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 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

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

SAAB Aircraft AB: Docket 98–NM–176–AD.

Applicability: Model SAAB 340B series airplanes, manufacturer serial numbers 380 through 499 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 a short circuit caused by fluid leakage, which could result in inability to extend or retract the landing gear, accomplish the following:

(a) Within 400 flight hours after the effective date of this AD, accomplish the actions required by paragraphs (a)(1), (a)(2), (a)(3), and (a)(4) of this AD, in accordance with Saab Service Bulletin 340–32–115, dated April 7, 1998.

(1) Perform a detailed visual inspection to detect moisture or other contamination of the electrical wiring harness above relay consoles 305VU and 306VU. If any moisture or other contamination is found, prior to further flight, clean the wiring harness.

(2) Perform a detailed visual inspection to detect moisture or other contamination of electrical relay 15GA and its socket. If any moisture or other contamination is found, prior to further flight, accomplish corrective actions.

(3) Perform a detailed visual inspection for electrical damage of electrical relay 15GA and its socket. If any sign of electrical damage (arcing, discoloration, or charring) is detected, prior to further flight, replace the existing relay and socket with new parts.

(4) Replace the existing nut plates on the floor of the cockpit with new, improved nut plates, on the left and right sides of the airplane.

(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, 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, 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.

(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.

Note 3: The subject of this AD is addressed in Swedish airworthiness directive SAD 1–125, dated April 7, 1998.

Issued in Renton, Washington, on July 8, 1998.

S.R. Miller,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 98–18949 Filed 7–15–98; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 206

RIN 1010–AC09

Establishing Oil Value for Royalty Due on Federal Leases

AGENCY: Minerals Management Service, Interior.

ACTION: Further supplementary proposed rule.

SUMMARY: The Minerals Management Service (MMS) is proposing additional changes to its second supplementary proposed rulemaking regarding the valuation of crude oil produced from Federal leases.

DATES: Comments must be submitted on or before July 24, 1998.

ADDRESSES: Mail comments, suggestions, or objections regarding the proposed rule to: Minerals Management Service, Royalty Management Program, Rules and Publications Staff, P.O. Box 25165, MS 3021, Denver, Colorado 80225–0165, e-mail address is RMP.comments@mms.gov.

FOR FURTHER INFORMATION CONTACT: David S. Guzy, Chief, Rules and Publications Staff, Royalty Management Program, Minerals Management Service, telephone (303) 231–3432, fax (303) 231–3385, e-mail RMP.comments@mms.gov.

SUPPLEMENTARY INFORMATION:

I. Background

MMS published an advance notice of its intent to amend the current Federal oil valuation regulations in 30 CFR parts 202 and 206 on December 20, 1995 (60 FR 65610). The purpose of this notice was to solicit comments on new methodologies to establish the royalty value of Federal (and Indian) crude oil production in view of the changes in the domestic petroleum market and particularly the market's move away from posted prices as an indicator of market value.

Based on comments received on the advance notice, together with information gained from a number of presentations by experts in the oil marketing business, MMS published its initial notice of proposed rulemaking on January 24, 1997 (62 FR 3742), applicable to Federal leases only. MMS held public meetings in Lakewood, Colorado, and Houston, Texas, to hear comments on the proposal.

In response to the variety of comments received on the initial proposal, MMS published a supplementary proposed rule on July 3, 1997 (62 FR 36030). This proposal expanded the eligibility requirements for valuing oil disposed of under arm's-length transactions.

Because of the substantial comments received on both proposals, MMS reopened the rulemaking to public comment on September 22, 1997 (62 FR 49460). MMS specifically requested comments on five valuation alternatives arising from the public comments. MMS held seven public workshops to discuss valuation alternatives.

As a result of comments received on the proposed alternatives and comments made at the public workshops, MMS published a second supplementary proposed rule on February 6, 1998 (63 FR 6113). The comment period for this second supplementary proposed rule was to close on March 23, 1998, but was extended to April 7, 1998 (63 FR 14057). MMS held five public workshops (63 FR 6887) on this second supplementary

proposed rule: in Houston, Texas, on February 18, 1998; Washington, D.C., on February 25, 1998; Lakewood, Colorado, on March 2, 1998; Bakersfield, California, on March 11, 1998; and Casper, Wyoming, on March 12, 1998.

By **Federal Register** notice dated July 8, 1998, (63 FR 36868) MMS reopened the comment period for the February 6, 1998, second supplementary proposed rule from July 9, 1998, until July 24, 1998, to receive further comment on the proposed rule. A meeting involving MMS, several industry representatives, and members of Congress was held in Washington, D.C., on July 9, 1998.

II. Revisions to Supplementary Proposed Rule

In response to comments received so far, MMS is proposing some changes to the February 6, 1998, second supplementary proposed rule. MMS is requesting public comments on these further proposed provisions.

Definition of ''Affiliate''

Several commenters to the February 6, 1998, second supplementary proposed rule objected to the proposed definition of ''affiliate'' in § 206.101. Under this proposed definition, 10 percent ownership was the threshold for defining control, requiring non-arm's-length valuation for transactions between persons with such a degree of affiliation. Commenters argued that 10 percent was too low because affiliates with this small amount of ownership actually have no control over the affiliated entity. Accordingly, they believed that too many lessees would be excluded from using their gross proceeds as value in bona fide arm's-length transactions. They suggested retaining the current definition of affiliate, as defined by the term ''arm's-length contract,'' where ownership of 10 percent through 50 percent creates a presumption of control. One commenter suggested 20 percent to 50 percent ownership as the criteria for creating a presumption of control, consistent with the definition used by the Bureau of Land Management. One commenter suggested deleting reference to partnerships and joint ventures because lessees might not have access to records of these entities and these terms could create confusion as to whether the affiliate test applies to the property, field, or corporate level.

MMS understands the concern raised in the industry comments regarding presumption of control. Therefore, MMS now is proposing to retain the current meaning of affiliate embodied in the current rules at proposed § 206.101. Less than 10 percent ownership would create a presumption of non-control. Ownership of between 10 and 50 percent would create a presumption of control that the lessee could rebut. Ownership in excess of 50 percent would establish control.

However, in the current rule, affiliation is defined within the definition of the term ''arm's length.'' In this proposed rule, although we have retained the current meaning of affiliation, we have made ''affiliate'' a separate definition from ''arm's length.'' We believe this clarifies and simplifies the definitions and should promote better understanding of both ''arm's length'' and ''affiliate.''

Breach of Duty to Market

Some commenters were concerned about the provision in proposed § 206.102(c)(2)(ii) which allows MMS to disallow arm's-length gross proceeds as royalty value if the lessee breaches its duty to market its oil for the mutual benefit of the lessee and lessor. The concern expressed was that MMS would use this provision to ''second-guess'' a lessee's marketing decision and thereby force the lessee to use index-based valuation.

The provision which is the subject of the commenters' concerns is identical to the provision in the existing rules (see 30 CFR § 206.102(b)(1)(iii)) and has been in the rules for more than 10 years. This provision has never been used to ''second-guess'' a lessee's marketing decisions to try to impose benchmarks of § 206.102(c) on arm's-length transactions. Nevertheless, MMS is also proposing to modify the proposed § 206.102(c)(2) to clarify that the lessee's duty to market does not mean that MMS will second-guess a company's marketing decisions. Lessees generally may structure their business arrangements however they wish, and absent misconduct, MMS will look to the ultimate arm's-length disposition in the open market as the best measure of value. The provision's purpose is to protect royalty value if, for example, a lessee were to inappropriately enter into a substantially below-market transaction for the purpose of reducing royalty.

Exchanges

The July 3, 1997, supplementary proposed rule extended the use of gross proceeds valuation to oil exchanged and then sold at arm's length. In those cases where a lessee disposed of the produced oil under an exchange agreement with a non-affiliated person, and after the exchange the lessee sold at arm's length the oil acquired in the exchange, the lessee would have had the option of using either its gross proceeds under the arm's-length sale or the index pricing method to value the lease production (proposed paragraph 206.102(a)(6)(i)). This option would have applied only when there was a single exchange. If the lessee chose gross proceeds under this option, the lessee would have valued all oil production disposed of under all other arm's-length exchange agreements in the same manner (proposed paragraph 206.102(a)(6)(iii)). For any oil exchanged or transferred to affiliates, or subject to multiple exchanges, the lessee would have used the index pricing method to value the lease production (proposed paragraph 206.102(a)(6)(ii)).

Participants in MMS's workshops held in October 1997 indicated that they often use several exchanges to transport their production from offshore leases to onshore market centers. They believed that MMS should give the lessee an option of valuing exchanged oil either by using so-called ''lease-market'' benchmarks (rather than index prices) or by using the lessee's resale price less an exchange differential, regardless of the number of exchanges needed to reposition the crude oil for sale.

In response to those comments, in the February 6, 1998, proposal, MMS expanded gross proceeds valuation to include situations where the oil received in exchange is ultimately sold arm's-length, regardless of the number of arm's-length exchanges involved. However, because of the numerous industry and State comments now claiming that tracing multiple exchanges would be overly burdensome, if not impossible, MMS is proposing to return to the July 3, 1997, proposal's ''first-exchange'' rule, where value will be determined based on the arm's-length sale after a single arm's-length exchange. MMS is proposing to modify § 206.102 (c)(3) so that if two or more exchanges are involved, even if they are all at arm's length, the lessee must use index pricing.

Gathering vs. Transportation

MMS received comments on the definition of ''gathering'' as contained in the existing regulations in 30 CFR 206.101, which is the same as in proposed § 206.101. The commenters noted that development, especially of deepwater leases, often involves a sub-sea completion with no platform. Bulk, unseparated production is moved sometimes in excess of 50 miles to a platform where it first surfaces and is treated. The commenters asserted that in these situations the movement of production from sub-sea production over long distances should be deductible as a transportation allowance. MMS specifically requests

comment on whether the definition of gathering should be modified to address this situation.

MMS requests comments on the revisions to the second supplementary proposed rule (63 FR 6113) including this notice or any other comments you may want to submit on this proposed rule. If you have commented already on other portions of the rule, you do not need to resubmit those comments since they are already part of the rulemaking record. MMS will respond to comments in the final rule.

List of Subjects in 30 CFR Part 206

Coal, Continental Shelf, Geothermal energy, Government contracts, Indians—lands, Mineral royalties, Natural gas, Petroleum, Public lands—mineral resources, Reporting and recordkeeping requirements.

Dated: July 14, 1998.

Sylvia V. Baca,

Acting Assistant Secretary, Land and Minerals Management.

For the reasons set forth in the preamble, the second supplementary proposed rule published at 63 FR 6113 on February 6, 1998, amending 30 CFR Part 206, is further amended as follows:

PART 206—PRODUCT VALUATION

1. The Authority citation for Part 206 continues to read as follows:

Authority: 5 U.S.C. 301 *et seq.*; 25 U.S.C. 396 *et seq.*, 396a *et seq.*, 2101 *et seq.*; 30 U.S.C. 181 *et seq.*, 351 *et seq.* 1001 *et seq.* 1701 *et seq.*; 31 U.S.C. 9701, 43 U.S.C. 1301 *et seq.* 1331 *et seq.*, and 1801 *et seq.*

Subpart C—Federal Oil

2. Section 206.101 as proposed to be revised at 63 FR 6113 is further amended by revising the following definition to read as follows:

§ 206.101 Definitions

Affiliate means a person who controls, is controlled by, or is under common control with another person.

(1) For this subpart, based on ownership of an entity's voting securities, interest in a partnership or joint venture, or other forms of ownership:

(i) Ownership greater than 50 percent constitutes control;

(ii) Ownership of 10 through 50 percent creates a presumption of control; and

(iii) Ownership of less than 10 percent creates a presumption of noncontrol that MMS may rebut if it demonstrates actual or legal control, including but not limited to interlocking directorates.

(2) MMS may require the lessee to certify the percentage of ownership. Aside from the percentage ownership criteria, relatives, either by blood or marriage, are affiliates.

3. Section 206.102 as proposed to be revised at 63 FR 6113 is further amended by revising paragraphs (c)(2) and (c)(3) to read as follows:

§ 206.102 How do I calculate royalty value for oil that I or my affiliate sell under an arm's-length contract?

* * * * *

(c) * * *

(2) You must value the oil under § 206.103 if MMS determines that the value under paragraph (a) of this section does not reflect the reasonable value of the production due to either:

(i) Misconduct by or between the parties to the arm's-length contract; or

(ii) Breach of your duty to market the oil for the mutual benefit of yourself and the lessor. MMS will not use this provision to dispute lessees' marketing decisions made reasonably and in good faith. It will apply only when a lessee or its affiliate inappropriately sells its oil at a price substantially below market value.

(3) You must use § 206.103 to value oil disposed of under an exchange agreement. However, if you enter into a single arm's-length exchange agreement, and following that exchange you dispose of the oil received in the exchange in a transaction to which paragraph (a) of this section applies, then you must value the oil under paragraph (a) of this section. Adjust that value for any location or quality differential or other adjustments you received or paid under the arm's-length exchange agreement(s). But if MMS determines that any arm's-length exchange agreement does not reflect reasonable location or quality differentials, MMS may require you to value the oil under § 206.103. If you enter into more than one sequential exchange agreement to dispose of your production, you must use § 206.103 to value that production.

* * * * *

[FR Doc. 98–19135 Filed 7–15–98; 8:45 am]

BILLING CODE 4310–MR–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR PARTS 73 and 74

[MM Docket No. 98–98; FCC 98–130]

Call Sign Assignments for Broadcast Stations

AGENCY: Federal Communications Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: In this *Notice of Proposed Rulemaking (NPRM),* the Federal Communications Commission proposes to modify its practices and procedures regarding the assignment of call signs for radio and television broadcast stations. Pursuant to these proposals, the Commission's existing manual procedures will be replaced by an on-line system for the electronic preparation and submission of requests for the reservation and authorization of new and modified call signs.

DATES: Comments are due on or before August 17, 1998, and reply comments are due on or before August 31, 1998. Written comments by the public on the proposed information collections are due August 17, 1998.

ADDRESSES: Comments and reply comments should be sent to the Office of the Secretary, Federal Communications Commission, 1919 M Street, N.W., Washington, DC 20554. In addition to filing comments with the Secretary, a copy of any comments on the information collections contained herein should be submitted to Judy Boley, Federal Communications Commission, Room 234, 1919 M Street, N.W., Washington, DC 20554, or via the Internet to jboley@fcc.gov, and to Timothy Fain, OMB Desk Officer, 10236 NEOB, 725–17th Street, N.W., Washington DC 20503, or via the Internet to fain__t@al.eop.gov.

FOR FURTHER INFORMATION CONTACT: James J. Brown or Jerianne Timmerman at (202) 418–1600. For additional information concerning the information collections contained in this *NPRM* contact Judy Boley at (202) 418–0214, or via the Internet at jboley@fcc.gov.

SUPPLEMENTARY INFORMATION:

Synopsis of Notice of Proposed Rulemaking

In this *Notice of Proposed Rulemaking (NPRM),* the Federal Communications Commission is proposing to modify its practices and procedures regarding the assignment of call signs to radio and television broadcast stations. Pursuant to this proposal, the Commission's existing manual procedures will be replaced by an on-line system for the electronic preparation and submission of requests for the reservation and authorization of new and modified call signs. Because the Commission believes that the new electronic call sign reservation and authorization system will significantly improve service to all radio and television broadcast station licensees and permittees, the *NPRM* requests