

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2000–NM–263–AD; Amendment 39–12213; AD 2001–09–08]

RIN 2120–AA64

**Airworthiness Directives;
Construcciones Aeronauticas, S.A.
(CASA), Model CN–235 Series
Airplanes**

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to all CASA Model CN–235 series airplanes, that requires installing a second electrical connector in the electrical Master Central Unit. The actions specified by this AD are intended to prevent the loss of electrical power, other than that provided by the emergency system, in the event of disconnection of the single electrical connector within the electrical Master Central Unit. This action is intended to address the identified unsafe condition.

DATES: Effective June 11, 2001.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of June 11, 2001.

ADDRESSES: The service information referenced in this AD may be obtained from Construcciones Aeronauticas, S.A., Getafe, Madrid, Spain. This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Dan Rodina, Aerospace Engineer, ANM–116, International Branch, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055–4056; telephone (425) 227–2125; fax (425) 227–1149.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to all CASA Model CN–235 series airplanes was published in the **Federal Register** on January 22, 2001 (66 FR 6497). That action proposed to require installing a second electrical connector in the electrical Master Central Unit.

Comments

Interested persons have been afforded an opportunity to participate in the making of this amendment. No comments were submitted in response to the proposal or the FAA's determination of the cost to the public.

Conclusion

The FAA has determined that air safety and the public interest require the adoption of the rule as proposed.

Cost Impact

The FAA estimates that 1 airplane of U.S. registry will be affected by this AD, that it will take approximately 8 work hours to accomplish the required installation, and that the average labor rate is \$60 per work hour. Required parts will cost approximately \$877. Based on these figures, the cost impact of the AD on U.S. operators is estimated to be \$1,357.

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. The cost impact figures discussed in AD rulemaking actions represent only the time necessary to perform the specific actions actually required by the AD. These figures typically do not include incidental costs, such as the time required to gain access and close up, planning time, or time necessitated by other administrative actions.

Regulatory Impact

The regulations adopted herein will not have a substantial direct effect 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, it is determined that this final rule does not have federalism implications under Executive Order 13132.

For the reasons discussed above, I certify that this action (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) 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 final evaluation has been prepared for this action and it is contained in the Rules Docket. 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 adding the following new airworthiness directive:

2001–09–08 Construcciones Aeronauticas, S.A. (CASA): Amendment 39–12213. Docket 2000–NM–263–AD.

Applicability: All Model CN–235 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 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 the loss of electrical power, other than that provided by the emergency system, in the event of disconnection of the single electrical connector within the electrical Master Central Unit, accomplish the following:

Installation

(a) Within 6 months after the effective date of this AD: Install a second electrical connector in the Master Central Unit, in accordance with CASA Service Bulletin SB–235–24–14, dated June 27, 2000.

Alternative Methods of Compliance

(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 Manager, International Branch, ANM–116. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, International Branch, ANM–116.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the International Branch, ANM-116.

Special Flight Permits

(c) 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.

Incorporation by Reference

(d) The actions shall be done in accordance with CASA Service Bulletin SB-235-24-14, dated June 27, 2000. This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from Construcciones Aeronauticas, S.A., Getafe, Madrid, Spain. Copies may be inspected at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

Note 3: The subject of this AD is addressed in Spanish airworthiness directive 06/00, dated June 27, 2000.

Effective Date

(e) This amendment becomes effective on June 11, 2001.

Issued in Renton, Washington, on April 24, 2001.

Donald L. Riggins,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 01-10727 Filed 5-4-01; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 241

[Release No. 34-44238]

Commission Guidance to Broker-Dealers on the Use of Electronic Storage Media Under the Electronic Signatures in Global and National Commerce Act of 2000 With Respect to Rule 17a-4(f)

AGENCY: Securities and Exchange Commission.

ACTION: Interpretation.

SUMMARY: The Commission is publishing guidance on the operation of its rule permitting electronic storage of broker-dealer records in light of the recently enacted Electronic Signatures in Global and National Commerce Act of 2000. In particular, we are publishing guidance on how the electronic storage requirements of Rule 17a-4(f) under the Securities Exchange Act of 1934 meet,

and are consistent with, the requirements of the Electronic Signatures in Global and National Commerce Act.

EFFECTIVE DATE: The guidance is effective on May 7, 2001.

FOR FURTHER INFORMATION CONTACT:

Michael A. Macchiaroli, Associate Director, 202/942-0131; Thomas K. McGowan, Assistant Director, 202/942-4886; Randall W. Roy, Special Counsel, 202/942-0798, or Mathew Comstock, Attorney, 202/942-0156, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-1001.

SUPPLEMENTARY INFORMATION: The Securities and Exchange Commission ("Commission") is publishing guidance on how Rule 17a-4(f) (17 CFR 240.17a-4(f)) under the Securities Exchange Act of 1934 ("Exchange Act") is consistent with the Electronic Signatures in Global and National Commerce Act of 2000.

I. Introduction

The Electronic Signatures in Global and National Commerce Act of 2000 (the "Electronic Signatures Act")¹ seeks to promote electronic commerce by providing greater legal certainty to transactions effected by electronic means. To this end, the Electronic Signatures Act provides that the legal validity of a signature or contract cannot be denied solely because it is in electronic form.² It also encourages electronic record storage by providing that any statute, regulation, or other rule of law that requires the retention of contracts or other records relating to transactions in or affecting interstate or foreign commerce may, with certain exceptions, be complied with by storing the documents electronically.³ However, the Electronic Signatures Act requires that the electronically stored documents must accurately reflect the information in the contracts or transactional records and be accessible to all persons entitled to review them under statute, regulation, or rule of law in a form that is capable of being accurately reproduced for later reference.⁴ The Electronic Signatures Act does not define how these requirements are to be met. Instead, it preserves the ability of regulatory agencies to interpret them with respect to statutes under which such agencies have rulemaking authority.⁵

On March 1, 2001, the Electronic Signatures Act became effective with

respect to any existing state or federal regulatory requirement that a contract or transactional record be retained.⁶ This effective date is delayed, however, if an agency has announced, proposed or initiated, but not completed, a rulemaking proceeding under the authority preserved in the Electronic Signatures Act.⁷ On February 28, 2001, the Commission announced that it would act shortly to provide interpretive guidance and, where appropriate, propose or adopt rules consistent with the Electronic Signatures Act, thereby delaying the effective date with respect to Commission recordkeeping rules to June 1, 2001.⁸

Since 1939, the Commission has required broker-dealers, through rules authorized under the Exchange Act, to make and maintain certain records deemed necessary to ensure compliance with federal securities laws and regulations.⁹ In 1997, after requests by industry representatives, the Commission amended its record retention rule to allow broker-dealers to store these records using any electronic storage medium, subject to certain requirements set forth in the rule.¹⁰ These requirements are safeguards designed to ensure the accuracy, accessibility, and accurate reproduction of the electronically stored records. The rule's evolution from a strictly paper requirement to its present electronic storage provisions reflects the Commission's approach of promoting the use of available technologies to the benefit of broker-dealers and investors.

In anticipation of the June 1, 2001 effective date for the electronic storage provisions of the Electronic Signatures Act, we are publishing this release to explain how the electronic storage requirements of the broker-dealer record retention rule meet, and are consistent with, the requirements of the Electronic Signatures Act.

II. Background

A. Broker-Dealer Books and Records Rules

Section 17(a)(1) of the Exchange Act authorizes the Commission to issue rules requiring broker-dealers to make and keep for prescribed periods, and furnish copies thereof, such records as necessary or appropriate in the public

⁶ Electronic Signatures Act Section 107(b)(1).

⁷ Electronic Signatures Act Section 107(b)(1)(B).

⁸ Exchange Act Release No. 44014 (Feb. 28, 2001), 66 FR 13273 (March 5, 2001), <<http://www.sec.gov/news/digest.shtml>>.

⁹ Exchange Act Release No. 2304 (Nov. 13, 1939), 4 FR 4578 (Jan. 2, 1940).

¹⁰ Exchange Act Release No. 38245 (Feb. 5, 1997), 62 FR 6469 (Feb. 12, 1997) ("Adopting Release").

¹ Pub. L. 106-229, 114 Stat. 464 (2000).

² Electronic Signatures Act Section 101(a).

³ Electronic Signatures Act Section 101(d)(1).

⁴ *Id.*

⁵ Electronic Signatures Act Section 104(b).