, 1997). The TRADES Commentary further states that Treasury will, on an annual basis, amend the Commentary (Appendix B) to reflect subsequent enactments. Accordingly, this final rule amends Appendix B to reflect the addition of California and the District of Columbia to the list of states enumerated therein. In addition we are making a technical amendment that corrects the footnote in Appendix B to the rule we published in 61 FR 43626, August 23, 1996.