Aircraft type	FD/AP system	KSA 470 Part No.	Location
Raytheon 400 Series	KFC 400	065–0076–11	Yaw axis.
		065–0076–15	Roll axis.
Raytheon 200 Series	KFC 400	065–0076–11	Yaw axis.
Raytheon 300 Series	KFC 400	065–0076–15	Yaw axis.
Raytheon 350 Series	KFC 400	065–0076–15	Yaw axis.
Dassault Falcon 20	KFC 400	065–0076–15	Pitch axis.
		065–0076–15	Roll axis.
Fairchild C26A/C26B	KFC 400	065–0076–11	Yaw axis.
Fairchild SA227–AC/AT/BC/CC/DC	KFC 400	065–0076–15	Roll axis.
Learjet 31A	KFC 3100	065–0076–12	Pitch axis.
		065–0076–14	Yaw axis.
		065–0076–15	Roll axis.
Lockheed S–2 Tracker	KFC 325	065–0076–10	Special.
Piper 400LS and PA–42–1000	KFC 400	065–0076–15	Yaw axis.

Note 2: This AD applies to each aircraft identified in the preceding applicability provision that incorporates one of the affected actuators, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For aircraft that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (d) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required within the next 100 hours time-in-service after the effective date of this AD, unless already accomplished.

To prevent the servo actuator roll pins from becoming loose; falling out; becoming lodged in the output shaft clutch mechanism; and preventing this mechanism from disengaging, which could result in increased effort by the pilot to control the aircraft and possible loss of control of the affected flight control axis, accomplish the following:

(a) Replace the autopilot servo actuator with an actuator that incorporates Mod 3 in accordance with the applicable maintenance manual. This modification changes the size of the servo actuator roll pin holes to assure that the pins do not become loose and fall out.

(b) As of the effective date of this AD, no person may install, on aircraft, one of the affected servo actuators that does not incorporate Mod 3.

(c) 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.

(d) An alternative method of compliance or adjustment of the compliance time that provides an equivalent level of safety may be approved by the Manager, Wichita Aircraft Certification Office (ACO), 1801 Airport Road, Room 100, Mid-Continent Airport, Wichita, Kansas 67209. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Wichita ACO.

Note 3: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Wichita ACO.

(e) All persons affected by this directive may obtain copies of the documents referred to herein upon request to AlliedSignal Aerospace, Technical Publications, Department 65–70, P.O. Box 52170, Phoenix, Arizona 85072–2170; or may examine these documents at the FAA, Central Region, Office of the Regional Counsel, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Issued in Kansas City, Missouri, on December 10, 1997.

Michael Gallagher,

Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 97–33146 Filed 12–18–97; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 97–CE–109–AD]

RIN 2120–AA64

Airworthiness Directives; Alexander Schleicher Segelflugzeugbau Model ASK–21 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 Alexander Schleicher Segelflugzeugbau (Alexander Schleicher) Model ASK–21 sailplanes that do not have a certain automatic elevator connection installed. The proposed AD would require drilling a drainage hole in the elevator pushrod, inspecting the elevator pushrod for corrosion damage, and replacing any elevator pushrod if a certain amount of corrosion damage is found. 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 failure of the elevator pushrod caused by corrosion damage, which could result in loss of control of the sailplane.

DATES: Comments must be received on or before January 19, 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–109–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 Alexander Schleicher Segelflugzeugbau, 6416 Poppenhausen, Wasserkuppe, Federal Republic of Germany. This information also may be examined at the Rules Docket at the address above.

FOR FURTHER INFORMATION CONTACT: Mr. J. Mike Kiesov, Project Officer, Sailplanes/Gliders, Small Airplane Directorate, Aircraft Certification Service, FAA, 1201 Walnut, suite 900, Kansas City, Missouri 64106; telephone (816) 426–6932; 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–109–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–109–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 Alexander Schleicher Model ASK–21 sailplanes that do not have an automatic elevator connection installed in accordance with Alexander Schleicher Technical Note No. 11, dated December 20, 1983. The LBA reports several cases where the elevator pushrods are heavily corroded.

This condition, if not corrected, could cause corrosion damage to the elevator pushrod and result in failure of the elevator pushrod with consequent loss of control of the sailplane.

Relevant Service Information

Alexander Schleicher has issued Technical Note No. 26, dated July 1, 1993, which specifies procedures for the following:

—Drilling a drainage hole in the elevator pushrod; and

—Inspecting the elevator pushrod for corrosion damage.

The LBA classified this service bulletin as mandatory and issued German AD No. 93–186, dated September 15, 1993, 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 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 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 Alexander Schleicher Model ASK–21 sailplanes of the same type design registered in the United States sailplanes that do not have a certain automatic elevator connection installed, the FAA is proposing AD action. The proposed AD would require drilling a drainage hole in the elevator pushrod, inspecting the elevator pushrod for corrosion damage, and replacing any elevator pushrod if a certain amount of corrosion damage is found. Accomplishment of the proposed installation would be in accordance with the service bulletin previously referenced.

Cost Impact

The FAA estimates that 30 sailplanes in the U.S. registry would be affected by the proposed AD, that it would take approximately 1 workhour per sailplane to accomplish the proposed elevator pushrod drainage hole drilling and elevator pushrod inspection, and that the average labor rate is approximately $60 an hour. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be $1,800, or $60 per sailplane.

Compliance Time of the Proposed AD

The unsafe condition specified by the proposed AD is caused by corrosion. Corrosion can occur regardless of whether the sailplane is in operation or is in storage. Therefore, to assure that the unsafe condition specified in the proposed AD does not go undetected for a long period of time, the compliance time is presented in calendar time instead of hours time-in-service (TIS).

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:

Alexander Schleicher Segelflugzeugbau: Docket No. 97–CE–109–AD.

Applicability: Model ASK–21 sailplanes, serial numbers 21–001 through 21–205, certificated in any category, that do not have an automatic elevator connection installed in accordance with Alexander Schleicher Technical Note No. 11, dated December 20, 1983.

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 (d) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated in the body of this AD, unless already accomplished.

To prevent failure of the elevator pushrod caused by corrosion damage, which could result in loss of control of the sailplane, accomplish the following:

(a) Within the next 3 calendar months after the effective date of this AD, drill a drainage hole in the elevator pushrod in accordance with Alexander Schleicher Technical Note No. 26, dated July 1, 1993.

(b) Within the next 3 calendar months after the effective date of this AD, inspect the elevator pushrod for corrosion damage in accordance with Alexander Schleicher Technical Note No. 26, dated July 1, 1993.

(1) If no corrosion damage is found or corrosion damage is found that does not exceed the amount specified in the service bulletin, prior to further flight after the inspection required by paragraph (b) of this AD, apply a corrosion agent as described in the service bulletin.

(2) If corrosion damage is found that exceeds the amount specified in the service bulletin, prior to further flight after the inspection required by paragraph (b) of this AD, replace the elevator pushrod in accordance with the maintenance manual, and apply a corrosion agent as described in the service bulletin.

(c) 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.

(d) An alternative method of compliance or adjustment of the compliance time 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 Small Airplane Directorate.

(e) Questions or technical information related to Alexander Schleicher Technical Note No. 26, dated July 1, 1993, should be directed to Alexander Schleicher Segelflugzeugbau, 6416 Poppenhausen, Wasserkuppe, Federal Republic of Germany; telephone: 49.6658.890 or 49.6658.8920; facsimile: 49.6658.8923 or 49.6658.8940. This service information may be examined at the FAA, Central Region, Office of the Regional Counsel, Room 1558, 601 E. 12th Street, Kansas City.

Note 3: The subject of this AD is addressed in German AD No. 93–186, dated September 15, 1993.

Issued in Kansas City, Missouri, on December 11, 1997.

Michael Gallagher,

Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 97–33147 Filed 12–18–97; 8:45 am]

BILLING CODE 4910–13–U

COMMODITY FUTURES TRADING COMMISSION

17 CFR Parts 1 and 33

Proposed Rulemaking Permitting Future-Style Margining of Commodity Options

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Commodity Futures Trading Commission (''Commission'') is proposing the repeal of Commission Regulation 33.4(a)(2) which requires the full upfront payment of commodity option premiums. The effect of the repeal would be to permit the futures-style margining of commodity options traded on regulated futures exchanges. Futures-style margining offers several potential benefits over the current margining system, including the possibility for more efficient cash flows across markets. The Commission is publishing notice of the proposed rulemaking and requesting public comment.

DATES: Comments on the proposed rulemaking must be received by February 2, 1998.

ADDRESSES: Comments should be mailed to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581; transmitted by facsimile to (202) 418–5521; or transmitted electronically to (secretary@cftc.gov).

FOR FURTHER INFORMATION CONTACT: Thomas Smith, Attorney, Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. Telephone (202) 418–5495.

SUPPLEMENTARY INFORMATION:

I. Introduction

The Commission is proposing the repeal of Commission Regulation 33.4(a)(2). Regulation 33.4(a)(2) requires that, when a commodity option is purchased, each clearing member must pay to the clearinghouse, each member must pay to the clearing member, and each option customer must pay to the futures commission merchant (''FCM'') the full option premium.[1] The Commission is considering repealing this regulation in order to permit the ''futures-style margining'' of commodity options.

A futures-style margining system for options would include two components: Original margin, set according to the underlying risk, and variation margin, reflecting the daily change in the value of the option premium. Consistent with the current treatment of futures positions, long and short option positions would be marked-to-market, and gains and losses would be paid and collected daily. Futures-style margining may benefit market participants by improving cash flow in futures and options markets generally, thereby increasing liquidity and efficiency.

II. Background

A. Option Pilot Program

In 1981 the Commission instituted a pilot program for exchange-traded options on non-agricultural futures contracts. 46 FR 54500 (November 3, 1981). Concurrently, the Commission adopted Part 33 of its regulations, including the full-payment-of-premium requirement of Regulation 33.4(a)(2).

In approving the pilot program, the Commission was cognizant of the history of fraudulent practices associated with the offer and sale of commodity options to the general public. In this connection, the Commission proceeded cautiously by, among other things, prohibiting the margining of option premiums. The Commission viewed the full payment of option premiums ''as essential to the protection of option purchasers who otherwise could reasonably expect that an initial payment of margin on an option contract constituted the full

[1] Regulation 33.4 in pertinent part states:

Sec. 33.4 Designation as a contract market for the trading of commodity options.

The Commission may designate any board of trade * * * as a contract market for the trading of options on contracts of sale for future delivery * * * when the applicant complies with and carries out the requirements of the Act (as provided in § 33.2), these relations, and the following conditions and requirements with respect to the commodity option for which the designation is sought:

(a) Such board of trade * * *

(2) Provides that the clearing organization must receive from each of its clearing members, that each clearing member must receive from each other person for whom its clears commodity option transactions, and that each futures commission merchant must receive from each of its option customers, the full amount of each option premium at the time the option is purchased.