

standards that apply to a national bank's sale of credit life insurance, and the limitations that apply to the receipt of income from those sales by certain individuals and entities associated with the bank.

(c) *Scope.* This part applies to sales of credit life insurance by any national bank employee, officer, director, or principal shareholder, and certain entities in which they have interests.

## 2.2 Definitions.

(a) *Credit life insurance* means credit life, health, and accident insurance.

(b) *Interest* includes:

(1) Ownership through a spouse or minor child;

(2) Ownership through a broker, nominee, or other agent; or

(3) Ownership through any corporation, partnership, association, joint venture, or proprietorship, that is controlled by a director, officer, employee, or principal shareholder of the bank.

(c) *Officer, director, employee, or principal shareholder* includes the spouse and minor children of an officer, director, employee, or principal shareholder.

(d) *Principal shareholder* means any shareholder who directly or indirectly owns or controls an interest of more than five percent of the bank's outstanding shares.

## § 2.3 Distribution of credit life insurance income.

(a) The means of distribution of credit life insurance income employed by a national bank must be consistent with the requirements and principles of this section.

(b) Except as provided in § 2.4, a director, officer, employee, or principal shareholder of a national bank, or an entity in which such person has a voting interest of five percent or more, may not retain commissions or other income from the sale of credit life insurance in connection with any loan made by that bank.

(c) It is an unsafe and unsound practice for any director, officer, employee, or principal shareholder of a national bank, (including any entity in which such a person has a voting interest of five percent or more), who is involved in the sale of credit life insurance to loan customers of a national bank, to take advantage of that business opportunity for personal profit. Income derived from credit life insurance sales to loan customers must be credited to the income accounts of the bank and not to the bank's employee, director, officer, or principal shareholder, or to an entity in which

such a person has a voting interest of five percent or more.

## § 2.4 Bonus and incentive plans.

(a) A bank employee or officer may participate in a bonus or incentive plan based on the sale of credit life insurance if the following conditions are satisfied:

(1) Payments based on credit life insurance sales are made not more frequently than quarterly; and

(2) Payments to any individual in any one year do not exceed the greater of:

(i) Five percent of the recipient's annual salary; or

(ii) Five percent of the average salary of all loan officers participating in the plan.

(b) The bank may not structure its incentive or bonus program in a manner that creates incentives for an individual to make inappropriate recommendations or sales to customers of the bank.

(c) Nothing contained in this part prohibits a bank employee, officer, director, or principal shareholder who holds an insurance agent's license from agreeing to compensate the bank for the use of its premises, employees, or goodwill. However, the employee, officer, director, or principal shareholder shall turn over to the bank as compensation all income received from the sale of the credit life insurance to the bank's loan customers.

Dated: September 7, 1995.

**Eugene A. Ludwig,**

*Comptroller of the Currency.*

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BILLING CODE 4810-33-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 94-NM-212-AD]

#### Airworthiness Directives; Jetstream Model ATP Airplanes

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** This document proposes the adoption of a new airworthiness directive (AD) that is applicable to certain Jetstream Model ATP airplanes. This proposal would require inspections and tests for damage of the engine power cables, and replacement of any damaged cable with a new cable. This proposal is prompted by a report of failure of an engine power cable, which could cause loss of function of the

power control levers on the console. The actions specified by the proposed AD are intended to prevent loss of function of the levers on the console and subsequent loss of normal control of engine power.

**DATES:** Comments must be received by October 23, 1995.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-103, Attention: Rules Docket No. 94-NM-212-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056. Comments may be inspected at this location between 9:00 a.m. and 3:00 p.m., Monday through Friday, except Federal holidays.

The service information referenced in the proposed rule may be obtained from Jetstream Aircraft, Inc., P.O. Box 16029, Dulles International Airport, Washington, DC 20041-6029. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

**FOR FURTHER INFORMATION CONTACT:** Tim Backman, Aerospace Engineer, Standardization Branch, ANM-113, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (206) 227-2797; fax (206) 227-1149.

#### 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 shall 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 summarizing 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 Number 94-NM-212-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, Transport Airplane Directorate, ANM-103, Attention: Rules Docket No. 94-NM-212-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

#### Discussion

The Civil Aviation Authority (CAA), which is the airworthiness authority for the United Kingdom, recently notified the FAA that an unsafe condition may exist on certain Jetstream Model ATP airplanes. The CAA advises that it received a report indicating that an engine power cable failed while the airplane was on the ground. Investigation revealed that the engine power cable failure was caused by fatigue damage at the point where the cables pass around a small diameter pulley. Failure of the engine power cables could result in loss of function of the power control levers on the console. This condition, if not corrected, could result in loss of normal control of engine power.

Jetstream has issued Service Bulletin ATP-76-16, dated October 14, 1994, which describes procedures for repetitive detailed visual inspections and tests for damage of the engine power cables, and replacement of any damaged cable with a new cable. If one broken wire in any strand of an engine power cable is found, the service bulletin permits 60 further landings before replacement of the damaged cable. The CAA classified this service bulletin as mandatory in order to assure the continued airworthiness of these airplanes in the United Kingdom.

This airplane model is manufactured in the United Kingdom and is type certificated for operation in the United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the CAA has kept the FAA informed of the situation described above. The FAA has examined the findings of the CAA, reviewed all available information, and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

Since an unsafe condition has been identified that is likely to exist or develop on other airplanes of the same

type design registered in the United States, the proposed AD would require repetitive detailed visual inspections and tests for damage of the engine power cables, and replacement of any damaged cable with a new cable. The actions would be required to be accomplished in accordance with the service bulletin described previously.

Operators should note that, unlike the procedures recommended in the referenced Jetstream service bulletin, this proposed rule would not permit further flight after detection of any cable that is found with one wire broken in any strand. Instead, this proposed rule would require, prior to further flight, repair of the cable in accordance with the service bulletin. The FAA finds that an adequate level of safety for the affected fleet requires that damaged cables must be replaced prior to further flight. The FAA has determined that, in cases where certain known unsafe conditions exist, and where actions to detect and correct that unsafe condition can be readily accomplished, those actions must be required.

As a result of recent communications with the Air Transport Association (ATA) of America, the FAA has learned that, in general, some operators may misunderstand the legal effect of AD's on airplanes that are identified in the applicability provision of the AD, but that have been altered or repaired in the area addressed by the AD. The FAA points out that all airplanes identified in the applicability provision of an AD are legally subject to the AD. If an airplane has been altered or repaired in the affected area in such a way as to affect compliance with the AD, the owner or operator is required to obtain FAA approval for an alternative method of compliance with the AD, in accordance with the paragraph of each AD that provides for such approvals. A note has been included in this notice to clarify this long-standing requirement.

The FAA estimates that 10 airplanes of U.S. registry would be affected by this proposed AD, that it would take approximately 2 work hours per airplane to accomplish the proposed actions, and that the average labor rate is \$60 per work hour. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$1,200, or \$120 per airplane.

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

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 proposed regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under the 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 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 USC 106(g), 40101, 40113, 44701.

2. Section 39.13 is amended by adding the following new airworthiness directive:

**Jetstream Aircraft Limited (Formerly British Aerospace Commercial Aircraft Limited):** Docket 94-NM-212-AD.

*Applicability:* Model ATP airplanes, constructor's numbers 2002 through 2063 inclusive; 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 use the authority provided in paragraph (c) of this AD to request approval from the FAA. This

approval may address either no action, if the current configuration eliminates the unsafe condition; or different actions necessary to address the unsafe condition described in this AD. Such a request should include an assessment of the effect of the changed configuration on the unsafe condition addressed by this AD. In no case does the presence of any modification, alteration, or repair remove any airplane from the applicability of this AD.

**Compliance:** Required as indicated, unless accomplished previously.

To prevent loss of function of the power control levers on the console and subsequent loss of normal control of engine power due to failure of the engine power cables, accomplish the following:

(a) Perform a detailed visual inspection and tests for damage of the engine power cables, in accordance with Jetstream Service Bulletin ATP-76-16, dated October 14, 1994, at the earlier of the times specified in paragraphs (a)(1) and (a)(2) of this AD. Thereafter repeat this inspection and tests at intervals not to exceed 1,000 landings.

(1) Prior to the accumulation of 1,000 total landings on the engine power cable, or within 200 landings after the effective date of this AD, whichever occurs later.

(2) Within 75 days after the effective date of this AD.

(b) If any damaged engine power cable is found, prior to further flight, replace the damaged engine power cable with a new cable in accordance with the Jetstream Service Bulletin ATP-76-16, dated October 14, 1994. Thereafter, repeat the inspection and tests required by paragraph (a) of this AD at intervals not to exceed 1,000 landings.

(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 7, 1995.

**D.L. Riggins,**

*Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.*

[FR Doc. 95-22717 Filed 9-12-95; 8:45 am]

BILLING CODE 4910-13-U

#### 14 CFR Part 71

[Airspace Docket No. 95-ANM-18]

#### Proposed Establishment of Class E Airspace; Baker, MT

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This proposed rule would establish the Baker, Montana, Class E airspace. If established, the airspace would accommodate a new instrument approach procedure at Baker Municipal Airport, Baker, Montana. The area would be depicted on aeronautical charts for pilot reference.

**DATES:** Comments must be received on or before October 13, 1995.

**ADDRESSES:** Send comments on the proposal in triplicate to: Manager, System management Branch, ANM-530, Federal Aviation Administration, Docket No. 95-ANM-18, 1601 Lind Avenue SW., Renton, Washington, 98055-4056.

The official docket may be examined at the same address.

An informal docket may also be examined during normal business hours at the address listed above.

**FOR FURTHER INFORMATION CONTACT:** James Frala, ANM-535/A, Federal Aviation Administration, Docket No. 95-ANM-18, 1601 Lind Avenue SW., Renton, Washington 98055-4056; telephone number: (206) 227-2535.

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire.

Comments that provide the factual basis support in the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy related aspects of the proposal.

Communications should identify the airspace docket number and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made:

"Comments to Airspace Docket No. 95-ANM-18." The postcard will be date/time stamped and returned to the commenter. All communications received on or before the specified

closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available for examination at the address listed above both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

#### Availability of NPRM's

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, System management Branch, ANM-530, 1601 Lind Avenue SW., Renton, Washington 98055-4056. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRM's should also request a copy of Advisory Circular No. 11-2A, which describes the application procedure.

#### The Proposal

The FAA is considering an amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) to establish Class E airspace at Baker, Montana, to accommodate a new instrument approach procedure at Baker Municipal Airport. The area would be depicted on aeronautical charts for pilot reference. The coordinates for this airspace docket are based on North American Datum 83. Class E airspace areas extending upward from 700 feet or more above the surface of the earth are published in Paragraph 6005 of FAA Order 7400.9B dated July 18, 1994, and effective September 16, 1994, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designation listed in this document would be published subsequently in the Order.

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore, (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) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, will not have a significant economic impact on a