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By order of the Board of Governors of the Federal Reserve System, February 9, 1996.
William W. Wiles,
Secretary of the Board.

Federal Deposit Insurance Corporation
12 CFR CHAPTER III

For the reasons set forth in the preamble, part 325 of title 12 of chapter III of the Code of Federal Regulations, as proposed to be amended at 60 FR 38082 (July 25, 1995), is further proposed to be amended as follows:

PART 325—CAPITAL MAINTENANCE

1. The authority citation for part 325 continues to read as follows:

Authority: 12 U.S.C. 1815(a), 1815(b), 1816, 1818(a), 1818(b), 1818(c), 1818(t), 1819(Tenth), 1828(c), 1828(d), 1828(i), 1828(n), 1828(o), 1831o, 3907, 3909, 4808; Pub. L. 102-233, 105 Stat. 1761, 1789, 1790 (12 U.S.C. 1831n note); Pub. L. 102-242, 105 Stat. 2236, 2355, 2386 (12 U.S.C. 1828 note).

2. In appendix C to part 325 as proposed to be added at 60 FR 38129, section III.B.2. introductory text and section III.B.2.a. would be revised and section III.B.3. would be added to read as follows:

Appendix C to Part 325—Risk-Based Capital for State Non-Member Banks: Market Risk

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III. The Internal Models Approach

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B. * * *

1. * * *

2. A bank must meet the following minimum qualitative criteria before using its internal model to measure its exposure to market risk.¹³

a. A bank must have a risk control unit that is independent from its business trading units and reports directly to senior management of the bank. The unit must be responsible for designing and implementing the bank's risk management system and analyzing daily reports on the output of the bank's risk measurement model in the

context of trading limits. The unit must conduct regular backtesting¹⁴ and adjust its multiplication factor, if appropriate, in accordance with section III.B.3. of this appendix C.

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3. In addition to any backtesting the bank may conduct as part of its internal risk management system, the bank must conduct, for regulatory capital purposes, backtesting that meets the following criteria:

a. The backtesting must be conducted quarterly, using the most recent 250 trading days' outcomes and VAR measures, which encompass approximately twelve months. The VAR measures must be calibrated to a one-day holding period and a 99 percent confidence level.

b. The bank should identify the number of exceptions (that is, cases where the magnitude of the daily trading loss, if any, exceeds the previous day's VAR measure) to determine its appropriate zone and level within a zone, as set forth in Table A of section III.B.3.c. of this appendix C.

c. A bank should adjust its multiplication factor by the amount indicated in Table A, unless the FDIC determines that a different adjustment or other action is appropriate.

TABLE A.—ADJUSTMENT TO MULTIPLICATION FACTOR FROM RESULTS OF BACKTESTING BASED ON 250 TRADING OUTCOMES

Zone	Level No. of exceptions	Adjustment to multiplication factor	Cumulative ¹ probability (in percent)
Green Zone	4 or fewer ..	0.00	89.22
	5	0.40	95.88
	6	0.50	98.63
Yellow Zone	7	0.65	99.60
	8	0.75	99.89
	9	0.85	99.97
Red Zone	10 or more	1.00	99.99

¹The zones are defined according to the cumulative probability of obtaining up to a given number of exceptions in a sample of 250 independent observations when the true coverage level is 99 percent. The yellow zone begins where cumulative probability equals or exceeds 95 percent, and the red zone begins where the cumulative probability equals or exceeds 99.99 percent.

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By order of the Board of Directors.
Dated at Washington, D.C., this 27th day of February 1996.
Jerry L. Langley,
Executive Secretary.
[FR Doc. 96-5235 Filed 3-6-96; 8:45 am]
BILLING CODE 4810-33-P (1/3), 6210-01-P (1/3), 6714-01-P (1/3)

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 95-NM-197-AD]

Airworthiness Directives; Learjet Model 31 and 35A Airplanes

AGENCY: Federal Aviation Administration, DOT.
ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the adoption of a new airworthiness directive (AD) that is applicable to certain Learjet Model 31 and 35A airplanes. This proposal would require replacement of two segments of 16 American Wire Gauge (AWG) wire with

8 AWG wire at the connector that is connected to the auxiliary cabin heater relay box. This proposal is prompted by a report that two segments of the 16 AWG wire in the auxiliary cabin heater that were spliced during production do not provide adequate current-carrying capacity. The actions specified by the proposed AD are intended to prevent electrical arcing and a subsequent fire hazard that could result from wiring with inadequate current-carrying capacity.

DATE: Comments must be received by April 17, 1996.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-103, Attention: Rules Docket No. 95-NM-197-AD, 1601 Lind Avenue, SW.,

¹³ Back-testing includes *ex post* comparisons of the risk measures generated by the model against the actual daily changes in portfolio value.

¹³ If the FDIC is not satisfied with the extent to which a bank meets these criteria, the FDIC may adjust the multiplication factor used to calculate market risk capital requirements or otherwise increase capital requirements.

¹⁴ Back-testing includes *ex post* comparisons of the risk measures generated by the model against the actual daily changes in portfolio value.

Renton, Washington 98055-4056. Comments may be inspected at this location between 9:00 a.m. and 3:00 p.m., Monday through Friday, except Federal holidays.

The service information referenced in the proposed rule may be obtained from Learjet, Inc., One Learjet Way, Wichita, Kansas 67209-2942. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Small Airplane Directorate, Wichita Aircraft Certification Office, 1801 Airport Road, Room 100, Mid-Continent Airport, Wichita, Kansas.

FOR FURTHER INFORMATION CONTACT: Dale Bleakney, Aerospace Engineer, Flight Test Branch, ACE-117W, FAA, Small Airplane Directorate, Wichita Aircraft Certification Office, 1801 Airport Road, Room 100, Mid-Continent Airport, Wichita, Kansas; telephone (316) 946-4135; fax (316) 946-4407.

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 shall 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 summarizing 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 Number 95-NM-197-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, Transport Airplane Directorate, ANM-103, Attention: Rules Docket No.

95-NM-197-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Discussion

The FAA has received a report indicating that, during regularly scheduled maintenance on a Learjet Model 35 series airplane, two segments of the 16 American Wire Gauge (AWG) wire in the auxiliary cabin heat circuit were found to provide inadequate current-carrying capacity. Investigation revealed that, during production, the 16 AWG wire had been spliced into a 10 AWG circuit at the P190 connector that is connected to the E33 auxiliary cabin heater relay box. The use of this manufacturing splicing technique (16 AWG wire into a 10 AWG circuit) can allow the rated current-carrying capability of the wire to be exceeded. This condition, if not corrected, could result in electrical arcing and may lead to a potential fire hazard.

The FAA has reviewed and approved Learjet Service Bulletin SB 31-21-10, dated August 11, 1995 (for Model 31 airplanes), and Learjet Service Bulletin SB 35-21-24, dated August 11, 1995 (for Model 35A airplanes), which describes procedures for replacement of two segments of 16 AWG wire with 8 AWG wire at the P190 connector that is connected to the E33 auxiliary cabin heater relay box. The replacement will ensure that the wire size is adequate for the electrical current requirements of that circuit.

Since an unsafe condition has been identified that is likely to exist or develop on other products of this same type design, the proposed AD would require replacement of two segments of 16 AWG wire with 8 AWG wire at the P190 connector that is connected to the E33 auxiliary cabin heater relay box. The actions would be required to be accomplished in accordance with the applicable service bulletin described previously.

There are approximately 52 Learjet Model 31 and 35A airplanes of the affected design in the worldwide fleet. The FAA estimates that 44 airplanes of U.S. registry would be affected by this proposed AD, that it would take approximately 4 work hours per airplane to accomplish the proposed actions, and that the average labor rate is \$60 per work hour. Required parts would be supplied by the manufacturer at no cost to the operators. Based on these figures, the cost impact of the proposed AD on U.S. operators is estimated to be \$10,560, or \$240 per airplane.

The cost impact figure discussed above is based on assumptions that no operator has yet accomplished any of

the proposed requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted.

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 proposed regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under the 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 is contained 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 USC 106(g), 40113, 44701.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding the following new airworthiness directive:

Learjet, Inc.: Docket 95-NM-197-AD.

Applicability: Model 31 airplanes having serial numbers 31-002 through 31-029 inclusive, and Model 35A airplanes having serial numbers 35-647 through 35-670 inclusive; 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 electrical arcing and subsequent fire hazard, accomplish the following:

(a) Within 6 months after the effective date of this AD, replace two segments of 16 American Wire Gauge (AWG) wire with 8 AWG wire at the P190 connector that is connected to the E33 auxiliary cabin heater relay box, in accordance with Learjet Service Bulletin SB 31-21-10, dated August 11, 1995 (for Model 31 airplanes), or Learjet Service Bulletin SB 35-21-24, dated August 11, 1995 (for Model 35A airplanes), as applicable.

(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 Wichita Aircraft Certification Office (ACO), FAA, Small Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Wichita ACO.

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

(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.

Issued in Renton, Washington, on March 1, 1996.

Darrell M. Pederson,
*Acting Manager, Transport Airplane
Directorate, Aircraft Certification Service.*
[FR Doc. 96-5368 Filed 3-6-96; 8:45 am]
BILLING CODE 4910-13-U

National Highway Traffic Safety Administration

Federal Highway Administration

23 CFR Part 1210

[NHTSA Docket No. 96-007; Notice 1]

RIN 2127-AG20

Operation of Motor Vehicles by Intoxicated Minors

AGENCY: National Highway Traffic Safety Administration (NHTSA) and Federal Highway Administration (FHWA), Department of Transportation (DOT).

ACTION: Notice of Proposed Rulemaking (NPRM).

SUMMARY: This notice proposes to implement a new program enacted by the National Highway System Designation (NHS) Act of 1995, which provides for the withholding of Federal-aid highway funds from any State that does not enact and enforce a "zero tolerance" law. This notice solicits comments on a proposed regulation to clarify what States must do to avoid the withholding of funds.

DATES: Comments must be received by April 22, 1996.

ADDRESSES: Written comments should refer to the docket number and the number of this notice and be submitted (preferably in ten copies) to: Docket Section, National Highway Traffic Safety Administration, Room 5109, Nassif Building, 400 Seventh Street, S.W., Washington, D.C. 20590. (Docket hours are from 9:30 a.m. to 4 p.m.)

FOR FURTHER INFORMATION CONTACT: In NHTSA: Ms. Marlene Markison, Office of State and Community Services, NSC-01, telephone (202) 366-2121; or Ms. Heidi L. Coleman, Office of Chief Counsel, NCC-30, telephone (202) 366-1834.

In FHWA: Ms. Mila Plosky, Office of Highway Safety, HHS-20, telephone (202) 366-6902; or Mr. Raymond W. Cuprill, HCC-20, telephone (202) 366-0834.

SUPPLEMENTARY INFORMATION: The National Highway System Designation (NHS) Act of 1995, Pub. L. 104-59, was signed into law on November 28, 1995. Section 320 of the Act established a new Section 161 of Title 23, United States Code (Section 161), which requires the withholding of certain Federal-aid highway funds from States that do not enact and enforce "zero tolerance" laws. Section 161 provides that these "zero tolerance" laws must consider an individual under the age of 21 who has a blood alcohol concentration of 0.02 percent or greater while operating a motor vehicle in the State, to be driving while intoxicated or driving under the influence of alcohol.

In a letter to Senator Robert Byrd, who sponsored the zero tolerance legislation, President Clinton stated:

Drinking and driving by young people is one of the nation's most serious threats to public health and public safety. I am deeply concerned about this ongoing tragedy which kills thousands of young people every year. It's against the law for young people to drink. It should be against the law for young people to drink and drive. * * *

A decade ago, we decided as a nation that the minimum drinking age should be 21. In 1984, President Reagan signed bipartisan

legislation to achieve this goal, and today all 50 states have enacted such laws. Our efforts are paying off—drunk driving among people under 21 have been cut in half since 1984.

But we must do more. * * * If all states had ["zero tolerance"] laws hundreds more lives could be saved and thousands of injuries could be prevented.

Senator Byrd stated, when he introduced the legislation:

My amendment builds upon one of the most important—and successful—Federal initiatives related to alcohol and minors—a 1984 requirement that States adopt laws prohibiting the possession or purchase of alcohol by anyone younger than twenty-one years of age * * *

NHTSA has estimated that the 21-year-old drinking age has saved 8400 lives since 1984. Further, in 1993, * * * the 21-year-old drinking age requirement is estimated to have saved \$1.8 billion in economic costs to our society * * *

The Congress should now take the next step, and explicitly state, as a matter of law, that minors are not allowed to drink and drive. My amendment is simple and straight forward—since it is illegal for minors under the age of 21 to * * * publicly possess or purchase alcohol—any level of consumption that is coupled with driving should be treated, under the requirements of each State's laws, as driving while intoxicated * * *

Under my amendment, the message to that minor is clear: you cannot drink and drive. Period. And, hopefully, this type of tough and absolute requirement in the law will encourage our young people not to drink at all.

Similar sentiments were expressed by Congresswoman Lowey, who sponsored zero tolerance legislation in the U.S. House of Representatives.

Adoption of Zero Tolerance Law

Section 161 specifically provides that the Secretary must withhold from apportionment a portion of Federal-aid highway funds from any State that does not meet certain statutory requirements. To avoid such withholding, a State must enact and enforce a law that considers an individual under the age of 21 who has a blood alcohol concentration of 0.02 percent or greater while operating a motor vehicle in the State, to be driving while intoxicated or driving under the influence of alcohol.

Any State that does not enact and enforce a conforming zero tolerance law will be subject to a withholding from apportionment a portion of its Federal-aid highway funds. In accordance with Section 161, if a State does not meet the statutory requirements on October 1, 1998, five percent of its FY 1999 Federal-aid highway apportionment under 23 U.S.C. 104(b)(1), 104(b)(3) and 104(b)(5)(B) shall be withheld on that date. These sections relate to the National Highway System (NHS), the