fan duct cowl (the firewall) of the thrust reversers to determine the type of topcoat material installed, in accordance with Boeing Alert Service Bulletin 737–78A1056, dated August 11, 1994.

(1) If the existing topcoat has silica fibers in it, no further action is required by this AD.

(2) If the existing topcoat does not have silica fibers in it, prior to further flight, accomplish the application of the DC92–010 topcoat to the firewall of the thrust reversers in accordance with the service bulletin.

(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, Seattle Aircraft Certification Office (ACO), 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, Seattle ACO.

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

(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.

(d) The inspection and application shall be done in accordance with Boeing Alert Service Bulletin 737–78A1056, dated August 11, 1994. 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 Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124–2207. 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.

(e) This amendment becomes effective on May 26, 1995.

Issued in Renton, Washington, on April 14, 1995.

John J. Hickey,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 95–9771 Filed 4–25–95; 8:45 am]

BILLING CODE 4910–13–U

DEPARTMENT OF THE TREASURY

Office of the Under Secretary for Domestic Finance

17 CFR Parts 404 and 405

RIN 1505–AA47

Amendments to Regulations for the Government Securities Act of 1986

AGENCY: Office of the Under Secretary for Domestic Finance, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury (''Department'' or ''Treasury'') is publishing, as a final rule, amendments to the recordkeeping rules in part 404 and the reporting rules in part 405 of the regulations issued under the Government Securities Act of 1986 (''GSA''). The recordkeeping amendment requires entities registered with the Securities and Exchange Commission (''SEC'') as specialized government securities brokers and dealers (''registered government securities brokers and dealers'') under section 15C(a)(2) of the Securities Exchange Act of 1934 (the ''Exchange Act'') (15 U.S.C. 78o–5(a)(2)) to maintain and preserve records concerning the financial and securities activities of affiliates whose business activities are reasonably likely to have a material impact on the financial or operational condition of the registered government securities brokers and dealers. The reporting amendment requires registered government securities brokers and dealers to file with the SEC quarterly summary reports of the information required to be maintained and preserved by the recordkeeping amendment. The amendments (''risk assessment rules'') parallel the SEC's final temporary risk assessment rules applicable to brokers and dealers that conduct general or municipal securities businesses (''registered brokers and dealers''). The Department's risk assessment rules are being promulgated pursuant to the authority granted to the Department by the Market Reform Act of 1990 (the ''Reform Act'') and are intended to provide regulators with access to information concerning the financial risk posed to registered government securities brokers and dealers—and to the securities markets as a whole—as a result of certain financial and securities activities conducted by affiliates within holding company structures. The Department is adopting the amendments essentially unchanged from their proposed form.

DATES: The effective date is June 30, 1995. The rules are being implemented in accordance with a phase-in schedule. See Section III of this preamble for the entire schedule.

FOR FURTHER INFORMATION CONTACT: Kerry Lanham (Government Securities Specialist) or Lee Grandy (Government Securities Specialist) at 202–219–3632. (TDD for hearing impaired: 202–219–3988.)

SUPPLEMENTARY INFORMATION:

I. Background

In response to the stock market disruption of October 1987, the bankruptcy of Drexel Burnham Lambert Group, Inc. (''Drexel'') in February 1990, and other developments in the securities markets, Congress passed the Reform Act in September 1990.[1] Among other things, the Reform Act provided the SEC and Treasury separate but parallel authority to promulgate risk assessment rules for certain broker-dealer holding company structures. The Reform Act authorized Treasury to require registered government securities brokers and dealers to maintain and report information on the financial and securities activities of certain affiliates that had the potential to pose material amounts of risk to the brokers and dealers. The Reform Act did not authorize Treasury to require financial institutions that have filed notice (or are required to file notice) as government securities brokers and dealers to maintain and report risk assessment information, although registered government securities brokers and dealers that are subject to the rules must maintain records and submit reports pertaining to the financial and securities activities of certain affiliates that are financial institutions.

The Drexel failure demonstrated that financial difficulties or liquidity problems of parent companies or affiliates of brokers and dealers could have a material and adverse effect on brokers and dealers themselves; risk assessment authority was therefore intended to help regulators monitor such developments. The primary focus of the risk assessment authority was the financial health of large holding companies whose potential failures pose risks to their affiliated brokers and dealers, as well as to the securities markets and the financial system as a whole. The Department believes that these rules will enhance the safety of the government securities market and provide for more effective regulatory oversight.

The legislative history[2] of the Reform Act indicated that risk assessment rules would require information concerning several particular types of potentially risky financial and securities activities conducted by affiliates of brokers and dealers, including bridge loans, interest rate swaps, foreign currency transactions, other derivatives (e.g., forwards and futures), and real estate

[1] Pub. L. 101–432, 104 Stat. 963 (1990).

[2] H.R. Rep. No. 101–524 and 101–477, 101st Cong., 2nd Sess. (1990).