State Public Utility Commissions) having jurisdiction over rate regulation. The requirements of this section, in particular paragraph (c), are in addition to, and not substitution for, other requirements, and are not intended to be used, by themselves, by other agencies to establish rates.

(b) Each power reactor applicant for or holder of an operating license for a production or utilization facility of the type and power level specified in paragraph (c) of this section shall submit a decommissioning report, as required by 10 CFR 50.33(k) of this part containing a certification that financial assurance for decommissioning will be provided in an amount which may be more but not less than the amount stated in the table in paragraph (c)(1) of this section, adjusted annually using a rate at least equal to that stated in paragraph (c)(2) of this section, by one or more of the methods described in paragraph (e) of this section as acceptable to the Commission. The amount stated in the applicant's or licensee's certification may be based on a cost estimate for decommissioning the facility. As part of the certification, a copy of the financial instrument obtained to satisfy the requirements of paragraph (e) of this section is to be submitted to NRC.

* * * * *

(d) Each non-power reactor applicant for or holder of an operating license for a production or utilization facility shall submit a decommissioning report as required by 10 CFR 50.33(k) of this part containing a cost estimate for decommissioning the facility, an indication of which method or methods described in paragraph (e) of this section as acceptable to the Commission will be used to provide funds for decommissioning, and a description of the means of adjusting the cost estimate and associated funding level periodically over the life of the facility.

(e)(1) * * *

(i) Prepayment. Prepayment is the deposit prior to the start of operation into an account segregated from licensee assets and outside the licensee's administrative control of cash or liquid assets such that the amount of funds would be sufficient to pay decommissioning costs. Prepayment may be in the form of a trust, escrow account, government fund, certificate of deposit, or deposit of government securities. A licensee may take credit on earnings on the prepaid decommissioning trust funds using a 2 percent annual real rate of return from the time of the funds' collection through the decommissioning period, if the licensee's rate-setting authority does not authorize the use of another rate.

(ii) External sinking fund. An external sinking fund is a fund established and maintained by setting funds aside periodically in an account segregated from licensee assets and outside the licensee's administrative control in which the total amount of funds would be sufficient to pay decommissioning costs at the time termination of operation is expected. An external sinking fund may be in the form of a trust, escrow account, government fund, certificate of deposit, or deposit of government securities. A licensee may take credit for earnings on the external sinking funds using a 2 percent annual real rate of return from the time of the funds' collection through the decommissioning period, if the licensee's rate-setting authority does not authorize the use of another rate.

* * * * *

(3) For an electric utility, its rates must be sufficient to recover the cost of the electricity it generates, transmits, or distributes. These rates must be established by a regulatory authority such that they are sufficient for the licensee to operate, maintain, and decommission its plant safely. The Commission reserves the right to take the following steps in order to assure a licensee's adequate accumulation of decommissioning funds: review, as needed, the rate of accumulation of decommissioning funds; and either independently or in cooperation with either the FERC and the State PUC's, take additional actions as appropriate on a case-by-case basis, including modification of a licensee's schedule for accumulation of decommissioning funds. Acceptable methods of providing financial assurance for decommissioning for an electric utility are—

* * * * *

(f)(1) Each power reactor licensee shall report to the NRC within 9 months after [the effective date of the final rule], and at least once every 2 years thereafter on the status of its decommissioning funding for each reactor facility or part of a reactor facility that it owns. The information in this report must include, at a minimum: the amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c); the amount accumulated to the date of the report; a schedule of the annual amounts remaining to be collected; the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings in decommissioning trust funds, and rates of other factors (e.g., discount rates) used in funding projections; and any modifications occurring to a licensee's current trust agreement since the last submitted report. Any licensee for a plant that is within 5 years of the projected end of its operation shall submit such a report annually.

* * * * *

Dated at Rockville, Maryland, this 4th day of September, 1997.

For the Nuclear Regulatory Commission.

John C. Hoyle,

Secretary of the Commission.

[FR Doc. 97–23962 Filed 9–9–97; 8:45 am]

BILLING CODE 7590–01–P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

14 CFR Part 255

[Docket No. OST–97–2881; Notice No. 97–9]

RIN 2105–AC65

Computer Reservations System (CRS) Regulations

AGENCY: Office of the Secretary, Transportation

ACTION: Advance notice of proposed rulemaking

SUMMARY: The Department is initiating this rulemaking to determine whether it should continue or modify its existing rules governing airline computer reservations systems (CRSs). Unless extended by the Department, the existing rules (14 CFR part 255) will expire on December 31, 1997. It is the Department's preliminary position that the rules should be continued, probably with revisions.

DATES: Comments must be submitted on or before November 10, 1997. Reply comments must be submitted on or before December 9, 1997.

ADDRESSES: Comments must be filed in Room PL–401, Docket 49812, U.S. Department of Transportation, 400 7th St. S.W., Washington , D.C. 20590. Late filed comments will be considered to the extent possible. To facilitate consideration of comments, each commenter should file six copies of its comments.

FOR FURTHER INFORMATION CONTACT: Thomas Ray, Office of the General Counsel, 400 Seventh St. SW., Washington, DC 20590, (202) 366–4731.

SUPPLEMENTARY INFORMATION: The Department adopted its rules governing CRS operations—14 C.F.R. part 255—because CRSs had become essential for

the marketing of airline services for almost all airlines operating in this country. We found that the rules were necessary to ensure that the owners of the systems—all of which were airlines or airline affiliates—did not use them to unreasonably prejudice the competitive position of other airlines or to provide misleading or inaccurate information to travel agents and their customers. Our rules include a sunset date, December 31, 1997, so they will expire unless we readopt them after examining whether they are still necessary. We are beginning this proceeding to determine whether we should readopt the rules and, if so, with what modifications.

The CRS Business

A CRS consists of a periodically-updated central database that contains information on the travel services sold through the system. Subscribers (mainly travel agents) access the CRS through computer terminals, which are usually leased from the system. Consumers may also access a CRS through an on-line computer service or the Internet.

The most important service sold through a system is airline transportation, but a system user can also obtain information and conduct transactions for rental cars, hotels, and other travel services.

A CRS enables users to find out what airline seats and fares are available, to book a seat, and to issue a ticket on each airline that ''participates'' in the system, that is, that makes its services saleable through the CRS. Airlines participating in a system pay a fee whenever someone uses the system to make a booking on that airline (most of the systems also charge fees for related transactions, such as booking changes and cancellations). Other travel suppliers pay similar types of fees. The systems also charge many travel agency subscribers for using a CRS, although subscriber fees, unlike airline fees, are disciplined by competition and typically have been relatively small (and even offset by large bonuses for using a system). In the past each airline owning a system also benefited when travel agencies used its system, because those agencies made more bookings on that airline than they would have made if they had used a system that was not affiliated with that airline (this is the ''halo effect''). The size of the halo effect has apparently shrunk in recent years, in large part because the functionality offered by the systems for the owner airlines and other participating airlines has become more equal.

Four CRSs—each affiliated with one or more U.S. airlines—operate in the United States. The largest system, Sabre, is primarily owned by the parent corporation of American Airlines. Apollo, the second largest system, is operated by Galileo International, whose airline owners are United Air Lines, US Airways, Air Canada, and several European airlines. Both Sabre and Galileo International have public shareholders. Worldspan is owned by Delta Air Lines, Northwest Airlines, Trans World Airlines, and Abacus, a group of Asian airlines. The fourth system is Amadeus, a major European system primarily owned by Lufthansa, Air France, Iberia, and Continental Air Lines; Amadeus acquired System One, a system formerly controlled by an affiliate of Continental.

We found in our last major CRS rulemaking, completed in 1992, that CRSs had become essential for the marketing of the services of virtually all airlines. With the exception of Southwest Airlines and a few other low-fare carriers, all U.S. airlines had found it essential to distribute their services through each of the four CRSs operating in the United States because of the importance of travel agencies in the distribution of airline services and each travel agency's predominant use of a single system. 57 FR 43780, 43783–43784 (September 22, 1992).

In recent years seventy percent of all airline bookings in the United States have been made by travel agencies, and travel agencies rely almost entirely on CRSs to determine what airline services are available and to make reservations for their customers. Travel agencies rely so much on CRSs because of their efficiency. 57 FR at 43782. If travel agency offices commonly used several CRSs, travel agents would be able to obtain information and make bookings on a carrier even if the carrier participated in only some of the four systems. Each travel agency office, however, generally uses only one system for the great majority of its bookings. 57 FR at 43783.

An airline's ability to sell its services will be significantly impaired if its services are not displayed and offered for sale in each CRS used by a significant number of travel agents. If the airline does not participate in one system, the travel agents using that system must call the airline to obtain information and make bookings, which is substantially less efficient than using a CRS. Travel agents are less likely to book an airline when doing so is significantly more difficult than booking another airline that does participate in the agents' CRS. As a result, the non-participating airline will receive fewer bookings than it would have obtained if it participated in the agents' system. Because of the importance of marginal revenues in the airline industry, a loss of a few bookings on each flight is likely to substantially reduce the airline's profitability. 57 FR at 43783–43784.

An airline can try to mitigate the loss of bookings caused by non-participation in a system by establishing a direct electronic link between the travel agencies using that system and its own internal reservations system, but doing so is expensive and potentially less convenient for travel agents. An airline cannot create its own CRS, for entry into the CRS business would be extremely costly and the airline would have difficulty obtaining a significant market share. 57 FR at 43782–43784.

Airlines could exert some competitive pressure on the systems if they could encourage travel agencies to use one system instead of another, but that has appeared to be impracticable.

More recently, as explained below, airlines, travel agencies, and some systems have created new booking services that are accessible directly by consumers through the Internet. While the use of these services is growing rapidly, consumers make relatively few bookings through these services. Moreover, these services, except for the websites offered by individual airlines, use a CRS as their booking engine, so the growth in Internet bookings may not necessarily reduce airline dependence on CRSs.

History of the Department's Regulation of CRSs

CRSs became essential for airline distribution in the early 1980s. Each system's owner airline used its system to prejudice airline competition and give consumers misleading or incomplete information in order to obtain more bookings. These factors caused the agency formerly responsible for the economic regulation of airlines, the Civil Aeronautics Board (''the Board''), to adopt rules governing the operations of airline-affiliated CRSs. 49 FR 32540 (August 15, 1984). The Board based its CRS regulations primarily on its authority under section 411 of the Federal Aviation Act, later recodified as 49 U.S.C. 41712, to prevent unfair methods of competition and unfair and deceptive practices in air transportation and the marketing of airline transportation. On review the Seventh Circuit upheld the Board's rules. *United Air Lines* v. *CAB, 766 F.2d 1107 (7th Cir. 1985).*

The Board's major rules required each system to make participation available to all airlines on non-discriminatory terms, to offer at least one unbiased display, and to make available to each

airline participant any marketing and booking data from bookings for domestic travel that it chose to generate from its system. The Board's rules also prohibited certain contract terms that restricted the travel agencies' ability to choose between systems. For example, the Board fixed the maximum term for travel agency contracts at five years.

After the Board's sunset on December 31, 1984, we assumed the Board's responsibilities for airline regulation, including its regulation of CRSs.

The Board included a sunset date of December 31, 1990, in its rules to ensure that we would reexamine the need for the rules and the rules' effects. We initially conducted a study of the rules and the CRS business as part of the Secretary's study of domestic airline competition. Secretary's Task Force on Competition in the U.S. Domestic Airline Industry, *Airline Marketing Practices: Travel Agencies, Frequent-Flyer Programs, and Computer Reservation Systems* (February 1990).

We then conducted a rulemaking proceeding to reexamine the rules. 54 FR 38870 (September 21, 1989) (advance notice of proposed rulemaking); 56 FR 12586 (March 26, 1991) (notice of proposed rulemaking); and 57 FR 43780 (September 22, 1992) (the final rule). While we were completing our rulemaking, we extended the expiration date of the Board's rules so that they remained in effect until we adopted revised rules. 55 FR 53149 (December 27, 1990); 56 FR 60915 (November 29, 1991); 57 FR 22643 (May 29, 1992).

In finding that CRS rules remained necessary to promote airline competition, we determined that market forces still did not discipline the price or level of service offered participating airlines by the systems, that CRS owners would still use their control of the systems to prejudice airline competition if there were no rules, and that systems could still bias their displays of airline services if there were no rules requiring unbiased displays. 57 FR at 43783–43787.

We therefore maintained the Board's rules, which we strengthened in some respects. In determining which rules to adopt, we attempted to adopt rules that would promote competition in the CRS business and thereby make detailed regulation less necessary. In particular, we adopted rules (i) giving travel agencies the right to use third-party equipment and software in conjunction with a CRS (each vendor generally had required its subscribers to lease equipment from itself and limited their ability to use programs produced by independent firms), and (ii) giving agencies the right to use their CRS terminals (unless owned by the vendor) to access other CRSs and sources of airline information. Sections 255.9. We adopted these rules because vendors had barred travel agencies from using their terminals to access any other system or database, a restriction which discouraged agencies from using multiple systems. We hoped that the rules would make it likely that travel agencies would begin using multiple systems and databases, which would give airlines alternate electronic methods for providing travel agencies with information and booking capabilities and thereby create some competition for the systems. 57 FR at 43797. We similarly prohibited certain types of travel agency contracts that unreasonably limited an agency's ability to use more than one system. Section 255.8.

We also adopted rules (i) requiring each airline with a significant CRS ownership interest to participate in each other system at a level equal to its level of participation in its own system, if the other system's participation terms were commercially reasonable, (ii) requiring systems to offer participating airlines functionality that was more comparable to that offered owner airlines, and (iii) requiring systems to make marketing and booking data derived from bookings for international travel available to participating airlines. Sections 255.5, 255.7, and 255.10.

However, our rules did not address all of the complaints made by non-vendor carriers, the smaller CRSs, and the travel agencies. Some of the complaints were not valid. Others were valid, but neither we nor the commenters could devise workable and cost-effective rules that would solve the problems. For example, we adopted no rule limiting the level of booking fees, even though we found that they were not disciplined by competition, because each of the parties' suggested rules on limiting booking fee levels had serious flaws. 57 FR at 43816–43817.

To ensure that we would reexamine the need for our rules and their effectiveness, we included a sunset date, December 31, 1997, in our rules. 14 C.F.R. 255.12; 57 FR at 43829–43830 (September 22, 1992). If we do not readopt the rules or extend their expiration date, the rules will end on that date.

Our staff has begun a study of the CRS business and airline marketing practices. See Order 94–9–35 (September 26, 1994).

Industry Developments

There have been changes in the CRS business and airline marketing practices since our last major CRS rulemaking. We are examining those developments in our study, and we will take our study's findings into consideration in this rulemaking.

One important development is the creation of booking sites on the Internet for use by consumers. A number of airlines have created websites, as have many travel agencies and some CRSs. Although several on-line computer services have been offering electronic booking capabilities to consumers for some time, the Internet sites have created new avenues for direct bookings by consumers. Moreover, several of the airline websites offer consumers discount fares that are not available through other distribution channels. Some industry experts believe that the Internet will in time significantly reduce the importance of CRSs.

Another development—electronic ticketing—has made direct bookings by consumers more attractive and economical for both travellers and airlines. Travellers using electronic tickets no longer need paper tickets. Before the development of electronic ticketing, travellers making bookings electronically still needed to obtain a ticket either by mail or in person from a travel agent, an airline sales office, or the check-in counter at the airport. The need to obtain a paper ticket limited the efficiency advantages for consumers—and airlines—of making bookings electronically.

In addition, several new low-cost airlines began operations without participating in any CRS. Those airlines believed that avoiding CRS participation—and the payment of booking fees—would help lower their distribution costs and thereby improve their ability to offer fares lower than those offered by the more established airlines, which relied on travel agencies and CRSs for distributing their services. The low-cost airlines' strategy of avoiding CRS participation initially suggested that airlines might be able to develop alternative distribution methods that might discipline the prices and quality of service offered by the systems. However, this may not occur. Some of these low-cost airlines—Western Pacific and ValuJet, for example—have announced plans to make their services available through CRSs, and other low-cost airlines—Reno and Frontier, for example—have always relied on CRS participation in their marketing.

Regulatory Developments Since Our Adoption of Revised Rules

In view of the continuing changes in the CRS business and airline marketing practices and of requests by some airline and travel agency firms for further revisions in our rules, we began a study of CRSs and airline marketing. Order 94–9–35 (September 26, 1994). We intend to complete the study later this year and to use it as a basis for our analysis of the issues in this proceeding. We will place a copy of the study in the docket for this rulemaking when we publish it.

We have begun two rulemakings on specific CRS issues. We have proposed a rule prohibiting each system from imposing contract terms on participating airlines that require an airline to participate in a system at at least as high a level as the airline participates in any other system. We tentatively concluded that such ''parity'' clauses unreasonably reduce competition in the CRS and airline industries. We asked, however, whether we should allow a system to enforce such a clause against an airline that owns or markets a competing system. 61 FR 42197 (August 14, 1996).

We also proposed revisions to our rules on CRS displays to promote airline competition and ensure that travel agents and their customers can obtain a reasonable display of airline services. Our proposals would require each system to offer at least one display without an on-line preference, require every display to be based on criteria rationally related to consumer preferences, and bar systems from creating displays that neither use elapsed time as a significant factor in selecting flights from the database nor give single-plane flights a preference over connecting flights in ranking flights. 61 FR 42208 (August 14, 1996).

We have been analyzing the comments filed in response to these two notices of proposed rulemaking and intend to issue a final decision soon in those two rulemakings.

In addition, pending before us is an enforcement proceeding resulting from a third-party complaint filed by Northwest against American and Sabre Travel Information Network. Docket OST–95–430. The case involves American's distribution to Sabre travel agencies of a program developed by Sabre that causes American flights to be given a preferential display position. Northwest and our enforcement office argue that American's distribution of this program violates our CRS rules and 49 U.S.C. 41712 and have asked us to reverse an administrative law judge's decision that held that American's conduct was lawful.

We are aware that other CRS practices trouble many airlines and travel agencies and some CRS firms. For example, a number of airlines object to the continuing increases in booking fees and the airlines' inability to exert any check on those increases. A related matter concerns the dispute between some participating airlines and one or more systems over the systems' imposition of booking fees on transactions that participating airlines believe are of no benefit to them. See, *e.g., Travel Distribution Report* (April 24, 1997), at 1. Many travel agencies and some systems believe that the airline owners of some systems unfairly tie an agency's access to attractive discount fares offered by the airline to the agency's subscription to the airline's CRS. The growth of Internet booking sites has led to requests that we extend the coverage of at least some of our rules to such booking sites. See, *e.g.*, the comments filed by Amadeus in the parity clause rulemaking docket, Docket OST–96–1145. In addition, American and TWA have filed petitions for a rule prohibiting the multiple listing of a single flight under different airline codes as a result of code-sharing agreements. Dockets 49620 and 49622.

Request for Comments

We are issuing this advance notice of proposed rulemaking to invite comments on whether we should readopt the rules and, if so, with which changes. Despite the developments in airline distribution and the CRS business, we tentatively believe that each of the systems continues to have market power over airline participants and that the terms of airline participation are not affected by market forces. See, *e.g.*, 61 FR at 42198. As in our last major CRS rulemaking, the principal statutory authority for this rulemaking is 49 U.S.C. 41712, which authorizes us to define and prohibit unfair methods of competition and unfair and deceptive practices in air transportation and the marketing of air transportation.

We will examine whether the regulation of CRS operations remains necessary. We also intend to review whether our rules have been effective in promoting competition in the airline and CRS businesses and in enabling consumers and their travel agents to obtain accurate and complete information and, if not, why not and whether they can be revised to make them effective.

In determining which, if any, CRS rules should be adopted, we intend to focus as much as possible on rule proposals that will increase competitive market forces in the CRS industry rather than on proposals for detailed regulation of CRS practices. We took this approach in our last major CRS rulemaking. See, *e.g.*, 57 FR at 43781.

We ask the commenters to address the following issues:

1. Should the rules be continued? If so, for how long? Should another review be required and, if so, when? Commenters who recommend that the rules should not be continued should address the consequences of that recommendation on airlines, competition among the systems, travel agencies, and the public.

2. Have the rules been effective? Are the rules adequate and appropriate in light of technological changes, changes in business conditions in the airline and travel industries, and the rise of Internet and on-line computer services that enable consumers to make bookings?

3. In those areas where commenters believe that the rules have not been effective, should provisions be deleted or modified and, if modified, how? Commenters should address how the rules have been effective or ineffective in detail.

4. Do the changes in ownership of the systems (all now have multiple owners and at least one is owned in part by the public) require changes in our approach to regulation or in individual rules? Should we reexamine our jurisdictional and analytical bases for regulating CRSs, which rely on the ownership of each system by one or more airlines and airline affiliates? Do the decisions by some airline owners to reduce their CRS ownership interests indicate that there is less need for CRS regulation?

5. Have the rules allowing travel agencies to use third-party hardware and software and to use terminals not owned by a system to access other travel databases had any impact? Should the rules be changed to make it easier for travel agencies to use third-party hardware and software and to access other databases? For example, should the exception allowing vendors to restrict the use of vendor-owned equipment be eliminated? Do one or more dominant airlines affiliated with a CRS use their market power in any regional airline market to deter or block agencies from exercising their rights under these rules? Do systems otherwise impose contract terms that unreasonably deter agencies from acquiring their own equipment or otherwise using multiple databases or systems?

6. Does the mandatory participation rule (section 255.7) strengthen or weaken competition in the airline and

CRS businesses? Should the rule be modified to create areas where airlines with CRS ownership interests would have some ability to choose which services to buy from other systems? Should the rule instead be extended to cover airlines that market a system? Should the rule be extended to include matters like access to corporate discount fares?

7. In the parity clause rulemaking, Delta Air Lines has contended that we should bar systems from requiring participation in the booking services offered through Internet sites as a condition to participation in the services offered travel agency subscribers. What impact would Delta's proposal have on airline and CRS competition? Does the use of CRSs as booking engines by many Internet websites raise other issues that should be addressed in the rules?

8. Do the systems' display algorithms injure airline competition and, if so, how? If so, how could we prevent those injuries without engaging in a detailed regulation of the systems' criteria for editing and ranking their displays?

9. Does our rule requiring each system to make available to participating airlines all of the marketing and booking data generated by the system from bookings (section 255.10) benefit airline competition? Are system owners or other airlines using the data in ways that may prejudice airline competition? If so, how should the rule be changed?

10. We adopted a rule that generally requires each system to make available to participating airlines the same functionality used by its owner airlines (section 255.5). Has this rule been effective? Are there any remaining significant differences in functionality that affect airline competition?

11. Should we address the issues of booking fee levels and the structure of booking fees? If so, is there a practicable method for regulating the level of booking fees? Is there a way to bring market forces to bear on the terms on which airlines participate in CRSs?

12. Do the systems inappropriately charge airlines for agency transactions that are unnecessary or valueless for airline participants? Do the systems use subscriber contract terms, such as productivity pricing, that may encourage unnecessary transactions by some agencies and lead to increased booking fee costs for airline participants? If such problems exist, should we adopt rules in this area? Parties commenting on this issue should explain why airlines can or cannot stop illegitimate or unnecessary travel agency transactions by taking action against travel agencies that choose to conduct such transactions.

13. In the past we have reasoned that promoting the systems' competition for subscribers should usually promote airline competition, although increased competition for subscribers may lead to increased CRS costs for participating airlines. Does such competition among the systems benefit airline participants? Do systems use subscriber contract terms that adversely affect competition in the CRS or airline industries? If so, how could the rules be changed to eliminate such adverse effects?

14. Some industry participants have asserted that some of the major airlines with CRS ownership interests coerce travel agencies at their hubs into using their systems and thereby unreasonably limit competition in both the CRS and airline industries. Are these assertions true? If they are, are there any practicable rules that could be adopted that would limit or eliminate such practices?

15. The overseas marketing efforts of some CRSs have been frustrated by discriminatory conduct by foreign airlines and other travel suppliers that own or market a competing CRS in their home countries. Section 255.11(b) of our rules already exempts a CRS from complying with certain rule requirements in response to some types of discriminatory conduct by a foreign CRS. Should our rules be revised to strengthen a U.S. system's ability to take countermeasures against such discrimination?

We will, of course, consider all of the factual and legal issues presented by the commenters that relate to our decision on whether to readopt or revise the rules. We do not intend our list of questions to foreclose commenters from raising other issues, and we will consider all proposals suggested by the parties in this proceeding.

We anticipate that some parties will urge us to extend the coverage of at least some of our CRS rules to airline information and booking services available to consumers through the Internet. If such requests are made, the parties should discuss them in light of the differences between the way CRSs and Internet services are typically used by consumers. While consumers can directly use Internet sites, consumers relying on travel agencies for information and advice do not see the CRS displays used by the travel agent. Travel agencies hold themselves out as unbiased sources of information, while many websites do not. In finding a need for CRS regulation we have cited such factors as the usual practice of travel agencies of using only one system, the difficulties for travel agencies of switching systems or using more than one system, and the time pressures on travel agents that tend to cause them to book one of the first flights shown on a display, even if flights displayed later may better suit the traveller's needs. 57 Fed. Reg. at 43783, 43785–43786. These factors seem unlikely to be true for consumer use of Internet booking sites. Parties who want us to regulate Internet services, whether or not they exclude sites created by a single airline, should explain why we should take such action, given these differences. Parties who object to such proposals should also address these differences and any other relevant differences between CRSs and Internet booking sites.

Similarly, parties arguing that our rules should either be cut back or extended to Internet sites in order to equalize the competitive burden should explain why the regulations governing CRSs used by travel agencies place the systems at a competitive disadvantage compared to booking services offered through the Internet.

We plan to resolve the issues presented by our notices of proposed rulemaking on parity clauses, Docket OST–96–1145, and on CRS displays, Docket OST–96–1639, in those proceedings. We are aware, of course, that the commenters on those proposals have asserted that we should adopt additional rules that were not proposed in our notices of proposed rulemaking, such as, for example, possible changes to the mandatory participation rule. Those rule proposals should be raised in this proceeding.

In addition, any party that wishes to propose rules affecting the display of code-sharing services is free to do so in this docket.

Finally, we do not intend to consider in this proceeding air transportation issues that are not closely related to CRS practices. While our major goal in regulating CRS practices has been the promotion of airline competition, we will not consider all airline competition issues in this docket. As a result, we do not plan to focus in this proceeding on such issues as the competitive effects of override commissions or code-sharing, notwithstanding the potential importance of those issues.

Timetable for Proceeding

As noted above, our current rules will expire on December 31, 1997, if we do not extend them before that expiration date. Given the time required for completing this rulemaking, including the need to give parties an adequate opportunity to file comments and reply comments in response to this notice and

to our future notice of proposed rulemaking, we will not be able to complete this rulemaking by the current expiration date of our rules. We therefore intend to issue a notice of proposed rulemaking to extend the existing rules while we complete this rulemaking.

We currently intend to complete our pending study of the CRS business and airline marketing practices before we issue a notice of proposed rulemaking in this proceeding. We note that we followed a similar procedure in our last major CRS rulemaking.

Regulatory Process Matters

Regulatory Assessment

Our CRS rules were a significant regulatory action under section 3(f) of Executive Order 12866 and were reviewed by the Office of Management and Budget under that order. As required by section 6(a)(3) of that Executive Order, we prepared an assessment of the rules' costs and benefits. The rules were also significant under the regulatory policies and procedures of the Department of Transportation, 44 FR 11034.

At this point, we do not know whether we will propose new rules that would have a substantial impact and would thus be considered significant under the Executive Order.

The comments submitted in response to this notice should address the potential effects any changes would have on the economy, costs or prices for consumers and the government, and adverse effects on competition.

We do not expect that this rulemaking will impose unfunded mandates or requirements that will have any impact on the quality of the human environment.

Regulatory Flexibility Analysis

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601 *et seq.*, was enacted by Congress to ensure that small entities are not unnecessarily and disproportionately burdened by government regulations. The act requires agencies to review proposed regulations that may have a significant economic impact on a substantial number of small entities. For purposes of this rule, small entities include smaller U.S. and foreign airlines and smaller travel agencies.

Any rules adopted by us regulating CRS operations are likely to affect the operations of many small entities, primarily travel agencies, even though they would not be regulated directly if we readopted the existing rules. When we publish a notice of proposed rulemaking in this proceeding, we will include an initial regulatory flexibility analysis as required by the Regulatory Flexibility Act.

That act also requires each agency to periodically review rules which have a significant economic impact upon a substantial number of small entities. 5 U.S.C. 610. This rulemaking will constitute the required review of our CRS rules.

Paperwork Reduction Act

The current rules contain no collection-of-information requirements subject to the Paperwork Reduction Act, Public Law No. 96–511, 44 U.S.C. Chapter 35. See 57 F.R. at 43834.

Federalism Implications

This request for comments will have no 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 12812, we have determined that it does not present sufficient federalism implications to warrant preparation of a Federalism Assessment.

List of Subjects in 14 CFR Part 255

Air carriers, Antitrust, Consumer protection, Reporting and recordkeeping requirements, Travel agents.

Issued in Washington, DC on August 28, 1997.

Rodney E. Slater,

Secretary of Transportation.

[FR Doc. 97–23944 Filed 9–9–97; 8:45 am]

BILLING CODE 4910–62–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

15 CFR Part 922

[Docket No. 970404078–7078–01]

RIN 0648–AE41

Proposed Thunder Bay National Marine Sanctuary

AGENCY: Sanctuaries and Reserves Division (SRD), Office of Ocean and Coastal Resource Management (OCRM), National Ocean Service (NOS), National Oceanic and Atmospheric Administration (NOAA), Department of Commerce (DOC).

ACTION: Proposed rule; extension of comment period.

SUMMARY: The National Oceanic and Atmospheric Administration's Sanctuaries and Reserves Division (NOAA/SRD) issued a proposed rule on June 23, 1997 (62 FR 33768) to designate an approximately 808 square-mile area of Great Lakes waters on Lake Huron, Michigan, over and surrounding Thunder Bay, and the submerged lands thereunder, off the northeastern coast of the State of Michigan, as a National Marine Sanctuary. The original public comment period on this proposal was to close on September 22, 1997. During July 1997, representatives of a variety of interests in the communities adjoining the proposal area formed a group to work with NOAA and the State of Michigan on completion of the process to consider the designation of Thunder Bay as a National Marine Sanctuary. Those communities requested additional time to review the proposal and to develop recommendations for NOAA and the State. On July 23, 1997, NOAA extended the public comment period through October 31, 1997 (62 FR 39494). Pursuant to requests from community representatives, a Sanctuary Advisory Council (SAC) has been established to facilitate public review and discussion of the proposal, and to make written recommendations to NOAA and the State of Michigan regarding various alternatives, and other comments on the Draft Environmental Impact Statement/Draft Management Plan by October 3, 1997. The SAC conducted its first meeting on August 26, 1997, and has recommended an additional extension to the comment period, to allow time for completion of the SAC's responsibilities. NOAA has adopted this recommendation. This notice extends the comment period through November 14, 1997.

DATES: Comments on the DEIS/DMP must be received by November 14, 1997.

ADDRESSES: Written comments should be sent to Ellen L. Brody, On-Site Liaison, Thunder Bay Project, Sanctuaries and Reserves Division, National Oceanic and Atmospheric Administration, Great Lakes Environmental Research Laboratory (GLERL), 2205 Commonwealth Boulevard, Ann Arbor, Michigan 48105–2945. Comments will be available for public inspection at the GLERL offices.

FOR FURTHER INFORMATION CONTACT: Karen Brubeck at (616) 526–8434, Ellen Brody at (313) 741–2270, or Sherrard Foster at (301) 713–3137, ext. 151.