

contributions exceed \$200 in a calendar year;" and "To comply with Federal law, we must use best efforts to obtain, maintain, and submit the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 per calendar year." The request and statement shall appear in a clear and conspicuous manner on any response material included in a solicitation. The request and statement are not clear and conspicuous if they are in small type in comparison to the solicitation and response materials, or if the printing is difficult to read or if the placement is easily overlooked.

\* \* \* \* \*

(3) The treasurer reports all contributor information not provided by the contributor, but in the political committee's possession, or in its connected organization's possession, regarding contributor identifications, including information in contributor records, fundraising records and previously filed reports, in the same two-year election cycle in accordance with 11 CFR 104.3; and

\* \* \* \* \*

Dated: April 25, 1997.

**John Warren McGarry,**

*Chairman, Federal Election Commission.*

[FR Doc. 97-11183 Filed 4-29-97; 8:45 am]

BILLING CODE 6715-01-P

## SMALL BUSINESS ADMINISTRATION

### 13 CFR Part 107

#### Small Business Investment Companies

**AGENCY:** Small Business Administration.

**ACTION:** Final rule.

**SUMMARY:** This final rule modifies the examination fees charged to small business investment companies (SBICs). The revised fee schedule eliminates the disproportionate burden on certain classes of licensees (particularly those with the largest amount of total assets) and results in fee assessments that more closely reflect the level of effort and time associated with the examination process.

**DATES:** This final rule is effective April 30, 1997.

**FOR FURTHER INFORMATION CONTACT:** Leonard W. Fagan, Investment Division, at (202) 205-7583.

**SUPPLEMENTARY INFORMATION:** On January 31, 1996, the Small Business Administration (SBA) published final regulations which, among other things, increased the examination fees charged to SBICs. See 61 FR 3177. Fees

continued to be assessed based on total assets of the licensee, but at higher rates. The new fee schedule was designed to produce total revenue sufficient to cover the current direct costs to SBA of conducting examinations. In response to concerns raised by a number of SBICs, SBA proposed on February 11, 1997 to modify the examination fee schedule. See 62 FR 6147. This proposed rule is hereby adopted in final form.

The proposed rule was intended to respond to concerns that the existing fee schedule resulted in unreasonably high examination fees for the group of SBICs with the largest amount of total assets. Many of the largest SBICs are bank-owned and do not use federal leverage funds, so that fees computed on the basis of total assets do not appropriately reflect the level of effort and risk associated with the examination process. Similarly, larger SBICs which are not bank-owned and do rely on federal funds to supplement private capital have been required to pay fees that substantially exceed the amount they pay for financial audits, which are generally more extensive than the compliance examinations performed by SBA.

To address these concerns, SBA proposed to revise § 107.692 by establishing "base fees" for examinations. The base fee increases as a licensee's total assets increase, but is capped at \$14,000. The base fee would be adjusted upward in circumstances where the Agency incurs additional cost or burdens in the process because of circumstances solely related to the licensee to be examined. Similarly, the base fee would be adjusted downward where circumstances solely related to the licensee to be examined are such that the Agency's level of effort and time are minimized.

SBA received two comments on the proposed rule, both of which were generally supportive. One commenter agreed with the concept of capping the base fee, but suggested a \$10,000 cap instead of the proposed \$14,000. The commenter considered the lower fee to be more in line with rates charged by independent auditors. The other comment dealt with the proposed adjustments to the base fee, suggesting that SBA consider additional discounts for those licensees which do not use SBA leverage and those with only a limited number of investments which SBA must review. The commenter also suggested elimination of the 5 percent additional charge for licensees organized as partnerships or limited liability companies. The commenter stated that these changes would further the goal of tying SBIC examination fees

to the level of effort and resources expended by SBA in performing the examinations.

SBA believes that the proposed maximum base fee of \$14,000 is reasonable relative to the size of the SBICs which will be required to pay it (those with total assets greater than \$60,000,000). The \$14,000 base represents a significantly reduced rate for most of these larger SBICs. For these reasons, SBA has not adopted this suggested change.

SBA generally supports the concept of linking fees to the risk and complexity of the examination. However, the Agency believes that the introduction of additional criteria for discounts would result in an overly complex fee structure. SBA also believes that the additional charge for partnerships is justified because of the complexity of most partnership agreements and the need to perform certain examination procedures at the level of the general partner as well as the SBIC itself.

SBA is making one editorial change to the table in § 107.692(d), so that the language concerning records kept in multiple locations is the same in that paragraph as in § 107.692(c)(5). In all other respects, the rule is adopted as proposed.

#### **Compliance With Executive Orders, 12612, 12778, and 12866, the Regulatory Flexibility Act (5 U.S.C. 601, et seq.), and the Paperwork Reduction Act (44 U.S.C. Ch. 35)**

SBA certifies that this final rule will not be a significant regulatory action for purposes of Executive Order 12866 because it will not have an annual effect on the economy of more than \$100 million, and that it will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq. The purpose of the rule is to modify the existing regulatory guidance related to SBIC examination fees. The rule will provide for more reasonable and equitable examination fees. The revised fee structure will more properly reflect the level of effort and Agency resources expended to conduct an examination, will encourage continued compliance with program regulations, and will continue to allow for efficient and effective program administration.

The regulation will have some economic effect. The base fee for examinations will continue to be based on total assets of a licensee and, for the most part, at the rates previously prescribed. However, no licensee will have a base fee greater than \$14,000. The regulation will provide for

discounts of the base examination fee for: (1) Licensees with no outstanding regulatory violations at the time of the examination and no violations noted as a result of the most recent prior examination; and (2) licensees that are cooperative with SBA examination personnel by being fully responsive to the letter of notification of examination. Similarly, the regulation will provide increases to the base examination fee for a licensee that: (1) Is organized as a partnership or limited liability company; (2) is authorized to issue Participating Securities; and/or (3) maintains its records/files in multiple locations.

The largest licensees, those with total assets exceeding \$60 million, will realize substantial fee decreases. The examination base fee of all licensees potentially could be increased or decreased. Therefore, all licensees with total assets below \$60 million may experience a 5% to 25% increase or a 10% to 25% decrease in the cost of an annual examination. The economic impact in either case is inconsequential given the total number of licensees and the base fees applicable to the majority of the licensees. Further, even assuming

the maximum increases provided for in the proposed regulations, most licensees with total assets greater than \$60 million will realize significant examination fee reductions.

For purposes of the Paperwork Reduction Act, 44 U.S.C. Ch. 35, SBA certifies that this final rule contains no new reporting or recordkeeping requirements that have not already been approved by the Office of Management and Budget.

For purposes of Executive Order 12612, SBA certifies that this rule does not have any federalism implications warranting the preparation of a Federalism Assessment.

For purposes of Executive Order 12778, SBA certifies that this rule is drafted, to the extent practicable, in accordance with the standards set forth in Section 2 of that Order.

#### List of Subjects in 13 CFR Part 107

Investment companies, Loan programs—business, Reporting and recordkeeping requirements, Small businesses.

For the reasons set forth above, SBA hereby amends part 107 of title 13 of the Code of Federal Regulations as follows:

#### PART 107—SMALL BUSINESS INVESTMENT COMPANIES

1. The authority citation for part 107 continues to read as follows:

**Authority:** 15 U.S.C. 681 *et seq.*, 683, 687(c), 687b, 687d, 687g and 687m, Pub. L. 104-208.

2. Section 107.692 is revised to read as follows:

#### § 107.692 Examination fees.

(a) *General.* SBA will assess fees for examinations in accordance with this § 107.692. Unless SBA determines otherwise on a case by case basis, SBA will not assess fees for special examinations to obtain specific information.

(b) *Base fee.* A base fee will be assessed based on your total assets (at cost) as of the date of your latest certified financial statement or a more recent interim statement requested by and submitted to SBA in connection with the examination. The base fee table is as follows:

Total assets of licensee	Base fee	Plus, percent of assets
\$0 to \$1,500,000 .....	\$3,500	+0%
\$1,500,001 to \$5,000,000 .....	3,700	+0.065% of the amount over \$1,500,000
\$5,000,001 to \$10,000,000 .....	6,000	+0.02% of the amount over \$5,000,000
\$10,000,001 to \$15,000,000 .....	7,000	+0.01% of the amount over \$10,000,000
\$15,000,001 to \$25,000,000 .....	7,700	+0.015% of the amount over \$15,000,000
\$25,000,001 to \$50,000,000 .....	9,200	+0.015% of the amount over \$25,000,000
\$50,000,001 to \$60,000,000 .....	13,000	+0.01% of the amount over \$50,000,000
\$60,000,001 and above .....	14,000	+0%

(c) *Adjustments to base fee.* Your base fee, as determined by the table in paragraph (b) of this section, will be adjusted (increased or decreased) based on the following criteria:

(1) If you have no outstanding regulatory violations at the time of the commencement of the examination and SBA did not identify any violations as a result of the most recent prior examination, you will receive a 15% discount on your base fee;

(2) If you were fully responsive to the letter of notification of examination

(that is, you provided all requested documents and information within the time period stipulated in the notification letter in a complete and accurate manner, and you prepared and had available all information requested by the examiner for on-site review), you will receive a 10% discount on your base fee;

(3) If you are organized as a partnership or limited liability company, you will pay an additional charge equal to 5% of your base fee;

(4) If you are a Licensee authorized to issue Participating Securities, you will pay an additional charge equal to 10% of your base fee; and

(5) If you maintain your records/files in multiple locations (as permitted under § 107.600(b)), you will pay an additional charge equal to 10% of your base fee.

(d) *Fee discounts and additions table.* The following table summarizes the discounts and additions noted in paragraph (c) of this section:

Examination fee discounts	Amount of discount—% of base examination fee	Examination fee additions	Amount of Addition—% of base examination fee
No prior violations .....	15	Partnership or limited liability company .....	5
Responsiveness .....	10	Participating Security Licensee .....	10

Examination fee discounts	Amount of discount— % of base examination fee	Examination fee additions	Amount of Addition— % of base examination fee
		Records/files at multiple locations .....	10

(e) *Delay fee.* If, in the judgement of SBA, the time required to complete your examination is delayed due to your lack of cooperation or the condition of your records, SBA may assess an additional fee of up to \$500 per day.

Dated: April 17, 1997.

**Aida Alvarez,**  
Administrator.

[FR Doc. 97-11109 Filed 4-29-97; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 97-ANE-09; Amendment 39-9970; AD 97-06-13]

RIN 2120-AA64

#### Airworthiness Directives; Rolls-Royce plc RB.211 Trent 800 Series Turbofan Engines

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

**ACTION:** Final rule; request for comments.

**SUMMARY:** This amendment adopts a new airworthiness directive (AD) that is applicable to Rolls-Royce plc RB.211 Trent 800 series turbofan engines. This action requires initial and repetitive visual and fluorescent penetrant inspections (FPI) of the angled drive upper shroud tube for fretting and cracking, initial and repetitive visual inspections and FPI for cracking, a one-time FPI for porosity of the intermediate gearbox housing (IGH), and initial and repetitive visual inspections for cracking of the external gearbox lower bevel box (LBB) housing. In addition, this action requires initial and repetitive master magnetic chip detector inspections. Finally, prior to initiation of Extended Range Twin-Engine Operations (ETOPS), or prior to September 30, 1997, whichever occurs first, this action requires installation of a redesigned angled drive upper shroud tube and a lower splitter fairing with revised sealing. This amendment is prompted by reports of loss of oil from

the angled drive upper shroud tube, the IGH, the LBB, and by reports of bearing failures. The actions specified by this AD are intended to prevent loss of oil, which could cause an engine fire. This AD is also intended to prevent inflight engine shutdowns and airplane diversions caused by oil loss and from bearing failures.

**DATES:** Effective May 15, 1997.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the **Federal Register** as of May 15, 1997.

Comments for inclusion in the Rules Docket must be received on or before June 30, 1997.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), New England Region, Office of the Assistant Chief Counsel, Attention: Rules Docket No. 97-ANE-09, 12 New England Executive Park, Burlington, MA 01803-5299. Comments may also be sent via the Internet using the following address: "9\_ad\_engineprop@faa.dot.gov". Comments sent via the Internet must contain the docket number in the subject line.

The service information referenced in this AD may be obtained from Rolls-Royce North America, Inc., 2001 South Tibbs Ave., Indianapolis, IN 46241; telephone (317) 230-3995, fax (317) 230-4743. This information may be examined at the FAA, New England Region, Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, MA; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Chris Gavriel, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone (617) 238-7147, fax (617) 238-7199.

**SUPPLEMENTARY INFORMATION:** The Civil Aviation Authority, which is the airworthiness authority for the United Kingdom (UK), recently notified the FAA that an unsafe condition may exist on Rolls-Royce plc RB.211 Trent 800 series turbofan engines. The CAA advises that they have received ten reports of loss of oil and one report of intermediate pressure compressor (IPC) front bearing roller retainer tang failure.

*Loss of oil:* The reports to the CAA indicate that oil can leak from the angled drive upper shroud tube, from the intermediate gearbox housing (IGH), or from the external gearbox lower bevel box (LBB) housing. The angled drive upper shroud tube may contact adjacent lower bifurcation structure initiating fretting on the tube. The nacelle structure may also transfer vibratory loads onto the tube to the point of fracture, causing oil leakage. The IGH, which is attached to the angled drive upper shroud tube assembly, or the LBB, which is attached to the external gearbox, can develop cracks, causing oil leakage.

*Bearing failure:* The reports to the CAA indicate that the IPC front bearing, and bearings in the IGH and internal gearbox can fail and cause an inflight shutdown and aircraft diversion.

These conditions, if not corrected, can result in loss of oil, that could cause an engine fire. These conditions may also result in inflight engine shutdowns and airplane diversions caused by oil loss and from bearing failures.

Rolls-Royce plc has issued the following service documents: Mandatory Service Bulletin (SB) No. RB.211-72-C089, Revision 1, dated January 24, 1997, that describes procedures for inspection of angled drive upper shroud tubes for fretting and cracks; Mandatory SB No. RB.211-72-C129, Revision 2, dated March 21, 1997, that describes procedures for inspection of the IGH for cracks and porosity and the LBB housing for cracks; SB No. RB.211-72-C114, Original, dated February 6, 1997, that describes procedures for installation of an improved angled drive upper shroud tube with a lower splitter fairing with revised sealing; and Mandatory SB No.