Done in Washington, DC, this 22nd day of May 1998.

Charles P. Schwalbe,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 98–14259 Filed 5–28–98; 8:45 am]

BILLING CODE 3410–34–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 97–NM–102–AD; Amendment 39–10549; AD 98–11–24]

RIN 2120–AA64

Airworthiness Directives; Short Brothers Model SD3–30, SD3–60, SD3–SHERPA, and SD3–60 SHERPA Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to all Short Brothers Model SD3–30, SD3–60, SD3–SHERPA, and SD3–60 SHERPA series airplanes. This amendment requires revising the Airplane Flight Manual (AFM) to modify the limitation that prohibits positioning the power levers below the flight idle stop during flight, and to provide a statement of the consequences of positioning the power levers below the flight idle stop during flight. This amendment is prompted by incidents and accidents involving airplanes equipped with turboprop engines in which the ground propeller beta range was used improperly during flight. The actions specified by this AD are intended to prevent loss of airplane controllability, or engine overspeed and consequent loss of engine power caused by the power levers being positioned below the flight idle stop while the airplane is in flight.

EFFECTIVE DATE: July 6, 1998.

ADDRESSES: Information pertaining to this amendment may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Mark Quam, Aerospace Engineer, Standardization Branch, ANM–113, FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, Washington 98055–4056; telephone (425) 227–2145; fax (425) 227–1149.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to all Short Brothers Model SD3–30, SD3–60, SD3–SHERPA, and SD3–60 SHERPA series airplanes was published in the **Federal Register** on March 27, 1998 (63 FR 14859). That action proposed to require revising the Limitations Section of the Airplane Flight Manual (AFM) to modify the limitation that prohibits positioning the power levers below the flight idle stop while the airplane is in flight, and to add a statement of the consequences of positioning the power levers below the flight idle stop while the airplane is in flight.

Comments

Interested persons have been afforded an opportunity to participate in the making of this amendment. No comments were submitted in response to the proposal or the FAA's determination of the cost to the public.

Conclusion

The FAA has determined that air safety and the public interest require the adoption of the rule as proposed.

Interim Action

This is considered interim action until final action is identified, at which time the FAA may consider further rulemaking.

Cost Impact

The FAA estimates that 148 Short Brothers Model SD3–30, SD3–60, SD3–SHERPA, and SD3–60 SHERPA series airplanes of U.S. registry will be affected by this AD, that it will take approximately 1 work hour per airplane to accomplish the required actions, and that the average labor rate is $60 per work hour. Based on these figures, the cost impact of the AD on U.S. operators is estimated to be $8,880, or $60 per airplane.

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

Regulatory Impact

The regulations adopted herein will 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 final rule does 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) 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 final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from 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.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends 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 the following new airworthiness directive:

98–11–24 Short Brothers PLC: Amendment 39–10549. Docket 97–NM–102–AD.

Applicability: All Model SD3–30, SD3–60, SD3–SHERPA, and SD3–60 SHERPA series airplanes; 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 request approval for an alternative method of compliance in accordance with paragraph (b) 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, unless accomplished previously.

To prevent loss of airplane controllability caused by the power levers being positioned

below the flight idle stop while the airplane is in flight, accomplish the following:

(a) Within 30 days after the effective date of this AD, revise the Limitations Section of the FAA-approved Airplane Flight Manual (AFM) to include the following statements. This action may be accomplished by inserting a copy of this AD into the AFM.

Positioning of power levers below the flight idle stop while the airplane is in flight is prohibited. Such positioning may lead to loss of airplane control or may result in an overspeed condition and consequent loss of engine power.

(b) 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.

(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) This amendment becomes effective on July 6, 1998.

Issued in Renton, Washington, on May 22, 1998.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 98–14212 Filed 5–28–98; 8:45 am]

BILLING CODE 4910–13–U

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 270

[Release Nos. IC–23201; IS–1136; File No. S7–23–95]

RIN 3235–AE98

Custody of Investment Company Assets Outside the United States

AGENCY: Securities and Exchange Commission.

ACTION: Final rule; extension of compliance date.

SUMMARY: The Commission is extending the compliance date for certain amendments to the rule that governs the custody of investment company assets outside the United States.

DATES: The effective date of the rule amendments published on May 16, 1997 (62 FR 26923) remains June 16, 1997. As of May 29, 1998, the compliance date for the rule amendments, except for the amended definition of an ''eligible foreign custodian,'' is extended to February 1, 1999. The compliance date for the amended definition of an eligible foreign custodian remains June 16, 1998.

FOR FURTHER INFORMATION CONTACT: Thomas M. J. Kerwin, Senior Counsel, or C. Hunter Jones, Assistant Director, Office of Regulatory Policy, at (202) 942–0690, in the Division of Investment Management, Mail Stop 5–6, Securities and Exchange Commission, 450 5th Street, NW, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The Commission is extending the compliance date for certain amendments to rule 17f–5 [17 CFR 270.17f–5] under the Investment Company Act of 1940 [15 U.S.C. 80a] that the Commission adopted in 1997 (the ''1997 Amendments'').[1] The release that adopted the 1997 Amendments (the ''1997 Release'') provided that the amendments would become effective on June 16, 1997.[2] The 1997 Release further provided that registered management investment companies (''funds'') must bring their foreign custody arrangements into compliance with the amended rule by June 16, 1998 (*i.e.*, the fund's board must make the findings required by the amended rule or appoint a delegate to do so by that date).

After the Commission adopted the 1997 Amendments, representatives of mutual funds and ten U.S. bank custodians asked the Commission's Division of Investment Management to clarify whether the 1997 Amendments permit a fund board to delegate authority to a foreign custody manager to select a securities depository that a fund must use if it maintains assets in a particular country (a ''compulsory depository''). In a letter dated February 19, 1998, the Division of Investment Management answered that, in its view, under the rule, fund boards can delegate this authority.[3]

In a letter dated March 24, 1998, mutual fund representatives stated that certain requirements of the 1997 Amendments may present unanticipated problems when a foreign custody arrangement involves the selection of a compulsory depository.[4] They asserted that, because most depositories are governmental or quasi-governmental organizations, it may not be possible for funds (or their foreign custody managers) to obtain necessary information to make the findings contemplated by the rule, to negotiate terms or conditions in custody agreements, or to assure U.S. jurisdiction over foreign custodians. The fund representatives stated that they and representatives of custodian banks will soon submit to the Commission proposed revisions to the 1997 Amendments that would address these problems. In the interim, the fund representatives requested that the Commission suspend the compliance date for the 1997 Amendments to facilitate consideration of this submission.

The fund representatives state that a suspension is necessary because many funds have been unable to establish new custodial arrangements under the 1997 Amendments.[5] Fund representatives also state that funds did not become fully aware of potential difficulties in applying the 1997 Amendments to compulsory depositories until recently, when they began to revise their foreign custody arrangements to attempt to comply with the amendments. Because of the difficulties in applying the rule, the fund representatives assert that many funds may not be prepared to comply with the 1997 Amendments as of June 16, 1998. Some fund groups reportedly have considered withdrawing their assets from foreign custodians altogether, despite the burdens of alternative holding arrangements.[6]

The Commission is extending until February 1, 1999, the compliance date for the 1997 Amendments, except for the amended definition of an ''eligible foreign custodian,'' the compliance date for which will remain June 16, 1998.[7]

[1] *See* Custody of Investment Company Assets Outside the United States, Investment Company Act Release No. 22658 (May 12, 1997) [62 FR 26923 (May 16, 1997)].

[2] *Id.*, 62 FR at 26931.

[3] Letter to Dorothy M. Donohue, Associate Counsel, Investment Company Institute, and Daniel L. Goelzer, Baker & McKenzie, from Robert E. Plaze, Associate Director, Division of Investment Management (Feb. 19, 1998) (the 1997 Amendments do not exclude compulsory depositories from rule 17f–5's selection process, and do not preclude fund boards from delegating to a foreign custody manager the selection of a compulsory depository).

[4] *See* Letter to Barry P. Barbash, Director, Division of Investment Management, from Dorothy M. Donohue, Associate Counsel, Investment Company Institute (Mar. 24, 1998) (placed in File No. S7–23–95).

[5] *Id.*

[6] *See* Custody of Investment Company Assets Outside the United States, Investment Company Act Release No. 21259 (July 27, 1995) [60 FR 39592 (Aug. 2, 1995)] at n.3 (a fund may incur significant costs in maintaining securities outside the primary market for the securities).

[7] *See* rule 17f–5(a)(1) [17 CFR 270.17f–5(a)(1)]. This provision of the amended rule generally expands the class of eligible foreign custodians that may hold custody of fund assets. The amended definition of eligible foreign custodian also includes the definitions of ''qualified foreign bank'' and

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