

The Board noted, when it adopted the same-day settlement rule, that it believed that, at the present time, the settlement time for checks presented by private banks should not conform to the settlement time for checks presented by Reserve Banks under Regulation J. The Board reached that conclusion after considering the reasoning put forth by the commenters to the proposed rule as well as the fact that conforming the two times would (a) create the additional burden for the paying bank of initiating early-in-the-day Fedwire transfers for private-sector presentments (as opposed to settlement payments to Reserve Banks, which are made by debits to accounts held by the Federal Reserve and require no affirmative action by the paying bank); (b) result in an increased potential for mistakes, even if the deadline were met; and (c) increase the risk faced by paying banks that may want to examine selected cash letters presented by certain banks. The Board noted, however, that it would revisit the issue of settlement deadlines for checks presented by private-sector collecting banks under the same-day settlement rule if intraday funds start to have significant value as a result of Federal Reserve pricing of daylight overdrafts. (57 FR 46964, October 14, 1992) To date, this has not occurred.

1. To what extent does this disparity in the timing of the settlement affect the ability of private-sector banks to compete effectively with the Reserve Banks in the interbank check collection market?

2. Have there been any changes in the marketplace or other considerations that should change the Board's earlier conclusion regarding this issue? If yes, please explain.

3. Instead of requiring earlier-in-the-day settlement for same-day settlement presentments by private-sector collecting banks, the Board could also reduce the legal disparity in the timing of settlement by moving the paying banks' settlement to Federal Reserve Banks to the close of Fedwire. If such a change were made, the Reserve Banks would also provide credit for check deposits at the same time. Would this approach be desirable? Why or why not?

E. Obligation to settle on a non-banking day

The settlement obligation of a paying bank that closes voluntarily on a business day (i.e., a day that the Federal Reserve Banks are open) differs depending on whether the Federal Reserve Bank or a private-sector collecting bank is the presenting bank. In the case of the Federal Reserve Bank, the paying bank's settlement obligation

is triggered if the Reserve Bank "makes a cash item available to the paying bank on that day." (12 CFR 210.9(b)(3)) In the case of a presentment made by a private-sector collecting bank, the paying bank's settlement obligation is triggered only if the paying bank "receives presentment of a check" on a business day on which it is open. (12 CFR 229.36(f)(3)) A paying bank that is obligated to settle for checks presented on a day that it is closed is not considered to have received the checks until its next banking day for purposes of the deadline for return.¹²

1. To what extent does this disparity in the settlement obligation of a closed paying bank affect the ability of private-sector banks to compete effectively with the Reserve Banks in the interbank check collection market?

2. Should the paying bank's obligation to settle on days on which it closes voluntarily be the same for presentments by the Federal Reserve Banks and private-sector collecting banks? If so, what standard should be used and why?

F. Other legal differences

1. Are there additional legal differences between the rights and obligations associated with checks presented by the Federal Reserve Banks and private-sector collecting banks? If so, please describe. To what extent do these other differences affect the ability of private-sector banks to compete effectively with the Reserve Banks, or the ability of Reserve Banks to compete effectively with other presenting banks, in the interbank check collection market? What changes, if any, should the Board consider to minimize or eliminate these differences?

V. Consistency of Reduction in Legal Disparities with Purposes of the Expedited Funds Availability Act

The Board's authority to govern the collection of checks through private-sector banks is derived from the Expedited Funds Availability Act. Therefore, amendments to Regulation CC, subpart C should be consistent with the Act's purpose to provide timely availability of funds deposited into transaction accounts; this is generally accomplished by accelerating the collection and/or return of checks. To

¹² If a Federal Reserve Bank makes a cash item available to a paying bank on a day that it closes voluntarily, the paying bank must either settle for the item on that day or on the next banking day with an as-of adjustment or other interest compensation. If a private-sector bank presents a check to a paying bank for same-day settlement on a day that it closes voluntarily, the paying bank must settle by its next banking day and pay interest compensation.

the extent that unpaid checks are returned to the depository bank more expeditiously, the depository bank can make the funds available to its customer for withdrawal on a more timely basis without assuming greater risk.

In contrast, the Board's authority to govern checks collected through the Federal Reserve Banks is derived from the Federal Reserve Act and not the Expedited Funds Availability Act. Consequently, the Board's authority to amend Regulation J, subpart A, is not limited to changes that accelerate the collection and/or return of checks. Nonetheless, the Board has generally regulated the collection of checks through the Federal Reserve Banks in a manner that provides for their timely collection and return.

1. Should the Board consider changes to Regulation J that would reduce the legal disparities between the Federal Reserve Banks and private-sector collecting banks, if those changes slow the collection and return of checks through the Reserve Banks and therefore are not consistent with the purpose of the Expedited Funds Availability Act?

By order of the Board of Governors of the Federal Reserve System, March 10, 1998.

Jennifer J. Johnson,

Deputy Secretary of the Board.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 97-CE-129-AD]

RIN 2120-AA64

Airworthiness Directives; Stemme GmbH & Co. KG Models S10 and S10-V Sailplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes to adopt a new airworthiness directive (AD) that would apply to certain Stemme GmbH & Co. KG (Stemme) Models S10 and S10-V sailplanes. The proposed action would require replacing the fuel filter, inserting a revision to the Limitations Section of the airplane flight manual, and inspecting the engine valve shafts for brownish-black sticky residue. If a residue is found on the valve shafts, the proposed action would require cleaning the engine. The proposed AD is the

result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Germany. The actions specified by the proposed AD are intended to prevent engine valve malfunction, which, if not corrected, could cause engine failure during flight and loss of control of the sailplane.

DATES: Comments must be received on or before April 17, 1998.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 97-CE-129-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106. Comments may be inspected at this location between 8 a.m. and 4 p.m., Monday through Friday, holidays excepted.

Service information that applies to the proposed AD may be obtained from Stemme GmbH & Co. KG, Gustav-Meyer-Allee 25, D-13355 Berlin, Federal Republic of Germany. This information also may be examined at the Rules Docket at the address above.

FOR FURTHER INFORMATION CONTACT: Mr. Mike Kiesov, Aerospace Engineer, Small Airplane Directorate, Aircraft Certification Service, FAA, 1201 Walnut, suite 900, Kansas City, Missouri 64106; telephone (816) 426-6934; facsimile (816) 426-2169.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested persons are invited to participate in the making of the proposed 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 above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this notice may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed 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 proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice

must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 97-CE-129-AD." The postcard will be date stamped and returned to the commenter.

Availability of NPRMs

Any person may obtain a copy of this NPRM by submitting a request to the FAA, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 97-CE-129-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Discussion

The Luftfahrt-Bundesamt (LBA), which is the airworthiness authority for Germany, recently notified the FAA that an unsafe condition may exist on certain Stemme Models S10 and S10-V sailplanes. The LBA reports engine failure on two of the affected sailplanes. The engine failures occurred on sailplanes that were found to have a brown sticky substance on the engine. This substance is brownish-black in color and ranges from a lacquer-like hardness to gum-like sticky in composition. The substance may be residue and build-up formed by foreign materials dissolved in the fuel. The composition of the residue is causing the intake valves to stick in the valve guides. Sticky deposits were also found in parts of the induction system on the inside walls of the intake manifolds, as well as on the throttle shaft.

This condition, if not corrected, could result in engine failure during flight and loss of control of the sailplane.

Relevant Service Information

Stemme has issued Service Bulletin (SB) No. A31-10-021, dated June 28, 1995, which specifies inserting a revision to the Limitations Section in the airplane flight manual (AFM) restricting the type and grade of fuel to use in the sailplane engine; and, specifies procedures for replacing the fuel filter if contaminated, along with inspecting the engine for the sticky brown residue.

Limbach Flugmotoren Technical Bulletin No. 47, dated June 28, 1995, specifies procedures for inspecting certain engine components for contamination, and cleaning the engine. These procedures are a follow-on to those found in Stemme SB No. A31-10-021, when a sticky brown residue is found in the engine.

The LBA classified these service bulletins as mandatory and issued German AD 95-273, dated July 11, 1995, in order to assure the continued

airworthiness of these sailplanes in Germany.

The FAA's Determination

This sailplane model is manufactured in Germany and is type certificated for operation in the United States under the provisions of § 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the LBA has kept the FAA informed of the situation described above.

The FAA has examined the findings of the LBA, reviewed all available information, including the service information referenced above, and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

Explanation of the Provisions of the Proposed AD

Since an unsafe condition has been identified that is likely to exist or develop in other Stemme Models S10 and S10-V sailplanes of the same type design registered in the United States, the proposed AD would require replacing the fuel filter if contaminated, inserting a revision to the Limitations Section of the airplane flight manual (AFM), and inspecting the engine valve shafts for brownish-black sticky residue. If a residue is found on the valve shafts, the proposed action would require cleaning the engine. Accomplishment of the proposed insertion, inspection, and cleaning would be in accordance with Stemme Service Bulletin No. A31-10-021, dated June 28, 1995, and Limbach Flugmotoren Technical Bulletin No. 47, dated June 28, 1995.

Cost Impact

The FAA estimates that 9 sailplanes in the U.S. registry would be affected by the proposed AD, that it would take approximately 5 workhours per sailplane to accomplish the proposed action, and that the average labor rate is approximately \$60 an hour. Parts cost approximately \$30 per sailplane. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$2,970, or \$330 per sailplane.

Proposed Compliance Time

The FAA is proposing a calendar compliance time instead of hours time-in-service (TIS) because the average monthly usage of the affected sailplanes varies throughout the fleet. For example, one owner may operate the sailplane 25 hours TIS in one week, while another operator may operate the sailplane 25

hours TIS in one year. The sticky residue builds up on the engine regardless of sailplane use. In order to assure that all of the affected sailplanes are in compliance within a reasonable amount of time, the FAA is proposing a compliance time of 30 days after the effective date of this AD to insert the AFM Limitations Section revision, and 60 days after the effective date of this AD to replace the fuel filter and inspect the engine.

Regulatory Impact

The regulations proposed herein would 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 proposal would 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) 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 has been placed 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 adding a new airworthiness directive (AD) to read as follows:

Stemme GMBH & Co. KG: Docket No. 97–CE–129–AD.

Applicability: Model S10 (serial numbers 10–12 through 10–60), and Model S10–V (serial numbers 14–002 through 14–022) and transformed Model S10–V (serial numbers 14–012M to 14–060M) sailplanes, certificated in any category.

Note 1: This AD applies to each sailplane 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 sailplanes 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 as indicated in the body of this AD, unless already accomplished.

To prevent engine valve malfunction, which, if not corrected, could cause engine failure during flight and loss of control of the sailplane, accomplish the following:

(a) Within the next 30 days after the effective date of this AD, insert a revision in the Limitations Section 2.4.2.1, Fuel, of the airplane flight manual (AFM) that states: "Only authorized fuel is AVGAS 100LL" in accordance with the Instructions section of Stemme Service Bulletin (SB) Document No. A31–10–021, dated June 28, 1995.

(b) Incorporating the revision to the Limitations Section of the AFM, as required by paragraph (a) of this AD, may be performed by the owner/operator holding at least a private pilot certificate as authorized by section 43.7 of the Federal Aviation Regulations (14 CFR 43.7), and must be entered into the aircraft records showing compliance with this AD in accordance with section 43.9 of the Federal Aviation Regulations (14 CFR 43.9).

(c) Within the next 60 days after the effective date of this AD, accomplish paragraphs (c)(1), (c)(2), and (c)(3) of this AD:

(1) Inspect the fine fuel filter for the accumulation of chopped cotton fibers, and replace the filter if it is contaminated, prior to further flight, in accordance with the Instructions section of Stemme SB Document No. A31–10–021, dated June 28, 1995; and,
(2) Inspect the engine in accordance with LIMBACH Flugmotoren Technical Bulletin No. 47, dated June 28, 1995.

(3) If a brownish-black sticky residue is found on the engine, prior to further flight, disassemble and clean the engine in accordance with LIMBACH Flugmotoren Technical Bulletin No. 47, dated June 28, 1995.

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

(e) An alternative method of compliance or adjustment of the compliance times that provides an equivalent level of safety may be approved by the Manager, Small Airplane Directorate, FAA, 1201 Walnut, suite 900, Kansas City, Missouri 64106. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Small Airplane Directorate.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Manager, Small Airplane Directorate.

(f) Questions or technical information related to Stemme Service Bulletin No. A31–10–021, dated June 28, 1995, and LIMBACH Flugmotoren Technical Bulletin No. 47, dated June 28, 1995, should be directed to Stemme GmbH & Co. KG, Gustav-Meyer-Allee 25, D–13355 Berlin, Federal Republic of Germany. This service information may be examined at the FAA, Central Region, Office of the Regional Counsel, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Note 3: The subject of this AD is addressed in German AD 95–273, dated July 11, 1995.

Issued in Kansas City, Missouri, on March 9, 1998.

Michael Gallagher,

Manager, Small Airplane Directorate, Aircraft Certification Service.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 98–CE–03–AD]

RIN 2120–AA64

Airworthiness Directives; British Aerospace (Operations) Limited Model B.121 Series 1, 2, and 3 Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes to adopt a new airworthiness directive (AD) that would apply to certain British Aerospace (Operations) Limited (British Aerospace) Model B.121 Series 1, 2, and 3 airplanes. The proposed AD would require installing an inspection opening in the area of the main spar web, repetitively inspecting the area at the main spar web for cracks and the area of the wing to fuselage attach bolt holes for corrosion, and repairing or replacing any cracked or corroded part. The