

(ii) as to which the NASD consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR-NASD-78 and should be submitted by March 1, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,
Deputy Secretary.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Advisory Circular 120-73, Damage Tolerance Assessment of Repairs to Pressurized Fuselages

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of issuance of advisory circular.

SUMMARY: This notice announces the issuance of Advisory Circular (AC) 120-73, "Damage Tolerance Assessment of Repairs to Pressurized Fuselages." The AC provides guidance on acceptable means of incorporating FAA-approved repair assessment guidelines in air

carrier maintenance or inspection programs.

DATES: Advisory Circular 120-73 was issued on December 14, 2000, by the Director of the Aircraft Certification Service, Federal Aviation Administration.

How to Obtain Copies: You can get a paper copy of AC 120-73 by writing to U.S. Department of Transportation, Subsequent Distribution Center, SVC-121.23, Ardmore East Business Center, 3341 Q 75th Avenue, Landover, Maryland 20785. The AC also will be available on the Internet at <http://www.faa.gov/avr/air/airhome.htm>, at the link titled "Advisory Circulars" under the "Available Information" drop-down menu.

FOR FURTHER INFORMATION CONTACT: For technical issues contact Brent Bandle, FAA, Transport Airplane Directorate, Los Angeles Aircraft Certification Office, Airframe Branch, ANM-120L, 3960 Paramount Boulevard, Lakewood, California 90712-4137; telephone (562) 627-5237; fax (562) 627-5210.

For other information contact: Jill DeMarco, FAA, Transport Airplane Directorate, Program Management Branch, ANM-114, 1601 Lind Avenue SW., Renton, Washington 98055-4056; telephone (425) 227-1313; fax (425) 227-1320.

SUPPLEMENTARY INFORMATION:

Discussion of Comments

On December 22, 1997, the FAA issued a notice of the availability of proposed Advisory Circular (AC) 120-XX, "Repair Assessment of Pressurized Fuselages." That notice was published in the **Federal Register** on January 2, 1998 (63 FR 137), and we requested comments from the public on the proposed AC document. Three commenters sent comments asking for changes to various sections of the proposed AC. We have addressed those comments in the final AC as described below.

Changes in General Terminology

One commenter requests that the FAA clarify the terminology used in the proposed AC to indicate that the area of inspection termed the "fuselage pressure boundary." The commenter states that this area includes not only the fuselage skin and bulkhead web, but the door skin as well.

The FAA concurs. The intent of the repair assessment is to include the entire fuselage pressure boundary, which does include, among other things, the fuselage, bulkhead webs, and the door skin. We have changed the terminology accordingly throughout the

final AC. [We made this same change in terminology in the final rule associated with this AC: Repair Assessment for Pressurized Fuselages, amendments 91-264, 121-275, 125-33, and 129-8 (65 FR 24108, April 25, 2000).]

Stage 1: Data Collection

One commenter suggests changes to the guidance that concerns the list of structure for which repair assessments are required. The proposed guidance states that some manufacturers have reduced this list by determining the inspection requirements for critical details. If the requirements are equal to normal maintenance checks, such as the Baseline Zonal Inspection (BZI), those details were excluded from this list. The commenter points out that some manufacturers also have excluded items from the list if, through any other inspection program, the repaired structure was previously found to be damage-tolerant. The commenter requests that this be noted in the proposed AC.

The FAA concurs. We have revised paragraph 5.a.(1) of the final AC accordingly.

Stage 2: Repair Classification

One commenter notes the guidance states that, during "Stage 2: Repair Classification," applicants would use information collected from "a survey form" to classify repairs (into one of three categories). The commenter states that, while filling in a survey form may be helpful when it is time to classify repairs, such a form is not necessary. Based on the knowledge of those doing the assessment, the classification could be done without filling in a survey form. Therefore, the commenter requests that the FAA revise the language in the proposed AC to state more generally that the applicant may use *the information gathered during Stage 1* to classify repairs.

The FAA concurs. We have revised the wording in paragraph 5.a.(2) of the final AC accordingly.

Category C Repairs

One commenter requests that the term "temporary" be further defined to mean "time-limited" when defining Category C repairs. The commenter points to an FAA letter (ANM-120S:SCF, dated February 12, 1990) that it previously received that provided three definitions of repairs. The definition contained in the letter that was most closely correlated to the definition of Category C repairs contained in the proposed AC, used the term "time-limited" to describe the repair, not "temporary."

¹² 17 CFR 200.30-3(a)(12).

The FAA concurs with the commenter's request. We have revised paragraph 5.a.(2)(c) of the final AC to state: "Category C: A temporary (time-limited) repair that will need to be reworked or replaced prior to an established time * * *"

Airplane Cycle Age Equal to or Less Than Implementation Time on Effective Date of Rule

One commenter requests that the FAA clarify the guidance on when the assessment process would begin for airplanes whose flight cycle age is equal to or less than the implementation time on the date the associated final rule becomes effective. Specifically, the commenter points out that the deadline for repair assessment does not include a "not to exceed" value like the other airplanes addressed in the proposed AC.

The FAA concurs that clarification is necessary. We have changed paragraph 6.g.(1) of the final AC to state that the assessment of an airplane in this group should take place before it exceeds the design service goal (DSG), plus an equivalent C-check. (This is parallel to the limit of the assessment deadline specified in paragraph 6.g.(2) for airplanes whose cycle age is greater than the implementation time, but less than the DSG, on the date that the associated final rule became effective.)

Maintenance Program Changes

One commenter requests that the FAA revise the proposed AC to make its intent clearer concerning maintenance program changes. The proposed wording states: "If the interval escalation reduces the frequency of inspection of the affected area below the BZI * * *".

The commenter considers that this wording is confusing, and suggests that it could be clearer if changed to: "If the revised maintenance or inspection program intervals are greater than those in the BZI * * *".

The FAA concurs. We have changed the wording in paragraph 6.h. of the final AC accordingly.

Sale and Transfer of Airplanes

One commenter requests changes concerning the time for implementing the required repair assessment for airplanes that previously have been operated under an FAA-approved maintenance program and are now being sold or transferred. The commenter requests that the phrase, "* * * whichever would result in an earlier accomplishment date for the assessment," be eliminated. The commenter states:

- Such a requirement to adopt previous operators' programs into the new operator's FAA-approved program adds needless administrative complexity and confusion.

- The FAA applies specific oversight of maintenance program integration for fleet additions, whether by acquisition of new or used aircraft of by lease.

- Ample FAA guidelines cover the integration of airplanes transitioning from one maintenance program to another, and there is no need to add an across-the-board provision which may not be appropriate in many cases.

The FAA does not concur. We consider it essential that operators ensure that transferred airplanes are maintained in accordance with the repair assessment program on the same basis as if there were continuity in ownership. Scheduling of the repair assessments for each airplane must not be delayed or postponed because of a transfer of ownership; in some cases, such postponement could continue indefinitely if an airplane is transferred frequently from one owner to another. The stipulation contained in the AC is intended to prevent the situation where an airplane is transferred so often that it never gets assessed.

Miscellaneous Changes

Title of AC: We changed the title of the final AC to "Damage Tolerance Assessment of Repairs to Pressurized Fuselages." We consider that this new title more clearly reflects the content of the AC and the guidance provided.

Paragraph 3., Discussion: We revised this paragraph in the final AC provide a comprehensive list of all airplane models that are subject to the requirements of 14 CFR parts 91, 121, 125, and 129 for a structural integrity assessment of repairs to the fuselage pressure boundary.

Paragraph 6.j., Operation of Leased Foreign-Owned Airplanes: We revised this paragraph to point out that the applicant is not required to implement the assessment program only in accordance with the "model-specific manufacturer's repair assessment guidelines." We deleted the word "manufacturer's" from that phrase in the final AC. The applicant may use the manufacturer's guidelines or may use any others that have been developed and approved for the specific airplane model.

Issued in Renton, Washington, on January 23, 2001.

Dorenda D. Baker,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

RTCA, Inc. Special Committee 198; Next Generation Communications (NEXCOM)

Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463, 5 U.S.C., Appendix 2), notice is hereby given for an RTCA NEXCOM Special Committee 198 meeting to be held February 22-23, 2001, starting at 9:00 a.m. The meeting will be held at the RTCA Inc., 1140 Connecticut Ave, NW, Suite 1020, Washington, DC, 20536.

At the request of the Federal Aviation Administration, RTCA established a new Special Committee (SC-198) to develop recommendations for the Next Generation Communications (NEXCOM) program. The FAA will implement an integrated system for digital air/ground voice and data communications in the National Airspace System. Special Committee 198 will undertake a multiphase work program that will initially focus on operational considerations and identify, then characterize, basic operational issues. This results of the first phase effort will be published in a Principles of Operation document as well as a report on responses to recommendation of the RTCA Chairman's Committee on NEXCOM. In subsequent phases, Special Committee 198 will address detailed demonstration and transition planning.

The agenda will include: (1) Welcome and Introductory Remarks; (2) Review Terms of Reference, discuss multi-phase work program; (3) Organize work groups, determine leadership, establish interim milestones to deliver two products for Phase 1: (a) Report on Responses to Recommendations to the RTCA Chairman's Committee on NEXCOM (Delivery: August 2001); (b) RTCA DO NEXCOM Principles (Delivery: September 2001); (4) Working Group meetings. Plenary Session: (5) Review Work Group reports; (6) Review Proposed schedule for subsequent meetings to include Plenary meetings in February, April, June, and August, as well as Plenary in September 2001 to approve phase 1 documents; (c) Plenary