Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A copy of the draft regulatory evaluation prepared for this action is contained in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption **ADDRESSES.**

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

2. Section 39.13 is amended by removing amendment 39–8997 (59 FR 41235, August 11, 1994), and by adding a new airworthiness directive (AD), to read as follows:

British Aerospace: Docket : 96–NM–187–AD. Supersedes AD 94–17–02, Amendment 39–8997.

Applicability: All Model BAC 1–11 200 and 400 series airplanes, 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 (c) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously.

To prevent failure of the thrust reverser control cables, which may lead to the inability of the thrust reverser to deploy and/or an uncommanded thrust reverser deployment while the airplane is in flight, accomplish the following:

(a) Within 100 hours time-in-service or 30 days after the effective date of this AD, whichever occurs first, perform an inspection to determine the tension of the control cables of the thrust reverser, in accordance with British Aerospace, Alert Service Bulletin 76–A–PM6031, dated January 18, 1995. If the tension of any control cable is outside the limits specified in the alert service bulletin, prior to further flight, correct the tension of that cable in accordance with the alert service bulletin. Thereafter, repeat the inspection at intervals not to exceed 2,400 hours time-in-service or 12 months, whichever occurs first.

(b) Within 100 hours time-in-service or 30 days after the effective date of this AD, whichever occurs first, perform an inspection to detect breakage, damage, wear, or signs of corrosion (swelling) of the control cable of the thrust reverser, in accordance with British Aerospace Alert Service Bulletin 76–A–PM6031, dated January 18, 1995.

(1) If no discrepancy is found, prior to further flight, lubricate the cables in accordance with the alert service bulletin. Thereafter, repeat the inspection at intervals not to exceed 2,400 hours time-in-service or 12 months, whichever occurs first.

(2) If any control cable is damaged, is worn beyond the limits specified in the alert service bulletin, is corroded, or has a broken wire, prior to further flight, replace the discrepant cable with a serviceable cable, and lubricate the cables in accordance with the alert service bulletin. Thereafter, repeat the inspection at intervals not to exceed 2400 hours time-in-service or 12 months after the effective date of this AD, whichever occurs first.

(c) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Standardization Branch, ANM–113, FAA, Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Standardization Branch, ANM–113.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Standardization Branch, ANM–113.

(d) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

Issued in Renton, Washington, on September 15, 1997.

James V. Devany,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 97–25041 Filed 9–19–97; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 206

RIN 1010–AC09

Establishing Oil Value for Royalty Due on Federal Leases

AGENCY: Minerals Management Service, Interior.

ACTION: Notice of reopening the public comment period.

SUMMARY: The Minerals Management Service (MMS) is reopening the public comment period under a proposed rule published in the **Federal Register** on January 24, 1997 (62 FR 3742), amending the regulations governing the valuation for royalty purposes of crude oil produced from Federal leases. In the July 3, 1997, **Federal Register** (62 FR 36030), we published a supplementary notice of proposed rulemaking. Based on the diversity of comments received under the proposed rule and the supplementary proposed rule, we are in this notice: publishing a summary of those comments, outlining alternatives for proceeding with further rulemaking, and requesting public comment on those alternatives. MMS intends to hold workshops with State and industry representatives to discuss these and other alternatives. We will announce the dates and locations of those workshops at a later date. MMS intends to issue a further notice of proposed rulemaking following the comment period on this notice.

DATES: We must receive comments on or before October 22, 1997.

ADDRESSES: You must send comments to: David S. Guzy, Chief, Rules and Publications Staff, Royalty Management Program, Minerals Management Service, P.O. Box 25165, MS 3101, Denver, Colorado 80225–0165; telephone (303) 231–3432; fax (303) 231–3194; e-Mail David__Guzy@mms.gov.

FOR FURTHER INFORMATION CONTACT: David S. Guzy, Chief, Rules and Publications Staff, Royalty Management Program, Minerals Management Service, telephone (303) 231–3432, fax (303) 231–3194, e-Mail David__Guzy@mms.gov.

SUPPLEMENTARY INFORMATION: The principal author of this notice is Deborah Gibbs Tschudy of the Royalty Management Program.

I. Background

MMS published a notice of proposed rulemaking on January 24, 1997 (62 FR 3741), to amend its current Federal

crude oil valuation regulations in 30 CFR part 206. The initial comment period expired March 25, 1997, and was twice extended to April 28, 1997 (62 FR 7189), and to May 28, 1997 (62 FR 19966). As part of the public comment process, we held public meetings in Lakewood, Colorado on April 15, 1997, and Houston, Texas on April 17, 1997, to hear comments on the proposal. On July 3, 1997, we published a supplementary proposed rulemaking (62 FR 36030). The comment period on the supplementary proposed rule closed on August 4, 1997.

II. Summary of Public Comments

We received written comments on the January 24, 1997, proposed rule from 76 entities, including independent oil and gas producers, major oil and gas companies, trade associations, States, economic consultants and analysts, petroleum marketers, a royalty owner, a Native American interest, and individuals. Forty-two speakers provided verbal comments on the proposed rule at the public hearings. We received written comments on the supplementary proposed rule from 32 entities. Below is a summary of the comments on the proposed and supplementary proposed rules. If you are interested in reviewing either the written comments in full or the transcripts of the public meetings, you may contact David S. Guzy, Chief, Rules and Publications Staff, Royalty Management Program, Minerals Management Service, telephone (303) 231–3432, fax (303) 231–3194, e-Mail David__Guzy@mms.gov. A complete set of the public comments is also available on the Internet at www.rmp.mms.gov.

States

State commenters generally support the proposed rule, though each has specific suggestions for improvement. Some States supported allowing more payors to pay royalties based on gross proceeds received under arm's-length contracts. One State suggested that MMS could simplify the process without sacrificing value by using published spot prices instead of NYMEX. Another State suggested that MMS take and market its oil in kind.

States generally support the proposal to eliminate the provision in the existing regulations that allows the use of a FERC-approved tariff in lieu of computing actual costs. One State commented that the proposed Form MMS–4415 is too burdensome on lessees and recommended instead using the lowest published tariff rate in calculating differentials. Another State argued that the proposed method for determining differentials allows for double-dipping of transportation costs.

Many States supported the changes proposed in the supplementary rule regarding valuation of crude oil calls, but suggested that gross proceeds be allowed only when the so-called ''most favored nations'' clause is enforced. One State objected to the changes proposed in the supplementary proposed rule and stated that many States believe that gross proceeds should be abandoned altogether. Another State commented that they were not convinced that NYMEX is the proper basis for valuing crude oil produced in the Rocky Mountain Region and suggested that MMS could establish value based on geographic indexing using its own system data. That State commented that MMS would have to insure that posted prices are not included when using system data to determine market prices and that a range of data could be established within a geographic area for comparison purposes.

Industry

The oil and gas industry, both major and independent producers, oppose the proposed rule as well as the supplementary proposed rule. Many industry commenters argued that MMS does not have the legal authority to value production away from the lease and that the NYMEX valuation method is flawed. They believe that value is added by transporting and marketing the oil away from the lease and that this added value exceeds the cost of transportation alone. Many industry commenters stated that futures prices don't provide a dependable measure of current value and that an active lease market does exist for valuing crude oil. Others argue that Rocky Mountain Region prices don't track with NYMEX prices due to the isolated nature of that market.

At least two consultants engaged by industry claim to have evidence that disputes our belief that companies maintain overall balances is totally implausible. Some industry commenters argued that unequal treatment of integrated refiners and independent producers will create market inefficiencies that may discourage investments in downstream operations (pipelines, gathering systems, storage facilities). Nearly all industry commenters suggested that MMS take its royalty in kind to assure that it receives fair market value for its production.

With respect to MMS's proposal for calculating and publishing differentials from aggregations points to market centers, industry commenters stated that (1) Proposed Form MMS–4415 will impose a huge administrative burden, (2) much of the information is not available to many of the lessees, (3) seasonal effects on prices and other dynamic influences on local crude value will not be captured by the differentials, and (4) the differentials don't include all of the costs that should be allowed as a deduction. Industry comments also opposed the proposal to eliminate the provision in the existing regulations that allows the use of a FERC-approved tariff in lieu of computing actual costs.

While some independent producers indicated that they supported the changes made in the supplementary proposed rule, they stated that the continued proposal regarding a lessee's duty to market at no cost to the Federal Government undermines the changes made in the supplementary proposed rule. Some independent producers supported the idea of requiring lessees to certify that they are not maintaining an overall balance with their purchaser. Others recommended that MMS meet with State and industry representatives before adopting any kind of radical changes to crude oil valuation.

III. Alternatives for Proceeding

The intent of the January 24, 1997, proposed rule and the July 3, 1997, supplementary proposed rule was to decrease reliance on oil posted prices, add more certainty to valuation of oil produced from Federal lands, and develop valuation rules that better reflect market value. Because of the frequency of oil exchange agreements, reciprocal deals between crude oil buyers and sellers, and other factors where the real consideration for the transaction could be hidden, MMS proposed using index prices to value production not sold arm's-length. However, because the comments on the proposed rule were substantial, we are considering alternatives for proceeding with a rulemaking on the valuation of oil from Federal leases *in addition to the January 24, 1997, proposed rule and the July 3, 1997, supplementary proposed rule.* We request comments from all interested parties on each of the following alternatives. Those alternatives fall into three categories: (1) Benchmarks, (2) differentials, and (3) index pricing.

While many of the comments, particularly from industry, suggested that MMS take its royalty in kind as an alternative to the proposed NYMEX method (or ANS in California and Alaska), MMS is not requesting comments on that alternative in this notice. MMS has recently completed a feasibility study concerning a royalty-in-

kind program and will continue to pursue input on that program through other avenues.

Benchmarks

Alternative 1—Several industry commenters suggested that a lessee be permitted to value its production not sold arm's-length based on prices it receives for outright sales of crude oil in a particular market area or region. Such a program (called a bid-out or tendering program) was described in the comments of two major producers. MMS requests comments on this alternative and specifically whether a certain minimum amount of production should be required to be tendered in a given area before such a price would be acceptable for valuing the remainder of a lessee's production not sold arm's-length.

Alternative 2—In its comments on the supplementary proposed rule, one industry trade association representing independent producers suggested a series of benchmarks for valuing production not sold under arm's-length contracts.

Benchmarks

(1) Outright sales of like-quality crude in the field or area as described in Alternative 1,

(2) The lessee's or its affiliate's arm's-length purchases from producers at the lease in the field or area,

(3) Outright arm's-length sales by third parties,

(4) Prices published by MMS based on its RIK sales,

(5) Netback employing price information from the nearest market center or aggregation point.

MMS requests comments on this alternative. Should the benchmarks be considered in any particular order? Should MMS retain the gross proceeds minimum requirement of the existing regulations, so that value would be the higher of the benchmark value or gross proceeds? With regard to the second and third benchmarks, should a certain minimum amount of production be required to be purchased by a lessee or its affiliate or by third parties before such a price would be acceptable for valuing the remainder of a lessee's production not sold arm's-length? How can MMS verify that those contracts are indeed arm's-length sales and that they reflect the total consideration for the value of production other than through audit? With regard to the fifth benchmark, how should a netback be determined?

Alternative 3—One of the State commenters suggested that MMS establish value based on geographic indexing using its own system data. That State commented that MMS would have to insure that posted prices are not included when using system data to determine market prices and that a range of data could be established within a geographic area for comparison purposes. MMS requests comments on this alternative. Specifically, how can MMS verify, in a timely manner, that the values reported to its data base are correct prior to our publishing this information? On what value do non-arm's-length producers pay until MMS publishes the values contained in its data base?

With regard to Alternatives 1 through 3, we request comments on whether MMS should apply any one of these alternatives only to the Rocky Mountain region while maintaining NYMEX prices as the basis for mid-continent and OCS leases and ANS prices for California and Alaska leases.

Differentials

Alternative 4—Several industry and State commenters commented that the proposed Form MMS–4415 is too burdensome on lessees. One State commented that the proposed method for determining differentials allows for double-dipping of transportation costs. Recently, two major oil producers reached settlement with State and private royalty litigants using fixed rate (cents per barrel) differentials deducted from a NYMEX-based value. MMS requests comments on alternatives for determining the appropriate location and quality differentials to be deducted from the NYMEX method (ANS in California and Alaska) in the January 24, 1997, proposed rule. Specifically, MMS requests comments on the following methods for MMS to calculate and publish location differentials from the lease to the market center:

(1) Differential in cents per barrel by zone or area,

(2) Differential in cents per mile by zone or area,

(3) Differential based on a percentage of the NYMEX (ANS in California and Alaska) value.

MMS also requests comments on alternatives for determining quality differentials from the lease to the market center.

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Alternative 5—One State commenter suggested that MMS could simplify the process without sacrificing value by using published spot prices instead of NYMEX. MMS requests comments on this alternative and whether MMS should then allow actual costs of transportation when production actually flows to the market center where the spot price is published.

IV. Request for Public Comments

We are not requesting comments on the summary of comments outlined in this notice nor on the original proposed rule or supplementary proposed rule. We seek comments only on the alternatives described above or other alternatives suggested for valuing oil from Federal leases. The alternatives listed are not exhaustive. We welcome any new alternatives or any modifications to the proposed alternatives for consideration.

The policy of the Department is, whenever practicable, to give the public an opportunity to participate in the rulemaking process. Accordingly, you should submit written comments, suggestions, or objections regarding this notice to the location identified in the **ADDRESSES** section of this notice. You should submit comments on or before the date identified in the **DATES** section of this notice.

Dated: September 16, 1997.

Lucy Querques Denett,

Associate Director for Royalty Management.

[FR Doc. 97–25101 Filed 9–19–97; 8:45 am]

BILLING CODE 4310–MR–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[OH108–1b; FRL–5894–2]

Approval and Promulgation of Implementation Plans; Ohio

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA is proposing to approve a State Implementation Plan (SIP) revision submitted by the State of Ohio on January 3, 1997, which would provide greater flexibility for Proctor and Gamble Company, Hamilton County, in operating four boilers, refered to in Ohio Administrative Code 3745–18–37(GG), during periods of change over from the main boilers to the back-up units. In the Final Rules section of this **Federal Register**, EPA is approving this SIP revision as a direct final rule without prior proposal because the agency anticipates no adverse comments. If no adverse written comments are received in response to this proposed rule, no further activity is contemplated in relation to this rule. However, if the EPA receives significant adverse comments which have not been