

**§ 71.1 [Amended]**

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 74.00.9k, Airspace Designations and Reporting Points, dated August 30, 2002, and effective September 16, 2002, is amended as follows:

\* \* \* \* \*

*Paragraph 5000 Class D Airspace*

\* \* \* \* \*

**AGL IN D Terre Haute, IN [Revised]**

Terre Haute International-Hulman-Field Airport, IN

(Lat. 39°27'05"N., long. 87°18'27"W.)

Terre Haute, Sky King Airport, IN

(Lat. 39°32'52"N., long. 87°22'38"W.)

That airspace extending upward from the surface to and including 3,100 feet MSL within a 5.7-mile radius of the Terre Haute International-Hulman Field Airport, excluding that airspace within a 1-mile radius of Sky King Airport. This Class D airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Airport/Facility Directory.

\* \* \* \* \*

*Paragraph 6005 Class E airspace areas extending upward from the surface of the earth.*

\* \* \* \* \*

**AGL in E2 Terre Haute, IN**

Terre Haute International-Hulman Field Airport, IN

(Lat. 39°27'05"N., long. 87°18'27"W.)

Terre Haute, Sky King Airport, IN

(Lat. 39°32'52"N., long. 87°22'38"W.)

Within a 5.7-mile radius of the Terre Haute International-Hulman Field Airport. This Class E airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective dates and times will thereafter be continuously published in the Airport/Facility Director.

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Issued in Des Plaines, Illinois on October 16, 2002.

**Nancy B. Shelton,**

*Manager, Air Traffic Division.*

[FR Doc. 02-30610 Filed 12-2-02; 8:45 am]

**BILLING CODE 4910-13-M**

**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Part 121**

[Docket No. FAA-2002-13464; Notice No. 02-17]

RIN 2120-AC84

**Improved Seats in Air Carrier Transport Category Airplanes; Extension of Comment Period**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Supplemental notice of proposed rulemaking (SNPRM); extension of comment period.

**SUMMARY:** This action extends the comment period for an SNPRM the FAA issued on September 26, 2002. In that document, the FAA proposed to require that all passenger and flight attendant seats in transport category airplanes used in passenger-carrying operations meet improved crashworthiness standards. This extension is a result of requests from the Aerospace Industries Association (AIA), The Boeing Company (Boeing), and the General Aviation Manufacturers Association (GAMA).

**DATES:** Send your comments on or before March 3, 2003.

**ADDRESSES:** Address your comments to the Docket Management System, U.S. Department of Transportation, Room Plaza 401, 400 Seventh Street, SW., Washington, DC 20590-0001. You must identify the docket number FAA-2002-13464 at the beginning of your comments, and you should send two copies of your comments. If you wish to receive confirmation that FAA received your comments, include a self-addressed, stamped postcard.

You may also send comments through the Internet to <http://dms.dot.gov>. You may review the public docket containing comments to these proposed regulations in person in the Dockets Office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Dockets Office is on the plaza level of the NASSIF Building at the Department of Transportation at the above address. Also, you may review public dockets on the Internet at <http://dms.dot.gov>.

**FOR FURTHER INFORMATION CONTACT:** Hal Jensen, Aircraft Certification Service, Aircraft Engineering Division, AIR-120, Federal Aviation Administration, 800 Independence Ave., SW., Washington, DC 20591; telephone: (202) 267-8807, facsimile (202) 267-5340, or E-mail: [hal.jensen@faa.gov](mailto:hal.jensen@faa.gov).

**SUPPLEMENTARY INFORMATION:**

**Comments Invited**

The FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. We also invite comments about the economic, environmental, energy, or federalism impacts that might result from adopting the proposals in this document. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. We ask that you send us two copies of written comments.

We will file in the docket all comments we receive, as well as a report summarizing each substantive public contact with FAA personnel about this proposed rulemaking. The docket is available for public inspection before and after the comment closing date. If you wish to review the docket in person, go to the address in the **ADDRESSES** section of this preamble between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. You may also review the docket using the Internet at the web address in the **ADDRESSES** section.

Before acting on this proposal, we will consider all comments we receive on or before the closing date for comments. We will consider comments filed late if it is possible to do so without incurring expense or delay. We may change this proposal because of the comments we receive.

If you want the FAA to acknowledge receipt of your comments on this proposal, include with your comments a pre-addressed, stamped postcard on which the docket number appears. We will stamp the date on the postcard and mail it to you.

**Background**

On September 26, 2002, the FAA issued Notice No. 02-17, Improved Seats in Air Carrier Transport Category Airplanes (67 FR 62294, October 4, 2002). Comments to that document were to be received on or before December 3, 2002.

On October 29, 2002, Boeing asked the FAA to extend the comment period on Notice No. 02-17 an additional 4 months. In its petition, Boeing indicates that additional time is necessary to collect and confirm economic data. Boeing adds the SNPRM is significantly different from the FAA's original proposal. On November 5, 2002, AIA asked for a 4-6 month extension of the comment period for the same reasons identified by Boeing. Further, on November 6, 2002, GAMA asked for a 90-day extension. GAMA states the proposal is complex and an extension is

necessary to allow interested parties time to develop meaningful and substantive comments.

While the FAA agrees with the petitioners' requests for an extension of the comment period on Notice No. 02-17, the FAA believes that a 4-6 month extension would be excessive. The FAA believes an added 90 days would be adequate for these petitioners to collect economic data necessary to provide meaningful comment to Notice No. 02-17. This will also allow commenters who may have anticipated an extension in the comment period to send their comments by a date certain. Absent unusual circumstances, the FAA does not anticipate any further extension of the comment period for this rulemaking.

#### Extension of Comment Period

In accordance with § 11.47(c) of Title 14, Code of Federal Regulations, the FAA has reviewed the petitions made by AIA, Boeing, and GAMA for extension of the comment period to Notice No. 02-17. The FAA finds that extension of the comment period is consistent with the public interest, and that good cause exists for taking this action. These petitioners have a substantive interest in the proposed rule and good cause for the extension.

Accordingly, the comment period to Notice No. 02-17 is extended until March 3, 2003.

Issued in Washington, DC, on November 27, 2002.

**John J. Hickey,**

*Director, Aircraft Certification Service.*

[FR Doc. 02-30695 Filed 11-29-02; 12:22 pm]

BILLING CODE 4910-13-P

## SECURITIES AND EXCHANGE COMMISSION

### 17 CFR Part 240

[Release No. 34-46920; File No. S7-48-02]

RIN 3235-A168

#### Broker-Dealer Exemption from Sending Certain Financial Information to Customers

**AGENCY:** Securities and Exchange Commission ("Commission")

**ACTION:** Proposed rule.

**SUMMARY:** We are proposing for comment amendments to a rule under the Securities Exchange Act of 1934 that would provide a conditional exemption from the rule's requirement that a broker-dealer that carries customer accounts send its full balance sheet and certain other financial information to

each of its customers twice a year. Under the proposed amendments, the broker-dealer could send its customers only certain information regarding its net capital, as long as it also provided customers with a toll-free number to call for a free copy of its full balance sheet and made its full balance sheet available to customers over the Internet. The proposed amendments are intended to reduce the cost of doing business for a broker-dealer while providing customers of the broker-dealer with free and easy access to the information they need to evaluate the financial soundness of the broker-dealer.

**DATES:** You should send us your comments so that they arrive at the Commission by January 2, 2003.

**ADDRESSES:** To help us process and review your comments more efficiently, comments should be sent by one method only. Please send three copies of your comments to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609.

Alternatively, you may submit your comments electronically to the following electronic-mail address: *rule-comments@sec.gov*. All comment letters should refer to File No. S7-48-02; please include this file number in the subject line if you use electronic mail. We will make all comment letters available for public inspection and copying in our public reference room at the above address. We will post electronically submitted comment letters on the Commission's Internet Web site (<http://www.sec.gov>).<sup>1</sup>

**FOR FURTHER INFORMATION CONTACT:** Michael A. Macchiaroli, Associate Director, at (202) 942-0132; Thomas K. McGowan, Assistant Director, at (202) 942-4886; or Rose Russo Wells, Attorney, at (202) 942-0143; Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549-1001.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

A broker-dealer that carries customer accounts must generally send its full balance sheet to each of its customers twice a year (once audited and once unaudited) under Section 17(e)(1)(B) of the Securities Exchange Act of 1934 and Exchange Act Rule 17a-5(c).<sup>2</sup> The full balance sheet includes footnote disclosures required by generally

<sup>1</sup> We do not edit personal identifying information, such as names or electronic-mail addresses, from electronic submissions. You should submit only information that you wish to make publicly available.

<sup>2</sup> Section 240.17a-5(c).

accepted accounting principles ("GAAP") and a footnote disclosing the amount of net capital the broker-dealer held as of the balance sheet date and the minimum amount of net capital we required the broker-dealer to hold as of that date.<sup>3</sup> According to the Commission's Office of Economic Analysis, there are currently 412 broker-dealers subject to the rule that carry a total of approximately 103 million public customer accounts.<sup>4</sup>

When we adopted Rule 17a-5(c) on June 30, 1972,<sup>5</sup> our goal was for broker-dealers to "directly" send a customer essential information so that a customer could "judge whether his broker or dealer is financially sound."<sup>6</sup> We adopted the Rule in response to the failures of many broker-dealers holding customer funds and securities in the period between 1968 and 1971. When first adopted, Rule 17a-5(c) required a broker-dealer to send its balance sheet

<sup>3</sup> Exchange Act Rule 15c3-1 defines net capital and sets minimum net capital requirements for a broker-dealer. Rule 15c3-1 is designed to ensure that each broker-dealer maintains sufficient liquid assets (those assets that can be readily converted into cash) in excess of liabilities to promptly satisfy the firm's liabilities, including those to customers. A broker-dealer that fails to meet the minimum net capital requirements must cease conducting a securities business.

<sup>4</sup> These estimates are based on reports broker-dealers are required to file with the Commission on Form X-17a-5, "Financial and Operational Combined Uniform Single Report" (commonly referred to as FOCUS Reports).

<sup>5</sup> We adopted Rule 17a-5(c) pursuant to Exchange Act Sections 17(a), 10(b), 15(c)(1), (2) and (3), and 23(a). In 1975, Congress passed the Securities Acts Amendments, Pub. L. No. 94-29, 89 Stat. 97, which gave the Commission explicit authority, pursuant to Exchange Act Section 17(e), over the accounting practices of broker-dealers. Section 17(e) provides:

(1)(A) Every registered broker or dealer shall annually file with the Commission a balance sheet and income statement certified by a registered public accounting firm, prepared on a calendar or fiscal year basis, and such other financial statements (which shall, as the Commission specifies, be certified) and information concerning its financial condition as the Commission, by rule may prescribe as necessary or appropriate in the public interest or for the protection of investors.

(B) Every registered broker and dealer shall annually send to its customers its certified balance sheet and such other financial statements and information concerning its financial condition as the Commission, by rule, may prescribe pursuant to subsection (a) of this section.

(C) The Commission, by rule or order, may conditionally or unconditionally exempt any registered broker or dealer, or class of such brokers or dealers, from any provision of this paragraph if the Commission determines that such exemption is consistent with the public interest and the protection of investors.

(2) The Commission, by rule, as it deems necessary or appropriate in the public interest or for the protection of investors, may prescribe the form and content of financial statements filed pursuant to this title and the accounting principles and accounting standards used in their preparation.

<sup>6</sup> Exchange Act Release No. 9658 (June 30, 1972).