

hardship" that might be caused otherwise. In the course of revising the FDIC insurance regulations in 1990 (in conjunction with FSLIC's termination) the FDIC decided against adopting the FSLIC's grace-period policy because of the questionable underlying legal basis. The argument is that insurance coverage is based on the ownership of the deposits. If under the applicable state law the ownership of an account changes immediately upon the account owner's death, then the FDIC should recognize that change immediately.

The FDIC has limited flexibility to amend its regulations on the insurance of accounts upon an owner's death. That is because, as indicated above, deposit insurance is statutorily based on deposit ownership. If the ownership of a particular deposit changes automatically under the applicable state law upon the owner's death, then the insurance coverage may change also. That is the FDIC's long-standing position on the issue. Although the FDIC has concerns about whether a sound legal basis exists for providing a "grace period" (for insurance purposes) on accounts owned by a person who dies, the FDIC welcomes comments on this issue.

6. *Recommend that the FDI Act be amended to change the way employee benefit plans are insured.* Under an amendment to the FDI Act made by FDICIA, pass-through insurance coverage is not available to employee benefit plan deposits that are accepted by an insured bank or thrift when the institution does not meet prescribed capital requirements. 12 U.S.C. 1821(a)(1)(D). If an institution accepts employee benefit plan deposits at a time when it is not sufficiently capitalized, such deposits are insured only up to \$100,000 per plan (as opposed to \$100,000 per participant or beneficiary). The FDICIA-originated provision is the only one in the FDI Act and regulations to base insurance coverage on the capital sufficiency of the insured institution where the deposits are placed. The statute is complex and very difficult for the industry and the public to understand. Moreover, if deposits are made with an insured bank or thrift that does not meet the prescribed capital requirements, there is no disadvantage to the institution. The depositor is the disadvantaged party.

The FDIC believes Congress should replace the employee benefit plan provision with a general prohibition against insured institutions accepting employee benefit plan deposits when they are not sufficiently capitalized. This would be consistent with the statute pertaining to brokered deposits and, thus, would prevent the

disadvantage to depositors if an insured institution provides incorrect information about its capital condition. Comments are requested on whether the FDIC should recommend this statutory amendment to the Congress.

7. *Consider revising the rules on living trust accounts.* A "living trust" is a formal trust in which the owner retains control of the trust assets during his or her lifetime and designates the beneficiaries of the assets upon his or her death. The owner may revoke or change the terms of the trust during his or her lifetime. In 1993 the FDIC Legal Division prepared guidelines on the insurance of revocable accounts, with an emphasis on living trusts. The guidelines are very detailed and somewhat complex. At the same time the Legal Division prepared the guidelines on living trusts, the FDIC also adopted an informal policy not to review complex living trust documents to determine POD coverage but, instead, to recommend that persons inquiring about such coverage consult with the lawyer who drafted the living trust. Despite the availability of the FDIC guidelines on living trusts and the existence of the FDIC's current policy not to review trust documents, the FDIC still receives numerous questions about the insurance of POD accounts held in connection with living trusts.

One possibility in simplifying the insurance rules on living trusts is to limit the scope of the POD regulation to accounts which name qualifying beneficiaries without reference to any underlying trust documents. The rule would apply only to the traditional POD account intended as a free-standing will substitute and would not apply to any other type of revocable trust extraneous to the POD account itself. This interpretation of the POD provision would be consistent with the original rationale for extending separate insurance coverage for this category of account and revise the coverage rules for the formal type of revocable account which has added unintended complexity and caused expansion to this category of coverage.

Request for Comment

The Board of Directors of the FDIC is seeking comment on all of the above-mentioned possible means of simplifying the deposit insurance rules, including the likely effect of such changes on consumers and the banking industry. The Board also is seeking suggestions on any other ways that the rules might be streamlined, simplified and clarified.

By order of the Board of Directors.

Dated at Washington, D.C., this 14th day of May, 1996.

Federal Deposit Insurance Corporation.

Robert E. Feldman,

Deputy Executive Secretary.

[FR Doc. 96-12780 Filed 5-21-96; 8:45 am]

BILLING CODE 6714-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 95-NM-158-AD]

RIN 2120-AA64

Airworthiness Directives; de Havilland Model DHC-7 Series 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 all de Havilland Model DHC-7 series airplanes. This proposal would require certain structural inspections, and repair, if necessary. This proposal is prompted by a structural re-evaluation, which identified certain significant structural items to inspect for fatigue cracking as these airplanes approach and exceed the manufacturer's original design life. The actions specified by the proposed AD are intended to prevent fatigue cracking in these areas which, if not detected and corrected in a timely manner, could reduce the structural integrity of these airplanes.

DATES: Comments must be received by July 1, 1996.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-103, Attention: Rules Docket No. 95-NM-158-AD, 1601 Lind Avenue, SW., 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 de Havilland, Inc., Garratt Boulevard, Downsview, Ontario M3K 1Y5, Canada. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT: Sol Maroof, Aerospace Engineer, Airframe and Propulsion Branch, ANE-171, FAA,

New York Aircraft Certification Office, Engine and Propeller Directorate, 10 Fifth Street, Third Floor, Valley Stream, New York 11581; telephone (516) 256-7522; fax (516) 568-2716.

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-158-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-158-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Discussion

Transport Canada Aviation, which is the airworthiness authority for Canada, recently notified the FAA that an unsafe condition may exist on all de Havilland Model DHC-7 series airplanes. Service experience shows that transport category aircraft of this type require certain supplemental structural inspections and maintenance to compensate for the effects of prolonged time-in-service. As a result, the manufacturer has conducted a structural reassessment of these airplanes and has identified additional significant structural items where fatigue damage is likely to occur. The criteria for this

reassessment are contained in FAA Advisory Circular (AC) 91-60, "Continued Airworthiness of Older Airplanes."

Explanation of Relevant Service Information

De Havilland has issued Temporary Revision (TR 5-84), dated June 15, 1994, of the DHC-7 Maintenance Manual (PSM 1-7-2), Chapter 5-60-00. TR 5-84 was developed based on service experience with the purpose of extending the Model DHC-7 series airplanes' life beyond 40,000 total flights cycles. It describes procedures for repetitive detailed visual inspections to detect cracks, loose or broken fasteners, and deformations of the vertical stabilizer, horizontal stabilizer, and lower skin panels of the wing. That document also indicates that operators should submit the results of these inspections to the manufacturer. Transport Canada Aviation classified this document as mandatory and issued Canadian airworthiness directive CF-94-19, dated October 6, 1994, in order to assure the continued airworthiness of these airplanes in Canada.

FAA's Conclusions

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. Pursuant to this bilateral airworthiness agreement, Transport Canada Aviation has kept the FAA informed of the situation described above. The FAA has examined the findings of Transport Canada Aviation, reviewed all available information, and determined that AD action is necessary for products of this type design that are certificated for operation in the United States.

Explanation of Requirements of Proposed Rule

Since an unsafe condition has been identified that is likely to exist or develop on other airplanes of the same type design, the proposed AD would require that operators incorporate, into their FAA-approved maintenance inspection program, the inspections specified in DHC-7 Maintenance Manual (PSM 1-7-2), Chapter 5-60-00, Temporary Revision (TR 5-84), dated June 15, 1994. The actions would be required to be accomplished in accordance with the document described previously.

Additionally, the proposed AD would require the repair of any findings of

cracks, loose or broken fasteners, or deformations in accordance with either:

1. The DHC-7 Maintenance Manual; or
2. The DHC-7 Structural Repair Manual;
3. Other data meeting the certification basis of the airplane which is approved by the Manager, New York Aircraft Certification Office, FAA, Engine and Propeller Directorate; or
4. Data meeting the certification basis of the airplane which is approved by Transport Canada Aviation.

Cost Impact

The FAA estimates that 50 airplanes of U.S. registry would be affected by this proposed AD, that it would take approximately 15 work hours per airplane to accomplish the proposed actions, and that the average labor rate is \$60 per work hour. Based on these figures, the cost impact of the proposed AD on U.S. operators is estimated to be \$45,000, or \$900 per airplane, per inspection cycle.

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.

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 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:

De Havilland, Inc.: Docket 95–NM–158–AD.

Applicability: All Model DHC–7 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 other 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 (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, unless accomplished previously.

To ensure the continuing structural integrity of these airplanes, accomplish the following:

(a) Within 6 months after the effective date of this AD, incorporate into the FAA-approved maintenance inspection program the inspections and inspection intervals defined in DHC–7 Maintenance Manual (PSM 1–7–2), Chapter 5–60–00, Temporary Revision (TR 5–84), dated June 15, 1994; and inspect the significant structural items prior to the thresholds specified in TR 5–84 of PSM 1–7–2. Repeat the inspections thereafter at the intervals specified in TR 5–84 of PSM 1–7–2.

(b) Prior to further flight, repair any discrepancies detected during any inspection required by paragraph (a) of this AD in accordance with one of the following:

- (1) The DHC–7 Maintenance Manual; or
- (2) The DHC–7 Structural Repair Manual;

or

(3) Other data meeting the certification basis of the airplane which is approved by the Manager, New York Aircraft Certification Office (ACO), FAA, Engine and Propeller Directorate; or

(4) Data meeting the certification basis of the airplane which is approved by Transport Canada Aviation.

(c) All inspection results, positive or negative, must be reported to de Havilland in accordance with "Introduction," paragraph 5, of DHC–7 Maintenance Manual (PSM 1–7–2), Chapter 5–60–00, Temporary Revision (TR 5–84), dated June 15, 1994. Information collection requirements contained in this regulation have been approved by the Office of Management and Budget (OMB) under the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*) and have been assigned OMB Control Number 2120–0056.

(d) 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, New York Aircraft Certification Office (ACO), FAA, Engine and Propeller Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, New York ACO.

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

(e) Special flight permits may be issued in accordance with §§ 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 May 15, 1996.

S.R. Miller,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 96–12728 Filed 5–21–96; 8:45 am]

BILLING CODE 4910–13–U

14 CFR Part 71

[Airspace Docket No. 95–ANM–22]

Proposed Establishment of Class E Airspace, Colstrip, Montana

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This proposed rule would establish the Colstrip, Montana, Class E airspace to accommodate a new Global Positioning System (GPS) standard instrument approach procedure (SIAP) to the Colstrip Airport. The area would be depicted on aeronautical charts for pilot reference.

DATES: Comments must be received on or before July 8, 1996.

ADDRESSES: Send comments on the proposal in triplicate to: Manager, Operations Branch, ANM–530, Federal Aviation Administration, Docket No. 95–ANM–22, 1601 Lind Avenue S.W., Renton, Washington 98055–4056.

The official docket may be examined at the same address.

An informal docket may also be examined during normal business hours at the address listed above.

FOR FURTHER INFORMATION CONTACT: James Frala, ANM–532.4, Federal Aviation Administration, Docket No. 95–ANM–22, 1601 Lind Avenue S.W., Renton, Washington 98055–4056; telephone number: (206) 227–2535.

SUPPLEMENTARY INFORMATION:**Comments Invited**

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory aeronautical, economic, environmental, and energy related aspects of the proposal.

Communications should identify the airspace docket number and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made:

"Comments to Airspace Docket No. 95–ANM–22." The postcard will be date/time stamped and returned to the commenter. All communications received on or before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available for examination at the address listed above both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability NPRM's

Any person may obtain a copy of this NPRM by submitting a request to the Federal Aviation Administration, Operations Branch, ANM–530, 1601 Lind Avenue S.W., Renton, Washington 98055–4056. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRM's should also request a copy of Advisory Circular No. 11–2A, which describes the application procedure.