

having complaints regarding a state member bank to submit the complaint to the Board or the Federal Reserve Bank of the district in which the bank is located. 12 CFR 227.2(a). The Board is establishing a centralized location for the administrative processing of consumer complaints. Accordingly, the Board is amending Regulation AA to reflect the new address where such complaints should be sent and to provide a telephone number consumers can use to submit complaints.

List of Subjects in 12 CFR Part 227

Banks, banking, Consumer protection, Credit, Federal Reserve System, Finance.

Authority and Issuance

■ For the reasons set forth in the preamble, the Board amends 12 CFR part 227 to read as follows:

PART 227—UNFAIR OR DECEPTIVE ACTS OR PRACTICES (REGULATION AA)

■ 1. The authority citation for part 227 continues to read as follows:

Authority: Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a).

Subpart A—Consumer Complaints

■ 2. Section 227.2—Consumer-Complaint Procedure, paragraph (a)(2) is revised to read as follows:

§ 227.2 Consumer complaint procedure.

(a) * * *

(2) Consumer complaints should be made to—Federal Reserve Consumer Help Center, P.O. Box 1200, Minneapolis, MN 55480, Toll-free number: (888) 851-1920, Fax number: (877) 888-2520, TDD number: (877) 766-8533.

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By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, September 24, 2007.

Jennifer J. Johnson,

Secretary of the Board.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Parts 61, 63, 65, and 187

[Docket No.: FAA-2007-27043; Amendment Nos. 61-116, 63-35, 65-49, 187-4]

RIN 2120-A177

Fees for Certification Services and Approvals Performed Outside the United States

AGENCY: Federal Aviation Administration, DOT.

ACTION: Direct final rule; confirmation of effective date.

SUMMARY: On April 12, 2007, the FAA issued a direct final rule, "Fees for Certification Services and Approvals Performed Outside the United States," which amended the regulations pertaining to payment of fees to the Federal Aviation Administration (FAA) for certification services performed outside the United States. This rule also amended the regulations where it is unclear that fees for airmen certification services apply to all applicants located outside the United States, regardless of citizenship. This notice confirms the effective date of the direct final rule.

DATES: The effective date for the direct final rule published on April 12, 2007 (72 FR 18556) is confirmed as June 11, 2007.

ADDRESS: The complete docket for the direct final rule can be identified by Docket Number FAA-2007-27043. You may examine the docket through the DOT Docket Web site at <http://dms.dot.gov> or visit the Docket Management Facility at 1200 New Jersey Avenue, SE., West Building, Ground Floor, Room W12-140, Washington, DC 20590-001, between the hours of 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Ida M. Klepper, FAA, Office of Rulemaking, ARM-100; 800 Independence Ave., SW., Washington, DC 20591, Telephone: 202-267-9677, Fax: 202-267-5075.

SUPPLEMENTARY INFORMATION:

Background

On April 12, 2007 the FAA published a direct final rule (72 FR 18556) amending § 187.15(a) to allow the use of a credit card to pay fees to the FAA for certification services performed outside the United States. Until now, fees could only be paid by check, money order, wire transfer, or draft, payable in U.S. currency and drawn on a U.S. bank. Section 187.15(d) already allows the use of a credit card to remit amounts less

than \$1,000 for certain aircraft flights transiting U.S. controlled airspace. The direct final rule revised sections (a) and (d) to bring consistency to the methods of payment.

In 1995 the FAA published a final rule (60 FR 19631) amending 14 CFR part 187. During this time the FAA offices were not set up to receive credit card payments and therefore credit card payments were specifically omitted from the 1995 rulemaking. As technology advanced over the years credit card payments became an accepted practice within the FAA accounting systems and offices. Therefore the FAA began collecting user fees by credit card allowing more timely receipt and providing customers with a convenient method to pay for services.

This direct final rule also revised §§ 61.13(a)(2), 63.11 and 65.11. In the 1995 final rule that amended fees under part 187, appendix A, the issue that was specifically addressed was that user fees extended to all applicants located outside the United States, regardless of citizenship. The 1995 final rule brought these regulations in line with the nondiscrimination principles of multilateral trade agreements to which the U.S. is a signatory. Those included the principles of the General Agreement on Tariffs and Trade (GATT), including the GATT Aircraft Code and the General Agreement on Trade in Services. When part 187 was initially amended in 1995, §§ 61.13(a)(2), 63.11 and 65.11 were not revised for consistency, the direct final rule corrects this inconsistency.

Before the direct final rule became effective § 61.13(a)(2) required an "applicant who is neither a citizen of the United States nor a resident alien of the United States" to show evidence of paying the correct fee prescribed in appendix A to part 187. This evidence was to be presented when the person applied for a student pilot certificate issued outside the United States or a knowledge test or practical test administered outside the United States. The direct final rule revised the wording to make it clear that an applicant's citizenship is not at issue. The revised wording now states the fees are for "airmen certification services." There is no need to enumerate those services because they are addressed in part 187, appendix A.

Before the direct final rule became effective §§ 63.11 and 65.11 stated: "Each person who is neither a United States citizen nor a resident alien and applies for written or practical test to be administered outside the United States for any certificate or rating issued under this part must show evidence the fee prescribed in appendix A of part 187 of

this chapter has been paid.” The direct final rule revised the wording as follows: “Each person who applies for airman certification services to be administered outside the United States for any certificate or rating issued under this part must show evidence that the fee prescribed in appendix A of part 187 of this chapter has been paid.”

Conclusion

The FAA did not receive any adverse or negative comments or a written notice of intent to file an adverse or negative comment and therefore the rulemaking became effective on June 11, 2007.

Issued in Washington, DC on September 24, 2007.

John M. Allen,

Acting Director, Flight Standards Service.

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 275

[Release No. IA-2653; File No. S7-23-07]

RIN 3235-AJ96

Temporary Rule Regarding Principal Trades With Certain Advisory Clients

AGENCY: Securities and Exchange Commission.

ACTION: Interim final temporary rule; request for comments.

SUMMARY: The Commission is adopting a temporary rule under the Investment Advisers Act of 1940 that establishes an alternative means for investment advisers who are registered with the Commission as broker-dealers to meet the requirements of section 206(3) of the Advisers Act when they act in a principal capacity in transactions with certain of their advisory clients. The Commission is adopting the temporary rule on an interim final basis as part of its response to a recent court decision invalidating a rule under the Advisers Act, which provided that fee-based brokerage accounts were not advisory accounts and were thus not subject to the Advisers Act. As a result of the Court's decision, which takes effect on October 1, fee-based brokerage customers must decide whether they will convert their accounts to fee-based accounts that are subject to the Advisers Act or to commission-based brokerage accounts. We are adopting the temporary rule to enable investors to make an informed choice between those accounts and to continue to have access

to certain securities held in the principal accounts of certain advisory firms while remaining protected from certain conflicts of interest. The temporary rule will expire and no longer be effective on December 31, 2009.

DATES: *Effective Date:* September 30, 2007, except for 17 CFR 275.206(3)-3T will be effective from September 30, 2007 until December 31, 2009.

Comment Date: Comments on the interim final rule should be received on or before November 30, 2007.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/final.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number S7-23-07 on the subject line; or
- Use the Federal eRulemaking Portal (<http://www.regulations.gov>). Follow the instructions for submitting comments.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number S7-23-07. This file number should be included on the subject line if e-mail is used. To help us process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/final.shtml>). Comments are also available for public inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. All comments received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

FOR FURTHER INFORMATION CONTACT: David W. Blass, Assistant Director, Daniel S. Kahl, Branch Chief, or Matthew N. Goldin, Attorney-Adviser, at (202) 551-6787 or IArules@sec.gov, Office of Investment Adviser Regulation, Division of Investment Management, U.S. Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-5041.

SUPPLEMENTARY INFORMATION: The Securities and Exchange Commission (“Commission”) is adopting temporary rule 206(3)-3T [17 CFR 275.206(3)-3T] under the Investment Advisers Act of 1940 [15 U.S.C. 80b] as an interim final rule.

We are soliciting comments on all aspects of the rule. We will carefully consider the comments that we receive and respond to them in a subsequent release.

I. Background

A. The FPA Decision

On March 30, 2007, the Court of Appeals for the District of Columbia Circuit (the “Court”), in *Financial Planning Association v. SEC* (“FPA decision”), vacated rule 202(a)(11)-1 under the Investment Advisers Act of 1940 (“Advisers Act” or “Act”).¹ Rule 202(a)(11)-1 provided, among other things, that fee-based brokerage accounts were not advisory accounts and were thus not subject to the Advisers Act.² As a consequence of the FPA decision, broker-dealers offering fee-based brokerage accounts became subject to the Advisers Act with respect to those accounts, and the client relationship became fully subject to the Advisers Act. Broker-dealers would need to register as investment advisers, if they had not done so already, act as fiduciaries with respect to those clients, disclose all potential material conflicts of interest, and otherwise fully comply with the Advisers Act, including the Act's restrictions on principal trading.

We filed a motion with the Court on May 17, 2007 requesting that the Court temporarily withhold the issuance of its mandate and thereby stay the effectiveness of the FPA decision.³ We estimated at the time that customers of broker-dealers held \$300 billion in one million fee-based brokerage accounts.⁴ We sought the stay to protect the interests of those customers and to provide sufficient time for them and their brokers to discuss, make, and implement informed decisions about the assets in the affected accounts. We also informed the Court that we would use

¹ 482 F.3d 481 (D.C. Cir. 2007).

² Fee-based brokerage accounts are similar to traditional full-service brokerage accounts, which provide a package of services, including execution, incidental investment advice, and custody. The primary difference between the two types of accounts is that a customer in a fee-based brokerage account pays a fee based upon the amount of assets on account (an asset-based fee) and a customer in a traditional full-service brokerage account pays a commission (or a mark-up or mark-down) for each transaction.

³ May 17, 2007, Motion for the Stay of Mandate, in *FPA v. SEC*.

⁴ *Id.*