

(c) * * *

(6) * * *

(iii) *Required dividend payouts.* For noncompounding term share accounts with a stated maturity greater than one year that do not compound dividends on an annual or more frequent basis, that require dividend payouts at least annually, and that disclose an APY determined in accordance with section E of appendix A of this part, a statement that dividends cannot remain on account and that payout of dividends is mandatory.

* * * * *

(e) Exemption for certain advertisements. * * *

(2) *Indoors signs.* (i) Signs inside the premises of a credit union (or the premises of a share or deposit broker) are not subject to paragraphs (b), (c), (d) or (e)(1) of this section.

* * * * *

5. Section 707.9 is amended by revising paragraph (b) to read as follows:

§ 707.9 Enforcement and record retention.

* * * * *

(b) *Civil liability.* Section 271 of TISA (12 U.S.C. 4310) contains the provisions relating to civil liability for failure to comply with the requirements of TISA and this part; Section 271 is repealed effective September 30, 2001.

* * * * *

6. Appendix A to part 707 is amended as follows:

a. Revise the third sentence in the introductory text to Part I to read as set forth below;

b. Revise the first sentence of the introductory text to Part I, A. General Rules to read as set forth below; and

c. A new section E is added to Part I and reads as set forth below.

Appendix A to Part 707—Annual Percentage Yield Calculation

* * * * *

Part I. Annual Percentage Yield for Account Disclosures and Advertising Purposes

* * * Special rules apply to accounts with tiered and stepped dividend rates, and to certain term share accounts with a stated maturity greater than one year.

A. General Rules

Except as provided in Part I. E. of this appendix, the annual percentage yield shall be calculated by the formula shown below.

* * * * *

E. Term Share Accounts with a Stated Maturity Greater than One Year that Pay Dividends At Least Annually

1. For term share accounts with a stated maturity greater than one year, that do not compound dividends on an annual or more

frequent basis, and that require the member to withdraw dividends at least annually, the annual percentage yield may be disclosed as equal to the dividend rate.

Example

If a credit union offers a \$1,000 two-year term share account that does not compound and that pays out dividends semi-annually by check or transfer at a 6.00% dividend rate, the annual percentage yield may be disclosed as 6.00%.

2. For term share accounts covered by this paragraph that are also stepped-rate accounts, the annual percentage yield may be disclosed as equal to the composite dividend rate.

Example

(1) If a credit union offers a \$1,000 three-year term share account that does not compound and that pays out dividends annually by check or transfer at a 5.00% dividend rate for the first year, 6.00% dividend rate for the second year, and 7.00% dividend rate for the third year, the credit union may compute the composite dividend rate and APY as follows:

(a) Multiply each dividend rate by the number of days it will be in effect;

(b) Add these figures together; and

(c) Divide by the total number of days in the term.

(2) Applied to the example, the products of the dividend rates and days the rates are in effect are (5.00%×365 days) 1825, (6.00%×365 days) 2190, and (7.00%×365) 2555, respectively. The sum of these products, 6570, is divided by 1095, the total number of days in the term. The composite dividend rate and APY are both 6.00%.

* * * * *

7. Appendix B to part 707 is amended by adding a new paragraph (I)(v) under B-1 Model Clauses For Account Disclosures and reads as follows:

Appendix B to Part 707—Model Clauses and Sample Forms

* * * * *

B-1 Model Clauses for Account Disclosures

* * * * *

(I) * * *

(V) *Required dividend distribution.*

This account requires the distribution of dividends and does not allow dividends to remain in the account.

* * * * *

Appendix C to Part 707 [Amended]

8. Appendix C to part 707 is amended as follows:

a. Remove paragraph (c)1. under Section 707.5 and redesignate paragraph (d)1. under Section 707.5 as new paragraph (c)1.

b. Remove paragraph (e)(2)(i)2. under Section 707.8.

[FR Doc. 98-33944 Filed 12-28-98; 8:45 am]

BILLING CODE 7535-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 97-NM-288-AD; Amendment 39-10965; AD 98-26-22]

RIN 2120-AA64

Airworthiness Directives; McDonnell Douglas Model DC-10 Series Airplanes and KC-10A (Military) Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain McDonnell Douglas Model DC-10 series airplanes and KC-10A (military) airplanes, that requires repetitive inspections to detect cracking of the lower cap of the wing rear spar, and repair, if necessary. For certain airplanes, this AD also provides for an optional terminating modification for the repetitive inspections. This amendment is prompted by reports of fatigue cracks found in the lower cap of the wing rear spar. The actions specified by this AD are intended to detect and correct fatigue cracking of the lower cap of the wing rear spar, which could result in reduced structural integrity of the airplane.

DATES: Effective February 2, 1999.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of February 2, 1999.

ADDRESSES: The service information referenced in this AD may be obtained from Boeing Commercial Aircraft Group, Long Beach Division, 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Technical Publications Business Administration, Dept. C1-L51 (2-60). This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Transport Airplane Directorate, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Ron Atmur, Aerospace Engineer, Airframe Branch, ANM-120L, FAA Transport Airplane Directorate, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood,

California 90712-4137; telephone (562) 627-5224; fax (562) 627-5210.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to certain McDonnell Douglas Model DC-10 Series Airplanes and KC-10A (military) airplanes was published in the **Federal Register** on March 26, 1998 (63 FR 14654). That action proposed to require repetitive inspections to detect cracking of the lower cap of the wing rear spar, and repair, if necessary.

Interested persons have been afforded an opportunity to participate in the making of this amendment. Due consideration has been given to the comments received.

Several commenters support the proposed rule.

Requests to Reference Latest Service Bulletins

Several commenters request that the proposed AD be revised to reference Revision 01 of McDonnell Douglas Alert Service Bulletin DC10-57A137, dated May 26, 1998, and McDonnell Douglas Service Bulletin DC10-57-138, dated May 28, 1998.

These commenters state that Revision 01 of McDonnell Douglas Alert Service Bulletin DC10-57A137 contains new repair procedures and that McDonnell Douglas Service Bulletin DC10-57-138 contains an optional preventative modification. Without incorporation of this information, the commenters state that operators would have to seek approval from the FAA for alternative methods of compliance, which would create additional work for operators and the FAA.

The FAA concurs with the commenters' requests to reference the latest service bulletins. Since issuance of the notice of proposed rulemaking (NPRM), the FAA has reviewed and approved the service bulletins mentioned by the commenters.

The inspection procedures described in Revision 01 of McDonnell Douglas Alert Service Bulletin DC10-57A137 are identical to those described in the original version of that alert service bulletin (which was referenced in the proposed AD as the appropriate source of service information for accomplishment of the eddy current surface inspection). However, Revision 01 revises the original cracking conditions and adds new procedures for specific repairs. The FAA finds that accomplishment of these new repair procedures will maintain an adequate level of safety. Therefore, in lieu of accomplishing the required repair in

accordance with a method approved by the FAA, operators can elect to accomplish the new subject repair. The FAA has revised paragraph (b) of the final rule accordingly.

McDonnell Douglas Service Bulletin DC10-57-138 describes procedures for a preventative modification that would eliminate the need for certain repetitive inspections described in McDonnell Douglas Alert Service Bulletin DC10-57A137. The preventative modification involves the following:

1. Removing affected taper-lok fasteners;
2. Reaming holes to remove taper;
3. Cold working affected holes;
4. Performing an eddy current inspection using the open hole technique to detect cracks inside the holes, and repair, if necessary; and
5. Installing new fasteners.

The FAA finds that the preventative modification specified in that service bulletin may be provided as an optional terminating action for certain repetitive inspection requirements of the final rule. The FAA is not mandating the preventative modification of the rear spar lower cap for several reasons:

1. Accessing the taper-lok fasteners of the lower cap of the wing rear spar for inspection is easily accomplished.
2. The cracking of the spar emanating from the fastener holes is easily detectable by means of an eddy current surface inspection.
3. The failure of a fastener may adversely affect the structural integrity of the airplane; however, the eddy current surface inspections will preclude the occurrence of multiple failed fasteners, which could result in a catastrophic failure.

Therefore, for certain airplanes, the FAA has added a new paragraph (c) to the final rule to provide for this option, and has revised the cost impact information accordingly.

Conclusion

After careful review of the available data, including the comments noted above, the FAA has determined that air safety and the public interest require the adoption of the rule with the changes previously described. The FAA has determined that these changes will neither increase the economic burden on any operator nor increase the scope of the AD.

Cost Impact

There are approximately 283 Model DC-10 Series Airplanes and KC-10A (military) airplanes of the affected design in the worldwide fleet. The FAA estimates that 201 airplanes of U.S. registry will be affected by this AD, that

it will take approximately 8 work hours per airplane to accomplish the required inspection, and that the average labor rate is \$60 per work hour. Based on these figures, the cost impact of the AD on U.S. operators is estimated to be \$96,480, or \$480 per airplane, per inspection cycle.

The cost impact figure discussed above is based on assumptions that no operator has yet accomplished any of the requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted.

Should an operator elect to accomplish the optional terminating action rather than continue the repetitive inspections, it would take approximately 15 (for Group 1 airplanes) or 6 (for Group 2 airplanes) work hours per airplane to accomplish the modification, at an average labor rate of \$60 per work hour. Required parts will cost approximately \$3,546 per airplane (for Group 1 airplanes) and \$2,145 per airplane (for Group 2 airplanes). Based on these figures, the cost impact of this optional terminating action is estimated to be \$4,446 per airplane (for Group 1 airplanes) and \$2,505 per airplane (for Group 2 airplanes).

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 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, 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 the following new airworthiness directive:

98-26-22 McDonnell Douglas: Amendment 39-10965. Docket 97-NM-288-AD.

Applicability: Model DC-10 series airplanes and KC-10A (military) airplanes, as listed in McDonnell Douglas Alert Service Bulletin DC10-57A137, dated July 31, 1997; 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 (d) 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 detect and correct fatigue cracking of the lower cap of the wing rear spar, which could result in reduced structural integrity of the airplane, accomplish the following:

(a) Conduct an eddy current surface inspection to detect cracking of the lower cap of the wing rear spar, in accordance with the Accomplishment Instructions of McDonnell Douglas Alert Service Bulletin DC10-57A137, dated July 31, 1997, or Revision 01, dated May 26, 1998; at the later of the times specified in paragraphs (a)(1) and (a)(2) of this AD. Thereafter, repeat this inspection at intervals not to exceed 1,500 landings, except as provided by paragraph (c) of this AD.

(1) Prior to the accumulation of 7,000 total landings, or within 18 months after the effective date of this AD, whichever occurs later. Or

(2) Within 1,500 landings after the accomplishment of the inspection of Principal Structural Elements 57.10.007 and 57.10.008, in accordance with AD 95-23-09, amendment 39-9429.

(b) If any crack is found during any inspection required by paragraph (a) of this AD, accomplish paragraph (b)(1) or (b)(2) of this AD, as applicable.

(1) Except as provided by paragraph (c) of this AD, for any crack identified in Condition 2 or Condition 3 of McDonnell Douglas Alert Service Bulletin DC10-57A137, Revision 01, dated May 26, 1998: Prior to further flight, repair in accordance with a method approved by the Manager, Los Angeles Aircraft Certification Office (ACO), FAA, Transport Airplane Directorate; or accomplish the permanent repair of the spar cap in accordance with Revision 01 of the alert service bulletin, and repeat the eddy current surface inspection required by paragraph (a) of this AD thereafter at the times specified in Revision 01 of the alert service bulletin for that repaired spar cap.

(2) For any crack identified in Condition 4 of McDonnell Douglas Alert Service Bulletin DC10-57A137, Revision 01, dated May 26, 1998: Accomplish either paragraph (b)(2)(i), or paragraphs (b)(2)(ii) and (b)(2)(iii) of this AD.

(i) Prior to further flight, repair in accordance with a method approved by the Manager, Los Angeles Aircraft Certification Office (ACO), FAA, Transport Airplane Directorate.

(ii) Prior to further flight, temporarily repair the spar cap in accordance with Revision 01 of the alert service bulletin. Repeat the eddy current surface inspection required by paragraph (a) of this AD thereafter at the applicable times specified in the alert service bulletin for that repaired spar cap, until accomplishment of paragraph (b)(3)(iii) of this AD.

(iii) At the applicable time specified in the alert service bulletin, permanently repair the crack in accordance with Revision 01 of the alert service bulletin. Accomplishment of the permanent repair constitutes terminating action for the repetitive eddy current surface inspection requirements of paragraph (b)(2)(ii) of this AD. Within 10,000 landings following accomplishment of the permanent repair, repeat the eddy current surface inspection required by paragraph (a) of this AD thereafter at the applicable times specified in Revision 01 of the alert service bulletin for that permanently repaired spar cap.

(c) For airplanes on which no crack (Condition 1) or any crack that is specified in Condition 2 of McDonnell Douglas Alert Service Bulletin DC10-57A137, Revision 01, dated May 26, 1998, is detected: Accomplishment of the preventative modification specified in paragraphs (c)(1), (c)(2), (c)(3), (c)(4), (c)(5), and (c)(6) of this AD, in accordance with Revision 01 of the alert service bulletin, constitutes terminating action for the repetitive inspection requirements of paragraph (a) of this AD.

(1) Remove existing sealant as required.

(2) Remove affected taper-lok fasteners.

(3) Ream holes to remove taper.

(4) Cold work affected holes.

(5) Perform an eddy current inspection using the open hole technique to detect cracks inside the holes. If any crack is detected, prior to further flight, repair in accordance with a method approved by Manager, Los Angeles ACO.

(6) Install new fasteners.

(d) 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, Los Angeles ACO. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Los Angeles ACO.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Los Angeles ACO.

(e) 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.

(f) Certain actions shall be done in accordance with McDonnell Douglas Alert Service Bulletin DC10-57A137, dated July 31, 1997, or McDonnell Douglas Alert Service Bulletin DC10-57A137, Revision 01, dated May 26, 1998. 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 Boeing Commercial Aircraft Group, Long Beach Division, 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Technical Publications Business Administration, Dept. C1-L51 (2-60). Copies may be inspected at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Transport Airplane Directorate, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(g) This amendment becomes effective on February 2, 1999.

Issued in Renton, Washington, on December 17, 1998.

Ali Bahrami,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 98-34095 Filed 12-28-98; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 97-NM-309-AD; Amendment 39-10966; AD 98-26-23]

RIN 2120-AA64

Airworthiness Directives; Boeing Model 747 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain Boeing Model 747 series airplanes, that requires repetitive detailed visual inspections to detect