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standard prunes, standard pitted prunes and standard pitted macerated prunes.

(8) *Size* means the number of prunes contained in a pound.

(9) *Person* means any individual, partnership, corporation, association, or other business unit.

(10) *Fruit and Vegetable Division* means the Fruit and Vegetable Division of the Agricultural Marketing Service, U.S. Department of Agriculture, Washington, DC 20250.

(11) *USDA inspector* means an inspector of the Processed Products Standardization and Inspection Branch, Fruit and Vegetable Division, or any other duly authorized employee of the USDA.

(12) *Importation* means release from custody of the U.S. Bureau of Customs.

(13) *Undersized prunes* means those prunes that pass freely through a round opening 23/32 of an inch in diameter.

(b) *Grade and size requirements.*

(1) Except as provided in paragraph (b)(5) or paragraph (d) of this section, no person may import any lot of prunes into the United States unless the prunes are inspected and an inspection certificate issued with respect thereto, and the lot meets the applicable grade requirements specified in exhibit A of this section and the average count (i.e., number) of the prunes in such lot is 100 or less per pound. In determining whether any lot conforms to the size requirement, the following tolerance shall apply: In a sample of 100 ounces, the count per pound of 10 ounces of smallest prunes may not vary from the count per pound of 10 ounces of the largest prunes by more than 45 points.

(2) No person may import any lot of pitted prunes or pitted macerated prunes for human consumption as pitted or pitted macerated prunes unless the lot meets the applicable minimum grade requirements set forth in § 999.200 (exhibit A), except that skin or flesh damage shall not be scored as a defect in determining whether the prunes meet the grade requirements. Pitted and pitted macerated prunes shall not be subject to size and undersized requirements.

(3) No person may import any lot of pitted prunes for human consumption as pitted prunes unless the lot does not exceed an average of 0.5 percent by count of prunes with whole pits and/or pit fragments 2 mm or longer and four of ten subsamples examined have no more than 0.5 percent by count of prunes with whole pits and/or pit fragments 2 mm or longer

(4) No person may import any lot of pitted macerated prunes for human consumption as pitted macerated prunes unless the lot does not exceed an average of 2 percent by count of prunes with whole pits and/or pit fragments 2 mm or longer; and four of ten subsamples examined have no more than 2 percent by count with whole pits and/or pit fragments 2 mm or longer.

(5) Any person may import any lot of prunes, except any lot containing undersized prunes, pitted prunes or pitted macerated prunes, into the United States for use in human consumption outlets as prune products in which the prunes lose their form and character as prunes by conversion prior to consumption if the prunes are inspected and an inspection certificate issued with respect thereto, and each lot meets the grade requirements set forth in paragraphs (1), (2), and (3) of exhibit A of this section, and the importer first files as a condition of such importation an executed "Prune Form No. 1 Prunes-Section 8e Entry Declaration".

* * * * *

(f) *Reconditioning.* Nothing contained in this section shall preclude the reconditioning of failing lots of prunes, prior to importation, so that such prunes may be made eligible to meet the requirements prescribed pursuant to paragraphs (b)(1) through (5), as applicable, of this section.

* * * * *

Dated: November 16, 1992.

Robert C. Keeney,

Deputy Director, Fruit and Vegetable Division.

[FR Doc. 92-28578 Filed 11-25-92; 8:45 am]

BILLING CODE 3410-02-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 92-NM-17-AD; Amendment 39-8313; AD 92-16-04]

Airworthiness Directives; Aerospatiale Model ATR42 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; correction.

SUMMARY: This document corrects the compliance time information for the above-captioned Airworthiness Directive that was published in the Federal Register on September 16, 1992 (57 FR 42692). The specific compliance time was inadvertently omitted in the final rule as published. In all other respects, the original document is correct

DATES: Effective October 21, 1992.

The incorporation by reference of certain publications listed in the regulations was previously approved by the Director of the Federal Register as of October 21, 1992 (57 FR 42692, September 16, 1992).

SUPPLEMENTARY INFORMATION: A final rule airworthiness directive (AD), applicable to all Aerospatiale Model ATR42 series airplanes, was published in the Federal Register on September 16, 1992 (57 FR 42692). That action was issued to provide alternative methods for accomplishing certain structural modification and replacement requirements that were previously required by AD 89-25-12, Amendment 39-6414 (54 FR 50343, December 6, 1989).

The specific compliance time requirement for AD 92-16-04, as published in the final rule, was inadvertently omitted. The final rule indicated only that the compliance time for accomplishing the required modifications and replacements was "required as indicated;" however, a specific compliance time requirement was not indicated elsewhere in the final rule. In order to ensure that affected airplane operators perform the required modification and replacement actions in a timely manner, this document clarifies that the compliance time is as follows:

"Compliance: Required prior to the accumulation of 10,000 landings, or within the next 300 landings after January 12, 1990 (the effective date of AD 89-25-12, amendment 39-6414), whichever occurs later, unless accomplished previously."

This correct compliance time requirement appeared in the notice that preceded the final rule, as well as in the previously-issued AD.

Since no other part of the regulatory information has been changed, the final rule is not being republished.

Issued in Renton, Washington, on November 19, 1992.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 92-28753 Filed 11-25-92; 8:45 am]

BILLING CODE 4910-13-M

14 CFR Part 71

[Docket No. 27054; Amendment No. 71-18]

RIN 2120-AB95

Airspace Reclassification; Incorporation by Reference

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action amends the Federal Aviation Regulations relating to airspace designations to reflect the

approval by the Director of the Federal Register of the incorporation by reference of FAA Order 7400.7A, Compilation of Regulations. This action also explains how the FAA will amend the listings of Federal airways, area low routes, jet routes and other airspace areas incorporated by reference.

DATES: These regulations are effective November 27 1992 through September 15, 1993. The incorporation by reference of FAA Order 7400.7A is approved by the Director of the Federal Register November 27, 1992 through September 15, 1993.

FOR FURTHER INFORMATION CONTACT: Mr. William Mosley, Air Traffic Rules Branch, (ATP-230), Airspace Rules and Aeronautical Information Division, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591, telephone (202) 267-9251.

SUPPLEMENTARY INFORMATION:

Background

FAA Order 7400.7 listed the airspace descriptions for all jet routes, area high routes, Federal airways, control areas, control area extensions, area low routes, control zones, transition areas, terminal control areas, airport radar service areas, positive control areas, and reporting points. Due to the length of these descriptions, the FAA requested approval from the Office of the Federal Register to incorporate the material by reference in § 71.1 (14 CFR 71.1). The Director of the Federal Register approved the incorporation by reference of FAA Order 7400.7 in § 71.1 effective as of December 17, 1991 through September 15, 1993. During the incorporation by reference period, the FAA processed all proposed changes of the airspace listings in FAA Order 7400.7 in full text as proposed rule documents in the Federal Register. Likewise, all amendments of these listings were published in full text as final rules in the Federal Register. This rule reflects the periodic integration of these final rule amendments into a revised edition of the Compilation of Regulations, FAA Order 7400.7A. The Director of the Federal Register approved the incorporation by reference of FAA Order 7400.7A in § 71.1 November 27, 1992 through September 15, 1993. This rule also explains how the FAA will amend the airspace designations incorporated by reference in part 71.

The Rule

This action amends part 71 of the Federal Aviation Regulations to reflect the approval by the Director of the Federal Register of the incorporation by reference of FAA Order 7400.7A, November 27, 1992 through September 15, 1993. During the incorporation by reference period, the FAA will continue to process all proposed changes of the airspace listings in FAA Order 7400.7A in full text as proposed rule documents in the Federal Register. Likewise, all amendments of these listings will be published in full text as final rules in the Federal Register. The FAA will periodically integrate all final rule amendments into a revised edition of the Order, and submit the revised edition to the Director of the Federal Register for approval for incorporation by reference in § 71.1.

The FAA has determined that this action: (1) Is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal.

This action neither places any new restrictions or requirements on the public, nor changes the dimensions or operating requirements of the airspace listings incorporated by reference in part 71. Consequently, notice and public procedure under 5 U.S.C. 553(b) are unnecessary.

Because this action merely updates references to material incorporated by reference and describes how the FAA will amend the listings contained in FAA Order 7400.7A, the FAA finds that good cause exists, pursuant to 5 U.S.C 553(d), for making the amendment effective in less than 30 days.

List of Subjects in 14 CFR Part 71

Airspace, Airways, Incorporation by reference, Jet routes.

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71, as currently in effect, as follows:

PART 71—[AMENDED]

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69

2. Section 71.1 is revised to read as follows:

§ 71.1 Applicability.

The complete listing for all jet routes, area high routes, Federal airways, control areas, control area extensions, area low routes, control zones, transition areas, terminal control areas, airport radar service areas, positive control areas, reporting points, and other controlled airspace can be found in FAA Order 7400.7A, Compilation of Regulations, dated November 2, 1992. 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. The approval to incorporate by reference FAA Order 7400.7A is effective November 27, 1992 through September 15, 1993. During the incorporation by reference period, proposed changes to the listings of jet routes, area high routes, Federal airways, control areas, control area extensions, area low routes, control zones, transition areas, terminal control areas, airport radar service areas, positive control areas, reporting points, and other controlled airspace will be published in full text as proposed rule documents in the Federal Register. Amendments to the listings of jet routes, area high routes, Federal airways, control areas, control area extensions, area low routes, control zones, transition areas, terminal control areas, airport radar service areas, positive control areas, reporting points, and other controlled airspace will be published in full text as final rules in the Federal Register. Periodically, the final rule amendments will be integrated into a revised edition of the compilation and submitted to the Director of the Federal Register for approval for incorporation by reference in this section. Copies of FAA Order 7400.7A may be obtained from the Document Inspection Facility, APA-220, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591, (202) 267-3485. Copies of FAA Order 7400.7A may be inspected in Docket Number 27054 at the Federal Aviation Administration, Office of the Chief Counsel, AGC-10, room 915G, 800 Independence Avenue, SW., Washington, DC weekdays between 8:30 a.m. and 5 p.m., or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC. This section is effective November 27, 1992 through September 15, 1993.

3. Section 71.11 is revised to read as follows:

§ 71.11 Control zone.

The control zones listed in subpart F of FAA Order 7400.7A (incorporated by reference, see § 71.1) consist of controlled airspace which, unless otherwise specified, extends upward from the surface of the earth and terminates at the base of the continental control area. Unless otherwise specified,

control zones that do not underlie the continental control area have no upper limit. A control zone may include one or more airports and is normally a circular area with extensions as necessary to include instrument approach paths.

4. Section 71.607 is revised to read as follows:

§ 71.607 Jet route descriptions.

Each jet route description can be found in subpart M of FAA Order 7400.7A (incorporated by reference, see § 71.1).

5. Section 71.609 is revised to read as follows:

§ 71.609 Area high route descriptions.

Each area high route description can be found in subpart M of FAA Order 7400.7A (incorporated by reference, see § 71.1).

Issued in Washington, DC, on November 18, 1992.

Harold W. Becker,

Manager, Airspace-Rules and Aeronautical Information Division.

[FR Doc. 92-28572 Filed 11-25-92; 8:45 am]

BILLING CODE 4910-13-M

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 270

[Release No. IC-19105; File No. S7-12-92]

RIN 3235-AF47

Exclusion From the Definition of Investment Company for Structured Financings

AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

SUMMARY: The Securities and Exchange Commission is adopting a new rule, rule 3a-7 under the Investment Company Act of 1940 (the "Act"), to exclude issuers that pool income-producing assets and issue securities backed by those assets ("structured financing") from the definition of "investment company." The rule permits structured financings to offer their securities publicly in the United States without registering under the Act and complying with the Act's substantive requirements. Rule 3a-7 removes an unnecessary and unintended barrier to the use of structured financings in all sectors of the economy, including the small business sector.

EFFECTIVE DATE: November 27, 1992.

FOR FURTHER INFORMATION CONTACT: Rochelle G. Kauffman, Senior Counsel, (202) 272-2038, or Elizabeth R. Krentzman, Attorney, (202) 272-5416, Office of Regulatory Policy, Division of Investment Management, 450 Fifth Street, NW. Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The Securities and Exchange Commission is adopting a new rule, rule 3a-7, under the Investment Company Act of 1940 (15 U.S.C. 80a) (the "Act"). Rule 3a-7 excludes from the definition of "investment company" under section 3(a) of the Act (15 U.S.C. 80a-3(a)) structured financings that meet the rule's conditions. The adoption of rule 3a-7 implements the recommendation made in chapter 1 of the Division of Investment Management's report, *Protecting Investors: A Half Century of Investment Company Regulation.* [1] In addition, the Commission is announcing that it is not pursuing any legislative changes to section 3(c)(5) (15 U.S.C. 80a-3(c)(5)) at this time.

Table of Contents

I. Background

Structured finance is a technique whereby income-producing assets, in most cases, illiquid, are pooled and converted into capital market instruments. In a typical financing, a sponsor transfers a pool of assets to a limited purpose entity, which in turn issues non-redeemable debt obligations or equity securities with debt-like characteristics ("fixed-income securities"). Payment on the securities depends primarily on the cash flows generated by the pooled assets. Issuers that have more assets or that expect to receive more income than needed to make full payment on the fixed-income securities also may sell interests in the residual cash flow.

A servicer, which often is the sponsor or an affiliate of the sponsor, is the primary administrator of the pool, collecting payments on the underlying assets when due and ensuring that funds are available so that investors are paid in a timely manner. In most cases, an independent trustee, usually a large commercial bank, monitors the issuer's fulfillment of its obligations.

Since its inception in the 1970's, structured finance has grown tremendously, becoming one of the dominant means of capital formation in the United States. Nevertheless, the growth and development of this market has been constrained in some degree by the Act.

Structured financings fall within the definition of investment company under section 3(a), but cannot operate under the Act's requirements. [2] Many private sector sponsored financings [3] have avoided regulation under the Act by relying on section 3(c)(5), which generally excepts from the definition of investment company any person who is not engaged in the business of issuing redeemable securities and who is primarily engaged in one of the finance businesses enumerated in the section. In addition, the Commission has issued more than 125 orders exempting other structured financings, primarily those involving mortgage-related assets, from the Act. [4] Financings that cannot rely on section 3(c)(5) or obtain an exemption must sell their securities in private placements in reliance on section 3(c)(1), [5] the "private" investment company exception, or outside the United States.

As a practical matter, the Act treats similar types of structured financings very differently, depending solely on the assets securitized. [6] Some sectors of the

[1] Division of Investment Management, SEC, *The Treatment of Structured Finance Under the Investment Company Act*, Protecting Investors: A Half Century of Investment Company Regulation (1992). The report concluded a two-year examination of the regulation of investment companies and certain other pooled investment vehicles.

[2] For example, the limitations of section 18 on the issuance of senior securities and the prohibitions of section 17 on transactions involving affiliates conflict with the operation of structured financings. 15 U.S.C. 80a-18, -17.

[3] Most structured financings sponsored by the federal government and government sponsored enterprises are exempted from the Act under section 2(b), which exempts, among other things, activities of United States Government instrumentalities, or wholly-owned corporations of such instrumentalities. 15 U.S.C. 80a-2(b).

[4] Structured financings that have received orders may continue to rely on them or may rely on rule 3a-7.

[5] 15 U.S.C. 80a-3(c)(1).

[6] For example, most structured financings backed by consumer receivables are excepted from the Act under section 3(c)(5). Structured financings backed by general purpose loans, however, are not excepted and cannot be sold publicly in the United States, even though the financing may be similar to those qualifying for an exception or receiving exemptive relief.