

covered by the Interagency Statement. This revised requirement should relieve some of the compliance burden on section 20 subsidiaries while continuing to mitigate the concerns expressed by the Board in adopting the disclosure requirement.

Public Comment and Deferred Effective Date

The Board does not believe that the notice, public comment and delayed effective date requirements of the Administrative Procedure Act at 5 U.S.C. 553 apply with respect to this action. The requirements of section 553 do not apply when an agency finds that notice and public procedure thereon are "impracticable, unnecessary, or contrary to the public interest." 5 U.S.C. 553(b). Similarly, a delayed effective date is not required with respect to agency action that relieves a restriction. 5 U.S.C. 553(d)(1).

The Board believes that notice, public procedure and a delayed effective date are unnecessary in connection with this action. The Board recently amended this restriction after providing notice and seeking public comment. Furthermore, this action would relieve a restriction on bank holding companies that operate section 20 subsidiaries. Accordingly, the Board concludes that the requirements of section 553 do not apply to this action.

List of Subjects in 12 CFR Part 225

Administrative practice and procedure, Banks, Banking, Federal Reserve System, Holding companies, Reporting and recordkeeping requirements, Securities.

For the reasons set out in the preamble, the Board amends 12 CFR Part 225 as follows:

PART 225—BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (REGULATION Y)

1. The authority citation for Part 225 continues to read as follows:

Authority: 12 U.S.C. 1817(j)(13), 1818, 1831i, 1831p-1, 1843(c)(8), 1844(b), 1972(l), 3106, 3108, 3310, 3331-3351, 3907, 3908, and 3909.

2. Section 225.200 is amended by revising paragraph (b)(4)(i) to read as follows:

§ 225.200 Conditions to Board's section 20 orders.

* * * * *

(b) *Conditions.* * * *

(4) *Customer disclosure*—(i)

Disclosure to section 20 customers. A section 20 subsidiary shall provide, in

writing, to each of its retail customers,⁴ at the time an investment account is opened, the same minimum disclosures, and obtain the same customer acknowledgment, described in the Interagency Statement on Retail Sales of Nondeposit Investment Products (Statement) as applicable in such situations. These disclosures must be provided regardless of whether the section 20 subsidiary is itself engaged in activities through arrangements with a bank that is covered by the Statement.

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By order of the Board of Governors of the Federal Reserve System, March 23, 1998.

William W. Wiles,

Secretary of the Board.

[FR Doc. 98-7972 Filed 3-26-98; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 98-NM-21-AD; Amendment 39-10425]

RIN 2120-AA64

Airworthiness Directives; Bombardier Model CL-600-2B16 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Direct final rule; request for comments.

SUMMARY: This amendment revises an existing airworthiness directive (AD), applicable to certain Bombardier Model CL-600-2B16 series airplanes, that currently requires disabling the remote fuel/defuel panel in the cockpit; and provides for an optional modification of the remote fuel/defuel panel, which would terminate the requirement to disable the panel. This amendment reduces the applicability of the existing AD. This amendment is prompted by reports of in-flight failure of the panel that resulted when a circuit breaker on a battery bus opened due to insufficient current flow capacity. The actions specified in this amendment are intended to prevent the circuit breakers from opening during flight, which could result in irreversible loss of engine indicating and fuel quantity systems in the cockpit.

DATES: Effective June 25, 1998.

The incorporation by reference of certain publications listed in the

regulations was approved previously by the Director of the Federal Register on December 23, 1997 (62 FR 64519, December 8, 1997).

Comments for inclusion in the Rules Docket must be received on or before April 27, 1998.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 98-NM-21-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

The service information referenced in this AD may be obtained from Bombardier Aviation Services, 1255 East Aeropark Boulevard, Tucson, Arizona 85706. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Transport Airplane Directorate, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Brett Portwood, Aerospace Engineer, Systems and Equipment Branch, ANM-130L, FAA, Transport Airplane Directorate, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California 90712; telephone (562) 627-5350; fax (562) 627-5210.

SUPPLEMENTARY INFORMATION: On December 1, 1997, the FAA issued AD 97-25-11, amendment 39-10235 (62 FR 64519, December 8, 1997), applicable to certain Bombardier Model CL-600-2B16 series airplanes. That action requires disabling the remote fuel/defuel panel in the cockpit, and provides for an optional modification of the remote fuel/defuel panel, which would terminate the requirement to disable the panel. That action was prompted by reports of in-flight failure of the panel that resulted when a circuit breaker on a battery bus opened due to insufficient current flow capacity. The actions required by that AD are intended to prevent the circuit breakers from opening during flight, which could result in irreversible loss of engine indicating and fuel quantity systems in the cockpit.

Actions Since Issuance of Previous Rule

The applicability of the existing AD specifies that the AD applies to Model CL-600-2B16 series airplanes that have been modified in accordance with Supplemental Type Certificate SA6003NM. However, since the

⁴For purposes of this operating standard, a retail customer is any customer that is not an "accredited investor" as defined in 17 CFR 230.501(a).

issuance of the existing AD, the FAA has discovered that the only airplanes affected by the AD are those listed in the service bulletins referred to in the existing action (Bombardier Service Bulletins SB TUS-28-20-02-1 and SB TUS-28-20-02, both dated November 13, 1997). In light of this, the FAA finds that certain airplanes affected by the existing AD should be removed from the applicability. The applicability of this AD has been revised to specify the serial numbers of the affected airplanes.

U.S. Type Certification of the Airplane

This airplane model is manufactured in Canada 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.

Explanation of Requirements of Rule

Since an unsafe condition has been identified that is likely to exist or develop on other airplanes of this same type design, this AD revises AD 97-25-11 to continue to require disabling the remote fuel/defuel panel in the cockpit; and to continue to provide for an optional modification of the remote fuel/defuel panel in the cockpit, which would terminate the requirement to disable the panel. This amendment reduces the applicability of the existing AD. The actions are required to be accomplished in accordance with the service bulletins referenced previously.

Cost Impact

Since this amendment merely revises the applicability of the existing AD, it adds no additional costs, and requires no additional work to be performed by affected operators. The current costs associated with this amendment are reiterated in their entirety (as follows) for the convenience of affected operators:

The FAA estimates that 14 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 \$840, or \$60 per airplane. This new amendment adds no new costs to affected operators.

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.

Should an operator elect to accomplish the optional terminating action that would be provided by this AD action, it would take approximately 200 work hours to accomplish it, at an average labor rate of \$60 per work hour. Required parts would be provided by the manufacturer at no cost to operators. Based on these figures, the cost impact of the optional terminating action would be \$12,000 per airplane.

The Direct Final Rule Procedure

The FAA anticipates that this regulation will not result in adverse or negative comment and, therefore, is issuing it as a direct final rule. The only change effecting this revision is the limitation of the applicability of the existing AD. The date for compliance with the requirements of the existing rule has passed, and the FAA has already addressed requests from operators for approval of alternative methods of compliance. Therefore, the FAA does not anticipate receiving additional comments regarding this regulation.

In accordance with 14 CFR 11.17, unless a written adverse or negative comment, or a written notice of intent to submit an adverse or negative comment, is received within the comment period, the regulation will become effective on the date specified above. After the close of the comment period, the FAA will publish a document in the **Federal Register** indicating that no adverse or negative comments were received; at that time, the AD number will be specified, and the date on which the final rule will become effective will be confirmed. If the FAA does receive, within the comment period, a written adverse or negative comment, or written notice of intent to submit such a comment, a document withdrawing the direct final rule will be published in the **Federal Register**, and a notice of proposed rulemaking may be published with a new comment period.

Comments Invited

Although this action is in the form of a final rule and was not preceded by notice and an opportunity for public comment, comments are invited on this rule. Interested persons are invited to comment on this rule by submitting such written data, views, or arguments as they may desire. Communications shall identify the Rules Docket number and be submitted in triplicate to the address specified under the caption **ADDRESSES**. All communications received on or before the closing date for comments will be considered, and this rule may be amended in light of the

comments received. Factual information that supports the commenter's ideas and suggestions is extremely helpful in evaluating the effectiveness of the AD action and determining whether additional rulemaking action would be needed.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the rule that might suggest a need to modify the 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 AD will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this rule must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 98-NM-21-AD." The postcard will be date stamped and returned to the commenter.

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.

The FAA has determined that this regulation is noncontroversial and unlikely to result in adverse or negative comments. For reasons discussed in the preamble, I certify that this regulation (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 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, Incorporation by reference, 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 removing amendment 39–10235 (62 FR 64519, December 8, 1997), and by adding a new airworthiness directive (AD), amendment 39–10425, to read as follows:

Bombardier Inc. (Formerly Canadair):

Amendment 39–10425. Docket 98–NM–21–AD. Revises AD 97–25–11, Amendment 39–10235.

Applicability: Model CL–600–2B16 series airplanes, serial numbers 5113, 5117, 5127, 5134, 5136, 5144, 5150, 5151, 5166, 5174, 5175, 5176, 5179, and 5188; 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 (c) 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 the circuit breakers on the battery bus from opening during flight, which could result in irreversible loss of engine indicating and fuel quantity systems in the cockpit, accomplish the following:

(a) Within 5 days after December 23, 1997 (the effective date of AD 97–25–11, amendment 39–10235), disable the remote fuel/defuel panel, in accordance with Bombardier Service Bulletin SB TUS–28–20–02–1, dated November 13, 1997.

(b) Modification of the remote fuel/defuel panel in accordance with Bombardier Service Bulletin SB TUS–28–20–02, dated November 13, 1997, permits the remote fuel-defuel panel to be enabled, and constitutes terminating action for the requirements of paragraph (a) of this AD.

(c) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Los Angeles Aircraft Certification Office (ACO), 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, Los Angeles ACO.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Los Angeles ACO.

(d) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

(e) The actions shall be done in accordance with Bombardier Service Bulletin SB TUS–28–20–02–1, dated November 13, 1997; or Bombardier Service Bulletin SB TUS–28–20–02, dated November 13, 1997. This incorporation by reference was approved previously by the Director of the Federal Register as of December 23, 1997 (62 FR 64519, December 8, 1997). Copies may be obtained from Bombardier Aviation Services, 1255 East Aeropark Boulevard, Tucson, Arizona 85706. Copies may be inspected at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Transport Airplane Directorate, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(f) This amendment becomes effective on June 25, 1998.

Issued in Renton, Washington, on March 23, 1998.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.
[FR Doc. 98–8095 Filed 3–26–98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 231, 241, 271, 276

[Release Nos. 33–7516, 34–39779, IA–1710, IC–23071; International Series Release No. 1125]

Statement of the Commission Regarding Use of Internet Web Sites to Offer Securities, Solicit Securities Transactions or Advertise Investment Services Offshore

AGENCY: Securities and Exchange Commission.

ACTION: Interpretation.

SUMMARY: The Securities and Exchange Commission is publishing its views on the application of the registration obligations under the U.S. federal securities laws to the use of Internet Web sites to disseminate offering and solicitation materials for offshore sales of securities and investment services.

EFFECTIVE DATE: March 23, 1998.

FOR FURTHER INFORMATION CONTACT: Paul Dudek, Chief, and Rani Doyle, Attorney, Office of International Corporate Finance at 202–942–2990 (with respect to Securities Act issues); Paula Jenson, Deputy Chief Counsel, Division of Market Regulation, at 202–942–0073 (with respect to broker-dealer registration issues), Elizabeth King, Senior Special Counsel, Division of Market Regulation, at 202–942–0140 (with respect to exchange registration issues); and Karrie McMillan, Assistant Chief Counsel, Sarah A. Wagman, Special Counsel, and Brendan C. Fox, Attorney, Division of Investment Management, at 202–942–0660 (with respect to matters relating to investment companies and investment advisers).

SUPPLEMENTARY INFORMATION:

I. Executive Summary

The Internet permits market participants to disseminate advertisements and other information regarding securities and investment services across national borders. Because persons in the United States have access to this securities-related information, market participants have expressed uncertainty about the application of the registration requirements of the U.S. securities laws to their offshore Internet offers (*i.e.*, offers over Internet Web sites of securities or investment services that by their terms are not made to U.S. persons). Today, we are providing our views on how issuers, investment companies, broker-dealers, exchanges and investment advisers may use Internet Web sites to solicit offshore securities transactions and clients without the securities or investment company being registered with the Commission under the Securities Act of 1933¹ or the Investment Company Act of 1940,² or without the investment service provider registering under the Investment Advisers Act of 1940,³ or the broker-dealer or exchange registering under the broker-dealer and exchange registration provisions under the Securities Exchange Act of 1934.⁴

The purpose of this interpretation is to clarify when the posting of offering or solicitation materials on Internet Web sites would not be considered activity taking place “in the United States.” We are only providing clarification on this aspect of the registration requirements and are not altering the fundamental requirement that all offers and sales in

¹ 15 U.S.C. 77a, *et seq.* (the “Securities Act”).

² 15 U.S.C. 80a–1, *et seq.* (the “Investment Company Act”).

³ 15 U.S.C. 80b–1, *et seq.* (the “Advisers Act”).

⁴ 15 U.S.C. 78a, *et seq.* (the “Exchange Act”).