proposed rules

[3410-05-M]

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

[7 CFR Part 1421]

1979 CROP FLAXSEED PRICE SUPPORT PROGRAM

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Proposed rule.

SUMMARY: The Secretary of Agriculture is preparing to make determinations with respect to the price support program for 1979-crop flaxseed. These determinations are to be made pursuant to the Agricultural Act of 1949, as amended. The program will enable producers to obtain price support on 1979-crop flaxseed. Written comments are invited from interested persons.

DATES: Comments must be received on or before March 5, 1979, in order to be sure of consideration.

ADDRESSES: Acting Director, Production Adjustment Division, ASCS, USDA, Room 3630, South Building, P.O. Box 2415, Washington, D.C. 20013.

FOR FURTHER INFORMATION CONTACT:

Harry A. Sullivan (ASCS) (202) 447-7951.

SUPPLEMENTARY INFORMATION: A. *Price support program and price support rate.* The Agricultural Act of 1949, as amended, authorizes the Secretary to make price support available to producers of flaxseed through loans, purchases or other operations at a level not in excess of 90 percent of the parity price. The Act requires that, in determining whether price support shall be made available and in determining the level of support, consideration be given to the supply of the commodity in relation to the demand therefore, the price levels at which other commodities are being supported, the availability of funds, the perishability of the commodity, in importance of the commodity to agriculture and the national economy, the ability to dispose of stocks acquired through such an operation, the need for offsetting temporary losses of export markets, and the ability and willingness of producers to keep supplies in the line with demand.

B. *Price support program availability dates.* The purchase availability dates for 1978-crop flaxseed are May 31, 1979, for Minnesota, North Dakota, South Dakota, and Montana, and April 30, 1979, for all other States.

C. *Detailed operating provisions.* Detailed operating provisions under which the present program for flaxseed is being carried out may be found in the regulations in Part 1421 of Title 7 of the Code of Federal Regulations.

PROPOSED RULE

The Secretary of Agriculture is considering the following determinations for 1979-crop flaxseed:

A. Whether price support shall be made available on 1979-crop flaxseed and the method of support.

B. The level of support to be established, and differentials for quality location, and other factors. It is contemplated that support rates for flaxseed will reflect market differentials under which flaxseed is merchandised (area and grade for instance).

C. Price support program availability dates.

D. Detailed operating provisions to carry out the program. Prior to making these determinations, consideration will be given to any data, views and recommendations submitted in writing to the Acting Director, Production Adjustment Division, Agricultural Stabilization and Conservation Service, USDA, Washington, D.C. 20250. All comments will be made available to the public at the office of the Acting Director, Production Adjustment Division, ASCS, USDA, during regular business hours (8:15 a.m. to 4:45 p.m.), Monday through Friday, in room 3630, South Building, 14th and Independence Avenue, S.W., Washington, D.C. (7 CFR 1.27 (b)).

NOTE: An approved Draft Impact Analysis is available for Harry A. Sullivan (ASCS) 202-447-7951.

NOTE: Based on an assessment of the environment impacts of the proposed action, it has been determined that an Environmental Impact Statement need not be prepared since the proposals will have no significant effect on the quality of the human environment.

Signed at Washington, D.C. on December 28, 1978.

RAY FITZGERALD,
Executive Vice President,
Commodity Credit Corporation.

[FR Doc. 79-314 Filed 1-3-79; 8:45 am]

[6210-01-M]

FEDERAL RESERVE SYSTEM

[12 CFR Part 226]

[Reg. Z; Docket No. R-0195]

TRUTH IN LENDING

Calculation and Disclosure of Annual Percentage Rates

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Proposed revisions to Regulation Z regarding methods of calculating and disclosing annual percentage rates.

SUMMARY: This notice solicits comment on the requirements of Regulation Z with regard to the degree of precision and treatment of payment schedule variations in the calculation and disclosure of the annual percentage rate. The Board is reviewing the existing provisions in order to ascertain what changes, if any, may be necessary to provide greater uniformity and simplicity in the determination of this credit term. This publication describes certain problems, together with possible alternative solutions, and invites comment on these and other aspects of the annual percentage rate provisions. Specific regulatory changes resulting from this review will be proposed for comment at a later time.

DATE: Comments must be received on or before March 5, 1979.

ADDRESS: Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

FOR FURTHER INFORMATION CONTACT:

Dolores S. Smith, Section Chief, Division of Consumer Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 (202-452-2412).

SUPPLEMENTARY INFORMATION: The Truth in Lending Act requires the Board to prescribe rules for determining and disclosing the annual percent-

age rate, as a measure of the cost of credit for consumer credit transactions. The present rules permit numerous variations in the computation methods. These variations result in a lack of uniformity which deprives consumers of a standard measure for comparing credit sources. Additionally, these variations cause uncertainty for creditors and difficulties in enforcement.

The Board believes that the present lack of uniformity arises primarily from the ways in which Regulation Z deals with two issues: (1) the degree of precision required in calculating and disclosing the annual percentage rate and (2) the treatment of irregularities in payment amounts and periods. The first issue relates both to the number of decimal places employed in computation and disclosure and to the limitation of disclosure options to either an exact or a rounded rate. The second issue involves the manner in which the creditor either takes specific account of variations in the payment schedule or, to the extent permitted, ignores those variations in computing the annual percentage rate.

Resolution of these issues may require a wide range of regulatory actions, including amendment or revocation of various provisions of the regulation, revocation and substitution of Board interpretations, and revisions of Supplement I and Volume I of the Board's Annual Percentage Rate Tables. In considering such extensive changes, the Board wishes to encourage a thorough public discussion which will address the likely impact of those changes and the extent to which commenters perceive the need for any changes at all. This notice describes specific problems which the Board has identified in the present annual percentage rate provisions and sets forth possible methods of resolving those problems. The options presented for each issue may not be mutually exclusive, nor do they constitute the only remedies which the Board might consider. After analysis of the comments received on this matter, the Board will determine which courses of action, if any, merit further consideration, and will propose for comment specific regulatory language to implement those changes.

The Board believes that all of the options discussed below could be implemented on the basis of its rulemaking authority under §§ 105 and 107 of the Truth in Lending Act, but welcomes comment on this matter as well.

I. Tolerance

The annual percentage rate for any credit transaction may be disclosed, under the existing rules, as an exact figure or rounded to the nearest one-quarter per cent. A number of methods for determining annual percentage rates are authorized by the current provisions of Regulation Z and various Board and staff interpretations. However, creditors disclosing a rate between these "Correct" rates could find themselves in violation of the regulation. For example, using one authorized computation procedure, a creditor might obtain an annual percentage rate of 9.13 per cent. Using another permitted calculation technique for the same transaction, the creditor might determine the annual percentage rate to be 9.20 per cent. Disclosure of either of these rates or a rounded rate of 9.25 per cent would be permissible but a creditor disclosing 9.23 per cent would be in violation of the regulation if 9.23 per cent was not determined by a specifically sanctioned computation method.

Another shortcoming of the rounding option is that the degree of protection afforded creditors is not uniform, since the margin of error diminishes as the true annual percentage rate approaches the quarter per cent. For example, an annual percentage rate of 9.12 per cent may be rounded down .12 percentage points to 9.00 per cent, while a 9.01 annual percentage rate may be rounded down only .01 percentage points.

Finally, where the exact annual percentage rate lies extremely close to the midpoint of the one-quarter per cent range, determining whether to round up or down to the nearest quarter of one per cent becomes an almost impossible task. For example, where the true annual percentage rate is near 9.125 per cent, an error of less than one thousandth of one per cent could result in an understatement at 9.00 per cent or an overstatement at 9.25 per cent.

In order to facilitate compliance and eliminate the inequities associated with the current rounding option, the Board is considering replacing this provision with a rule providing a tolerance for minor variations in rate computation methods and insignificant errors in disclosed annual percentage rates. In view of the complexities involved in establishing a workable rule, the Board requests comment on the following questions:

1. Should the tolerance be the same for overstatements and understatements, or should a greater tolerance be permitted for overstatements?

One argument for allowing a greater tolerance for overstatements is evidence indicating the existence of certain technical difficulties involving the production and use of rate charts and tables. These difficulties tend to produce substantial overstatements.

2. How much tolerance should be allowed? Should the tolerance prescribed be stated as a fixed amount (e.g., within one eighth of a percentage point from the true rate) or as a variable amount (e.g., as a percentage of the true rate)?

3. Should the same tolerance be prescribed for both closed end and open end credit transactions?

4. Should distinctions be made on the basis of length of maturity, credit amount, or other such factors? For example, should the same tolerance prescribed for a credit transaction of $1,000 maturing in one year also be applicable to a $50,000 credit extension with a maturity of thirty years?

5. Should distinctions be made between rates produced by charts and tables and those generated by potentially more accurate devices, such as computers and calculators?

6. How should the occasional slight differences between rates produced by the United States Rule and those produced by the actuarial method be accounted for in prescribing a tolerance?

Since application of the United States Rule sometimes produces a higher rate that the actuarial method for a given amount of finance charge, one alternative might be to measure the degree of overstatement allowed from the rate produced by the former method and determine the degree of permissible understatement based on the latter method.

7. Should the tolerance prescribed apply uniformly to all computation methods or should different treatment continue to be provided, as in the following cases:

(a) Charts and tables applicable to specific ranges or brackets of balances under § 226.5(c)(2)(iv) and

(b) The single add-on rate transaction method under Board Interpretation § 226.502.

8. Is the constant ratio method of rate computation authorized under § 226.5(e) still needed, or could this provision be deleted?

9. Should use of Volume I of the Board's Annual Percentage Rate Tables be restricted to transactions for which the annual percentage rate produced falls within the tolerance to be prescribed?

10. Are there other factors that the Board should consider in establishing a rule allowing a tolerance in annual percentage rate computations?

II. Number of Decimal Places

Presently, neither the Act nor the regulation provides definitive rules regarding the degree of precision required at various stages in the annual percentage rate computations or for disclosure purposes. Although such guidelines are contained implicitly in Supplement I to Regulation Z and in various Public Information Letters, the absence of specific requirements is

a source of confusion in both open end and closed end credit.

The number of decimal places to which calculations are carried throughout the rate computation process drastically affects the accuracy of the disclosed annual percentage rate. Certain practices, including truncation or rounding of "significant" digits at interim steps in the calculation process, frequently result in significant distortions in the disclosed annual percentage rate. To eliminate this problem, the Board is considering adoption of a rule requiring disclosed annual percentage rates for all credit transactions to be rounded to two decimal places. In arriving at such rates, calculator and computer programs would be expected to carry all available digits throughout the calculations, rounding only the final result to two decimal places. Similarly, charts and tables would be required to provide listed factors that permit a determination of the annual percentage rate rounded to two decimals.

In open end credit, periodic rates used to compute the finance charge are also required to be disclosed. In this regard, the Board is considering adopting a rule requiring disclosure of the exact periodic rate applied.

III. Ignoring Irregularities

Regulation Z currently contains three "minor irregularities" provisions: § 226.5(d) and Board Interpretations §§ 226.503 and 226.505. These sections permit creditors to disregard certain variations in payment amounts and payment periods for purposes of determining the annual percentage rate, the amount of the finance charge, or both. That is, where the first payment period differs from the subsequent periods by no more than a specified number of days or where any one payment differs from the other payments by no more than a specified per cent, creditors have been permitted to ignore such variations, treating the odd period or amount as though it were regular.

Use of the minor irregularities provisions necessarily creates distortion in the annual percentage rate and the finance charge disclosed insofar as they allow that which is irregular to be treated as regular. Although the provisions were designed to minimize the distortion by limiting their applicability to differences within certain specified ranges, the variations produced can be considerable. This distortion is proportionately greater in short term transactions. For example, using the minor irregularities option, a variation of 10 days in the length of the first period in a transaction payable monthly will cause the annual percentage rate for a six month transaction to vary by approximately 10 per cent of the true rate; a one year transaction, approximately 5 per cent of the true rate; a two year transaction, approximately 2½ per cent of the true rate; a five year transaction, approximately 1 per cent of the true rate; and a thirty year transaction, approximately ⅓ per cent of the true rate.

The variability is increased by the fact that creditors are free to take advantage of the provisions when it is to their benefit to do so (e.g., treating short periods as regular) and to disregard them when it is advantageous to take specific account of irregularities (e.g., a long period). The variability is further increased by the fact that, for a given transaction, a lender has the option of using the minor irregularities provisions for both the annual percentage rate and the finance charge, for one and not the other, or for neither one.

The variation in rates and charges thus obtained under the current minor irregularities rules creates several problems. First, it impairs comparability of what are intended to be the two most important items of credit information to consumers, thus hampering credit shopping. It also considerably complicates administrative enforcement, in that examiners attempting to verify disclosed information must perform numerous calculations to see whether any one of several permissible approaches might yield the disclosed annual percentage rate or finance charge. Finally, due to their fairly technical nature, these provisions are often misunderstood.

In light of these considerations, the Board would like to receive public comment on the following options:

Option 1. Eliminate the current minor irregularities provisions altogether.

One argument in favor of this option, aside from those noted above with regard to the variety of results permitted, is that the need for these provisions has been greatly reduced as the sophistication and availability of tools capable of producing exact rates and charges have increased. The need for the protection offered by these provisions would be further reduced if certain other options suggested in this proposal are adopted. For example, if a uniform method of dealing with irregular periods is specified (see Section IV below), the task of accounting for the most common irregularity would be simplified. Allowance of a specified tolerance in the annual percentage rate accuracy requirement (see Section I above) could also minimize the need for the current minor irregularities provisions. If, for instance, there are irregularities which are truly so minor that ignoring them results in an annual percentage rate close enough to the true rate to fall within the specified tolerance, a creditor could continue to ignore those irregularities without violating the regulation.

An argument against Option 1 is that the minor irregularities provisions appear to be widely relied upon by creditors. Their elimination would put a greater burden on creditors to take specific account of payment schedule irregularities, even in those cases where the irregularities are caused by a desire to accommodate customer preferences (e.g., scheduling the first payment to coincide with a payday).

Option 2 Revise the minor irregularities provisions to permit only *overstatements* of the annual percentage rate and finance charge.

Within this option, several further choices could be made, for example:

(a) Should the provisions apply to both periods and payment amounts or just to periods? Under the latter, for example, the extra days in the period from the transaction date to the first payment could be ignored, but any variation in payment amount would have to be reflected.

(b) Should the provisions apply to both the annual percentage rate and the finance charge or to just one, for example, the annual percentage rate (so that irregularities could be disregarded for rate computation purposes, but the exact dollar amount of finance charge would have to be disclosed)? If applicable to both the annual percentage rate and the finance charge, should the creditor be required, for a given transaction, to use the minor irregularities provisions for both annual percentage rate and finance charge if it chooses to use it for either one?

(c) Should the "degree" of irregularity be limited in some way as in the current provisions (e.g., for a transaction payable monthly, allow a period of not more than 50 days to be treated as if it were regular)?

Since one of the problems with the current provisions is the variety of rates and charges they permit to be disclosed, this option would have the advantage of decreasing the number of permissible disclosures. In addition, customers would never be told that the rate or charge was lower than it actually was. Moreover, since creditors would be making disclosures that might put them at a competitive disadvantage (because they would be disclosing an annual percentage rate or finance charge higher than that actually imposed), use of the provision would be discouraged in competitive markets.

A major argument against this option is that such a provision would continue to allow inaccurate statements of the annual percentage rate

and finance charge, thus impeding comparison shopping.

Option 3 Leave the substance of the current minor irregularities provisions unchanged, making only editorial revisions.

The provisions presently appear in three separate places in the regulation and Board interpretations. At a minimum, the rules could be restated more clearly in a single location.

Option 4 Adopt a new provision to allow slight payment schedule variations arising from particular practices to be disregarded in determining and disclosing the annual percentage rate, finance charge and schedule of payments.

There are a number of very slight payment schedule irregularities which arise from valid (even necessary) business practices, and which affect, however negligibly, the amount of certain required disclosures. One such irregularity is the difference between the final payment and all other payments in a simple interest loan, which difference results from the rounding of payment amounts to whole cents. This slight irregularity in the payment schedule is unavoidable, since creditors cannot collect fractions of pennies. Under the current regulation, however, a technical violation could result unless the precise amount of that final payment were computed and disclosed, and the finance charge adjusted accordingly.

Another example arises in certain transactions in which interest is paid on the outstanding balance and payments are made by payroll deduction. Although paydays may be scheduled, for example, on the 15th and the last day of the month, the employer may have a policy of advancing the payday if one of those dates falls on a Saturday, Sunday or holiday. The payment schedule would have occasional slight variations due to this practice as well as to the fact that the last day of the month varies. Under the current regulation, the creditor could not assume a uniform semi-monthly payment schedule, but would have to take account of the advanced payment dates.

The impact of such slight variations on the annual percentage rate may be small enough to allow such variations to be disregarded without causing the rate to fall outside the annual percentage rate tolerances discussed in Section I above. However, there are other non-rate disclosures, e.g., finance charge and total of payments, that are also affected by these variations. Option 4 would permit such variations to be ignored for disclosure purposes.

The Board would like public comment on whether such a provision would be appropriate and, if so, whether there are other similar practices resulting in slight payment schedule variations which should properly be included in the provision.

IV. Accounting for Irregularities

An irregularity occurs when an interval between advances or payments in a transaction is shorter or longer than the unit-period for that transaction. A unit-period is that time interval between advances or payments which occurs most frequently in the transaction. In the most common case, an odd first period is created when a transaction is consummated on a date which does not fall exactly one unit-period prior to the first payment or advance date. In cases where the minor irregularities provisions do not apply, or where the creditor chooses to account for these irregularities, the creditor must determine the number of days in the odd period and relate that number to a regular period.

Since no single method has ever been specified for making this calculation, creditors use a variety of methods. Among the methods commonly used by creditors to determine the length of an odd period are counting the actual number of days, counting on the basis of an assumed 30-day month and counting months and days in the period. The possible variations thus produced are further compounded by the creditor's choice of options in determining the fractional value of the odd days, which may be related either to 30 (assuming a standard month of 30 days) or to 365/12 (dividing the number of days per year by the number of months). These seemingly minor differences in accounting for odd days may produce significant variations in the resulting annual percentage rates.

The Board is considering the revision of Supplement I to specify a uniform method for determining the number of odd days and relating that number to a regular unit-period. In transactions involving a unit-period of a month, one suggested method is first to determine the number of whole months in the odd period by working back from the calendar date of an advance or payment to the corresponding calendar date in the previous month, and then to count forward the exact number of days from the beginning of the odd period to the first calendar date corresponding to the date of the payment or advance, as applicable. For example, in a transaction consummated on January 5 with the first monthly payment due on February 23, the creditor would count back from February 23 to January 23 as one full unit-period, and then count forward from January 5 through January 23, thus determining that there are 18 odd days in the first period. If this approach were adopted, Supplement I would also specify uniform rules for transactions involving other unit-periods.

Although this issue might assume greater importance if the minor irregularities provisions discussed above were revoked, it should be emphasized that retention of those provisions would not eliminate this issue. Odd periods must continue to be accounted for in those transactions in which the minor irregularities option is not chosen, or in which the number of odd days is beyond the ranges now permitted to be ignored.

V. Reliance on Charts and Tables

Under § 226.5(c)(3), an annual percentage rate or finance charge error that results from an error in the chart or table used by the creditor does not constitute a violation of Regulation Z, subject to certain conditions. Two issues have arisen regarding this provision. First, calculators and computer software are now used extensively for computation purposes, in substitution for charts and tables. However, as written, § 226.5(c)(3) appears to be available solely to users of charts and tables. Second, the Board's statutory authority for implementing this section, which protects creditors against civil liability under § 130 of the Truth in Lending Act, has been questioned.

The Board is considering the following alternative courses of action to resolve these issues:

Option 1 Rescind § 226.5(c)(3), making creditors using any computation tool equally liable for finance charge and annual percentage rate errors, without regard to the source of those errors.

Advances over the past ten years in calculator technology and chart production may warrant elimination of § 226.5(c)(3). This option would also accomodate, in the simplest and most direct fashion, the concerns expressed regarding both the unequal availability of the protection afforded by the present rule and the Board's authority to promulgate it.

Option 2 Amend § 226.5(c)(3) to extend its protection to any creditor using faulty software or a faulty calculator acquired or produced in good faith.

If this option is pursued, the Board may consider conditioning the availability of this protection on certain requirements, such as the maintenance of procedures reasonably adapted to detect or avoid errors and the adjustment of customers' accounts to correct such errors.

To aid in the consideration of these matters by the Board, interested persons are invited to submit relevant data, views, comments or arguments. Any such material should be submitted in writing to the Secretary, Board of Governors of the Federal Reserve

System, Washington, D.C. 20551, to be received no later than March 5, 1979, and should include the docket number R-0195. The material submitted will be made available for public inspection and copying, except as provided in § 261.6(a) of the Board's Rules Regarding Availability of Information (12 C.F.R. 261.6(a)).

By order of the Board of Governors, December 22, 1978.

THEODORE E. ALLISON,
Secretary of the Board.

[FR Doc. 79 345 Filed 1-2-79; 8:45 am]

[4910-13-M]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Part 39]

[Docket No. 18606]

AIRWORTHINESS DIRECTIVES

Avions Marcel Dassault—Breguet Aviation Falcon 10

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This notice proposes to adopt an Airworthiness Directive that would require modification of the passenger door control mechanism, on certain Avions Marcel Dassault Falcon 10 airplanes, by adding a sensor device and associated annunicator light to provide pilots with a visual indication that the passenger door control mechanism is fully engaged and by installing a protective guard around the door control pushbotton unlock mechanism. The proposed AD is needed to prevent the inadvertent opening of the door in flight due to its not being fully engaged or by inadvertent bumping of the unlock pushbotton.

DATES: Comments must be received on or before February 19, 1979.

ADDRESSES: Send comments on the proposal in duplicate to: Federal Aviation Administration, Office of the Chief Counsel, Attn: Rules Docket (AGC-24) Docket No. 18606, 800 Independence Avenue, S.W., Washington, D.C. 20591. The applicable service bulletin may be obtained from: Falcon Jet Corporation, 90 Moonachie Ave., Moonachie, New Jersey 07074. A copy of the service bulletin is contained in the Rules Docket, Rm 916, 800 Independence Avenue, S.W., Washington, D.C. 20591.

FOR FURTHER INFORMATION CONTACT:

Don C. Jacobsen, Chief, Aircraft Certification Staff, AEU-100, Europe, Africa, and Middle East Region, Federal Aviation Administration, c/o American Embassy, Brussels, Belgium, Telephone 513.38.30.

SUPPLEMENTARY INFORMATION: 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 should identify the regulatory docket number and be submitted in duplicate to the address specified above. All communications received on or before the closing date for comments will be considered by the Administrator before taking action upon the proposed rule. The proposals contained in this notice may be changed in the light of comments received. All comments 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 the proposed AD, will be filed in the Rules Docket.

There has been one report of flight operations conducted where the passenger door control mechanism was unlocked although door "closed" indicators indicated a safe condition. The FAA has determined that the possibility of an inadvertent in-flight opening of the passenger door on certain Avions Marcel Dassault Falcon 10 airplanes is increased because it is possible to get passenger door closed indication with the passenger door control mechanism unlocked or not fully engaged. Furthermore, the passenger door control mechanism unlocking pushbotton is not protected from inadvertent bumping by persons moving about in the cabin. Since this condition is likely to exist or develop on other airplanes of the same type design, the proposed AD would require installation of a microswitch sensor on the passenger door control mechanism and associated electrical circuitry to a "CABIN" annunciator light in the cockpit and the installation of a transparent cup around the passenger door control mechanism unlocking pushbotton on certain Falcon 10 airplanes.

THE PROPOSED AMENDMENT

Accordingly, the Federal Aviation Administration proposes to amend § 39.13 of Part 39 of the Federal Aviation regulations 914 CFR 39.13) by adding the following new Airworthiness Directive:

AVIONS MARCEL DASSAULT—BREGUET AVIATION. Applies to Falcon 10 airplanes, Serial Numbers 1 through 122 except 118 and 121, certificated in all categories.

Compliance is required within the next 500 hours time in service after the effective date of this AD, unless already accomplished. To prevent inadvertent unlocking of the passenger door in flight, accomplish the following:

(a) Modify the passenger door control mechanism by installing a microswitch connected to a cockpit annunciator "CABIN" light and install a transparent cup around the passengers' door control mechanism unlocking pushbotton in accordance with Avions Marcel Dassault (AMD) Service Bulletin AMD-BA F10-0163 dated May 17, 1978, at Revision 1 dated June 9, 1978, or equivalent approved by the Chief, Aircraft Certification Staff, FAA, Europe, Africa, and Middle East Region, c/o American Embassy, Brussels, Belgium.

(b) Revise the airplane maintenance manual and illustrated parts catalog for modifications performed in complying with paragraph (a) of this AD.

(Secs. 313(a), 601, and 603, Federal Aviation Act of 1958, as amended, (49 U.S.C. 1354(a), 1421, and 1423); Sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c); 14 CFR 11.85).

NOTICE.—The FAA has determined that this document involves a proposed regulation which is not considered to be significant under the procedures and criteria prescribed by Executive Order 12044 and as implemented by interim Department of Transportation guidelines (43 FR 9582; March 8, 1978).

Issued in Washington, D.C., on December 26, 1978.

C. A. MCKAY,
Acting Director,
Flight Standards Service.

[FR Doc. 79-211 Filed 1-3-79; 8:45 am]

[4910-13-M]

[14 CFR Part 71]

[Airspace Docket No. 78-RM-25]

ESTABLISHMENT AND ALTERATION OF TRANSITION AREAS

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This notice of proposed rulemaking (NPRM) proposes to establish a 700' transition area at Wagner, South Dakota, and lower the 9,500' floored airspace to a 1,200' transition area at Mitchell, South Dakota, to provide controlled airspace for aircraft executing the new NDB runway 26 standard instrument approach procedure developed for the Wagner Municipal Airport, Wagner, South Dakota.

DATES: Comments must be received on or before January 29, 1979.

ADDRESSES: Send comments on the proposal to: Chief, Air Traffic Division, Attn: ARM-500, Federal Aviation Administration, 10455 East 25th Avenue, Aurora, Colorado 80010. A public docket will be available for examination by interested persons in the office of the Regional Counsel, Feder-