

# Rules and Regulations

Federal Register

Vol. 62, No. 22

Monday, February 3, 1997

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

## FEDERAL DEPOSIT INSURANCE CORPORATION

### 12 CFR Part 304

RIN 3064-AB89

#### Forms, Instructions and Reports

**AGENCY:** Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Final rule.

**SUMMARY:** As part of the FDIC's systematic review of its regulations and written policies under section 303(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRI), the FDIC is revising its regulations relating to forms, instructions and reports. The regulation was created in 1948 to satisfy the requirement found in the Administrative Procedure Act (APA) to "publish in the Federal Register \* \* \* rules of procedure, descriptions of forms available or the places at which forms may be obtained, and instructions as to the scope and contents of all papers, reports, or examinations." A portion of the regulation was added in 1992 to implement the mandate found at section 122 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), which requires the FDIC to adopt a regulation which requires the collection of information on small farm and small business lending from insured depository institutions. In addition, section 37 of the Federal Deposit Insurance Act (FDI Act), as added by FDICIA, requires that the FDIC adopt regulations mandating the inclusion of "off balance sheet" items in all assets and liabilities (including contingent assets and liabilities) reflected on any balance sheet, financial statement, report of condition, or other report that insured depository institutions file with a federal banking agency. The additional requirement to include contingent assets and liabilities

is being incorporated into a section of the regulation. In an effort to streamline its regulations and provide the public with information about its forms, instructions and reports (including specific dates by which such reports must be filed), the FDIC is revising this regulation, by removing unneeded language while retaining the listing of forms and other required information to satisfy the public information requirements found in FOIA, section 122 of FDICIA, and section 37 of the FDI Act.

**EFFECTIVE DATE:** February 3, 1997.

**FOR FURTHER INFORMATION CONTACT:** Steven F. Hanft, Assistant Executive Secretary (Regulatory Analysis), (202) 898-3907, Office of the Executive Secretary; Karen Main, Senior Attorney, (202) 898-8838, Legal Division; FDIC, 550 17th Street, NW, Washington, D.C. 20429.

#### SUPPLEMENTARY INFORMATION:

##### I. Discussion

The FDIC is conducting a systematic review of its regulations and written policies. Section 303(a) of CDRI, 12 U.S.C. 4803(a), requires each federal banking agency to streamline and modify its regulations and written policies in order to improve efficiency, reduce unnecessary costs, and eliminate unwanted constraints on credit availability. Section 303(a) also requires each federal banking regulatory agency to remove inconsistent, outmoded, or duplicative requirements from its regulations and written policies.

As part of this review, the FDIC has determined that certain provisions of part 304 contain outmoded and unnecessary language that needs to be revised or removed. By so doing, the FDIC's regulation concerning forms, instructions and reports will be updated and streamlined to provide accurate information.

The FDIC published the current version of the regulation on October 15, 1986 in the Federal Register (51 FR 36684) in accordance with the APA (U.S.C. 551 *et seq.*). Section 304.4 was later modified to implement Section 122 of FDICIA (12 U.S.C. 1817 note) on June 5, 1992 (57 FR 23932). Sections 304.4 and 304.5 are being revised to incorporate the reporting requirement set forth in Section 37(a)(3)(c) of the FDI Act. 12 U.S.C. 1831n(a)(3)(C). This statutory provision requires that the

Corporation develop a regulation which requires that "all assets and liabilities, including contingent assets and liabilities" be reported in an insured depository institution's Call Reports. This reporting requirement, which was enacted as Section 121 of FDICIA in 1991, was initially implemented by revising the Call Reports in 1992. The proposed change was published for comment in connection with the FDIC's Notice of Information Collection submitted to the Office of Management and Budget. See 57 FR 54235 (Nov. 17, 1992). Section 304.4 is being further revised to add information which is currently found in the instructions to the Call Reports regarding the timely filing of the Call Reports. This requirement was initially issued for notice and comment under the auspices of the Federal Financial Institutions Examination Council, and adopted in final in 1988. See, 53 FR 11558 (Apr. 7, 1988) and 53 FR 32104 (Aug. 23, 1988).

Part 304 provides the public with the information about the forms and reports that insured financial institutions are to submit to the FDIC. With the exception of the provisions relating to lending to small farms and small business and the reporting of "off balance sheet" items, there is no statutory requirement to provide all of the information contained in Part 304 by regulation. Thus, through the proposed changes, the statutory requirements will be retained, FOIA's publication requirements at 5 U.S.C. 552(a)(1)(C) will continue to be fulfilled, and the regulatory framework will be streamlined.

##### II. Public Comment Waiver and Effective Date

This regulation is being issued as a final rule. The APA requires general notice of proposed rulemaking in the Federal Register; however, this regulation is exempt from the Federal Register publication requirement pursuant to 5 U.S.C. 553(b). This section of the APA exempts "rules of agency organization, procedure, or practice". 5 U.S.C. 553(b)(A). Notwithstanding the fact that part 304 is a procedural rule, some of the proposed language that will be added to various sections appears to impose new reporting requirements or time constraints on affected financial institutions. The Call Report filing deadlines, as well as the requirement to report the contingent assets and

liabilities on the Call Report have previously been issued for notice and comment before being adopted in final form. These requirements have been in place and insured depository institutions have been complying with them for a number of years. These pre-existing supervisory requirements are now being codified in part 304. Moreover, several other revisions are minor and technical in nature. Therefore, the Board finds that there is good cause for not providing a notice and comment period before adopting part 304 in final form. Under the circumstances described above, notice and comment would be unnecessary and contrary to the public interest. 5 U.S.C. 553(b)(B).

In addition, the APA provides that a substantive rule shall be published in the Federal Register not less than 30 days before its effective date. However, this APA requirement does not apply to Part 304 since it is a rule of agency procedure. 5 U.S.C. 553(d). Alternatively, the amendments are of such a nature that the public does not need a delayed period of time in which to conform or adjust to the amendments. Thus, the Board finds that there exists good cause for not delaying the effective date of these amendments. 5 U.S.C. 553(d)(3).

### III. Matters of Regulatory Procedure

#### *Regulatory Flexibility Act*

Part 304 is a rule relating to agency organization, procedure, or practice, and is therefore not subject to the provisions of the Regulatory Flexibility Act. Further, because the revisions to part 304 will be published in final form without a notice of proposed rulemaking, no regulatory flexibility analysis is required.

#### *Paperwork Reduction Act*

No further collection of information is required as a result of the regulatory amendments. Therefore, no material will be submitted to the OMB for review pursuant to the Paperwork Reduction Act. 44 U.S. 3501 *et seq.*

#### *Contract With America/SBREF A Analysis*

The Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Title II of the Contract with America Advancement Act of 1996 (Pub. L. 104-121), provides generally for Congressional review of final agency rules. When required by SBREFA, the FDIC reports rules to Congress. The reporting requirement is triggered in instances where the FDIC issues a final rule as defined by the APA at 5 U.S.C.

551. The FDIC will file the appropriate report pursuant to the statute.

The Office of Management and Budget has determined that this final revision to part 304 does not constitute a "major" rule as defined by the statute.

#### List of Subjects in 12 CFR Part 304

Bank deposit insurance, Bank, banking, Freedom of information, Reporting and recordkeeping requirements.

For the reasons set forth above, 12 CFR part 304 is amended as set forth below:

### **PART 304—FORMS, INSTRUCTIONS AND REPORTS**

1. The authority citation for part 304 continues to read as follows:

Authority: 5 U.S.C. 552; 12 U.S.C. 1817, 1818, 1819, 1820; Public Law 102-242, 105 Stat. 2251 (12 U.S.C. 1817 note).

#### **§ 304.1 [Amended]**

2. Section 304.1 is amended by removing the word "all" from the last sentence.

3. Section 304.2 is revised to read as follows:

#### **§ 304.2 Forms and instructions—general.**

Necessary forms with their related instructions to be used in connection with applications, reports, and other submittals can be obtained from FDIC regional offices—Division of Supervision. The FDIC regional offices are listed in the directory of the FDIC Law, Regulations and Related Acts looseleaf service, published by the FDIC. A listing of FDIC forms can also be obtained by writing to the FDIC, Division of Supervision, 550 17th Street, NW, Washington, D.C. 20429. The forms are also available in the FDIC Public Information Center at 801 17th Street, NW, Washington, D.C. 20429.

4. Section 304.3 is revised to read as follows:

#### **§ 304.3 Certified statements.**

The certified statements required to be filed by insured institutions under the provisions of section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817), as amended, shall be filed in accordance with part 327 of this chapter. The applicable forms are Form 6420/07A—Form 6420/07H which show the computation of the semiannual assessment due to the Corporation from an insured depository institution. As provided for in part 327 of this chapter, the forms will be furnished to insured depository institutions by the Corporation twice each calendar year and the completed statement must be

returned to the Corporation by each institution.

5. Section 304.4 is revised to read as follows:

#### **§ 304.4 Reports of condition and income.**

(a) *Description.* Forms FFIEC 031, 032, 033, and 034, Consolidated Reports of Condition and Income, are quarterly reports for insured state nonmember banks (except District banks) of different asset sizes or with foreign offices, as appropriate, that are required to be prepared as of the close of business on the following report dates: March 31, June 30, September 30, and December 31. These reports are also known as the "Call Report." The Call Report includes a balance sheet, an income statement, and a statement of changes in equity capital of the reporting bank. Supporting schedules request additional detail with respect to charge-offs and recoveries, income from international operations, specific asset and liability accounts, off-balance sheet items, past due and nonaccrual assets, information for assessment purposes, and regulatory capital. All assets and liabilities, including contingent assets and liabilities, must be reported in, or otherwise taken into account in the preparation of, the Call Report. Reporting banks must also submit annually such information on small business and small farm lending as the FDIC may need to assess the availability of credit to these sectors of the economy. Call Reports must be prepared in accordance with the appropriate instructions contained in the Federal Financial Institutions Examination Council booklet entitled "Instructions—Consolidated Reports of Condition and Income". The report forms, the instructions for completing the reports, and the accompanying materials will be furnished to all insured state nonmember banks (except District banks) by, or may be obtained upon request from, the Call Reports Analysis Unit, Division of Supervision, FDIC, Washington, D.C. 20429.

(b) *Submission of reports.* All insured state nonmember banks (except District banks) shall file their completed reports by the method and with the appropriate collection agent for the FDIC as designated in the materials accompanying the report forms each quarter. Completed reports must be received no more than 30 calendar days after the report date, subject to the timely filing provisions set forth in the "Instructions—Consolidated Reports of Condition and Income" and in the materials accompanying the report forms each quarter. Any bank which has or has had more than one foreign office,

other than a shell branch or an International Banking Facility, may take an additional 15 calendar days to submit its Call Reports. A bank using any of these additional 15 calendar days to complete its reports is required to submit its reports electronically.

6. Section 304.5 is revised to read as follows:

**§ 304.5 Other forms.**

The forms described in this section have been prepared for the use of banks.

(a) *Form 8020/05: Summary of Deposits.* Form 8020/05 is a report on the amount of deposits for each authorized office of an insured bank with branches; unit banks do not report. Reports as of June 30 of each year must be submitted no later than the immediately succeeding July 31. The report is filed with the appropriate collection agent for the FDIC as designated in the materials accompanying the survey forms each year. The report forms and the instructions for completing the reports will be furnished to all such banks by, or may be obtained upon request from the Trust and Survey Group, Division of Supervision, FDIC, 550 17th Street, NW, Washington, D.C. 20429.

(b) *Form 6120/06: Notification of Performance of Bank Services.* Form 6120/06 may be used to satisfy the notice requirement for bank service arrangements that is contained in section 7 of the Bank Service Corporation Act (12 U.S.C. 1867), as amended. In lieu of the form, a bank may satisfy the requirement by submitting a letter stating: The name of the servicer; the address at which the service is performed; the service being performed; and the date the service commenced. Either the form or the letter containing the notice information must

be submitted to the regional director— Division of Supervision of the region in which the bank's main office is located within 30 days of the making of the bank service contract or the performance of the bank service, whichever occurs first.

(c) *Form FFIEC 001: Annual Report of Trust Assets.* This report must be filed by all insured state nonmember commercial and savings banks operating trust departments or banks granted consent by the Corporation to exercise trust powers, and their trust subsidiaries. The report must be filed no later than February 15th of each year. When circumstances necessitate, additional information may be required about certain operations of the trust department. The report must be prepared and submitted in accordance with the appropriate instructions. The report is filed with the appropriate collection agent for the FDIC as designated in the report form and instructions. The report forms and instructions for completing the report will be furnished automatically to all such banks by, or may be obtained upon request from the Trust and Survey Group, Division of Supervision, FDIC, 550 17th Street, NW, Washington, D.C. 20429.

(d) *Form FFIEC 002: Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks.* Form FFIEC 002 is a report in the form of a statement of the assets and liabilities of U.S. branches and agencies of foreign banks together with supporting schedules that request additional detail with respect to selected assets and liabilities, off-balance sheet items, and, in the case of insured branches, information for assessment purposes. All assets and liabilities, including contingent assets

and liabilities, must be reported in, or otherwise taken into account in the preparation of, this report. Insured branches must also submit annually such information on small business and small farm lending as the FDIC may need to assess the availability of credit to these sectors of the economy. The report must be prepared in accordance with the instructions contained in the instruction booklet for the report, copies of which are furnished to all U.S. branches and agencies of foreign banks by the Federal Reserve System. The Board of Governors of the Federal Reserve System collects and processes the report on behalf of FDIC-supervised branches. The report is submitted quarterly to the appropriate Federal Reserve district bank.

(e) *Form FFIEC 004: Report on Indebtedness of Executive Officers and Principal Shareholders and their Related Interests to Correspondent Banks.* Form FFIEC 004 is a recommended form that may be used by the executive officers and principal shareholders of an insured state nonmember bank to report to the board of directors of their bank on their indebtedness (and that of their related interests) to correspondent banks, as required by part 349 of this chapter. The reports or any form containing identical information must be submitted to the bank's board of directors by January 31 of each year and cover indebtedness to correspondent banks during the preceding calendar year. Form FFIEC 004 is mailed annually by the FDIC to each insured state nonmember bank.

7. Appendix A to part 304 is revised to read as follows:

Appendix A to Part 304—List of Forms  
[Note: See footnotes at end of table.]

Form	Title	Section of FDICs regulations (12 CFR chapter III) where the form is referenced	OMB No.
FDIC 6112/01 .....	Initial Statement of Beneficial Ownership of Equity Securities (Form F-7).	335.413 .....	3064-0030
FDIC 6112/02 .....	Statement of Changes in Beneficial Ownership of Equity Securities (Form F-8).	335.414 .....	3064-0030
FDIC 6120/06 .....	Notification of Bank Services .....	304.5(b) .....	3064-0029
FDIC 6200/05 .....	Application for Federal Deposit Insurance (Commercial Banks).	303.1 .....	3064-0001
FDIC 6200/06 .....	Financial Report .....	(1) .....	3064-0006
FDIC 6200/07 .....	Application for Federal Deposit Insurance for Operating Non-insured Institutions.	303.1 .....	3064-0069
FDIC 6200/09 .....	Application for Consent to Exercise Trust Powers .....	(2) .....	3064-0025
FDIC 6220/01 .....	Application for a Merger or Other Transaction Pursuant to Section 19(c) of the Federal Deposit Insurance Act.	303.3 .....	3064-0016
FDIC 6220/07 .....	Application for a Merger or Other Transaction Pursuant to Section 18(c) of the Federal Deposit Insurance Act (Phantom or Corporate Reorganization).	303.7(b)(1) and 303.3 .....	3064-0015
FDIC 6342/12 .....	Request for Deregistration Registered Transfer Agent .....	341.5 .....	3064-0027
FDIC 6420/07 .....	Certified Statement .....	304.3(a) .....	3064-0057
FDIC 6440/12 .....	Loan/Application Register .....	338.8(3) .....	7100-0247

Form	Title	Section of FDICs regulations (12 CFR chapter III) where the form is referenced	OMB No.
FDIC 6710/06	Suspicious Activity Report	353.1	3064-0077
FDIC 6710/07	Application Pursuant to Section 19 of the Federal Deposit Insurance Act.	(4)	3064-0018
FDIC 6810/01	Notification of Addition of a Director or Employment of a Senior Executive Officer.	333.2	3064-0097
FDIC 6822/01	Notice of Acquisition of Control	303.4(b)	3064-0019
FDIC 8020/05	Summary of Deposits	304.5(a)	3064-0061
FFIEC 001	Annual Report of Trust Assets	304.5(c)	3064-0024
FFIEC 002	Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks.	304.5(d)	7100-0032
FFIEC 004	Report on Indebtedness of Executive Officers and Principal Shareholders and their Related Interests to Correspondent Banks.	304.5(e)	3064-0023
FFIEC 009	Country Exposure Report	351.3(b)	3064-0017
FFIEC 009a	Country Exposure Information Report	351.3	3064-0017
FFIEC 019	Country Exposure Report for U.S. Branches and Agencies of Foreign Banks.	(5)	3064-0017
FFIEC 030	Foreign Branch Report of Condition	347.6(b)	3064-0011
FFIEC 031	Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices.	304.4	3064-0052
FFIEC 032	Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets of \$300 Million or More.	304.4	3064-0052
FFIEC 033	Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets of \$100 Million or More But Less Than \$300 Million.	304.4	3064-0052
FFIEC 034	Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets of Less than \$100 Million.	304.4	3064-0052
FFIEC 035	Monthly Consolidated Foreign Currency Report of Banks in the United States.	(6)	1557-0156
GFIN	Notice of Government Securities Broker or Government Securities Dealer Activities to be Filed by a Financial Institution Under Section 15C(a)(1)(B).	(7)	1535-0089
GFIN-W	Notice by Financial Institutions of Termination of Activities as a Government Securities Broker or Government Securities Dealer.	(7)	7100-0224
GFIN-4	Disclosure Form for Person Associated With a Financial Institution Government Securities Broker or Dealer.	(7)	1535-0089
GFIN-5	Uniform Termination Notice for Person Associated With a Financial Institution Government Securities Broker or Dealer.	(7)	1535-0089
MSD 4	Uniform Application for Municipal Securities Principal or Municipal Securities Representative Associated With a Bank Municipal Securities Dealer.	343.3	3064-0022
MSD 5	Uniform Termination for Municipal Securities Principal or Municipal Securities Representative Associated With a Bank Municipal Securities Dealer.	343.3	3064-0022
TA-1	Transfer Agent Registration and Amendment Form	341.6	3064-0026

**Notes:**

<sup>1</sup> Not referenced in 12 CFR chapter III. The report form is submitted by each individual director or officer of a proposed or operating bank applying to the FDIC for federal deposit insurance as a state nonmember bank, or by a person proposing to acquire ownership or control of an insured state nonmember bank.

<sup>2</sup> The report form can be obtained from the HMDA Assistance line by telephoning (202) 452-2016.

<sup>3</sup> Not referenced in 12 CFR chapter III. The application form is submitted by insured state nonmember banks applying for FDIC consent to exercise trust powers.

<sup>4</sup> Not referenced in 12 CFR chapter III. The application form is submitted by FDIC-insured banks applying for FDIC consent to employ persons who have been convicted of crimes involving dishonesty or breach of trust.

<sup>5</sup> Not referenced in 12 CFR chapter III. The report form is submitted by state chartered and federally-licensed branches and agencies of foreign banks in the U.S. with \$30 million or more in total direct claims on foreign residents. The Federal Reserve Board collects and processes the report on behalf of FDIC-supervised branches. The report is submitted quarterly to the appropriate Federal Reserve district bank.

<sup>6</sup> Not referenced in 12 CFR chapter III. The report form is submitted by banks (other than savings banks) and bank holding companies with a dollar equivalent of \$100 million or more in assets, liabilities, foreign exchange contracts bought and foreign exchange contracts sold in any six specific foreign currencies as of the end of a month. The Office of the Comptroller of the Currency collects and processes this monthly report on behalf of insured state nonmember banks.

<sup>7</sup> Not referenced in 12 CFR chapter III. The report form is submitted by banks or persons associated with banks required to file under section 15C of the Securities and Exchange Act of 1934.

Appendix B to Part 304—[Removed]

8. Appendix B to part 304 is removed.

By Order of the Board of Directors.

Dated at Washington, D.C., this 21st day of January, 1997.

Federal Deposit Insurance Corporation.

Jerry L. Langley,

*Executive Secretary.*

[FR Doc. 97-2530 Filed 1-31-97; 8:45 am]

BILLING CODE 6714-01-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 96-ANE-09; Amendment 39-9897; AD 97-02-12]

RIN 2120-AA64

#### Airworthiness Directives; Rolls-Royce plc RB211-535E4 and -535E4-B Series Turbofan Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

**SUMMARY:** This amendment adopts a new airworthiness directive (AD), applicable to Rolls-Royce plc RB211-535E4 and -535E4-B series turbofan engines, that requires installation of an improved fuel flow governor that incorporates revised minimum compressor discharge P4 stop settings. This amendment is prompted by reports of engine rundowns during low idle descent during icing conditions. The actions specified by this AD are intended to prevent compressor stall and subsequent engine rundown on one or both engines.

**DATES:** Effective April 4, 1997.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of April 4, 1997.

**ADDRESSES:** The service information referenced in this AD may be obtained from Rolls-Royce plc, P.O. Box 31, Moor Lane, Derby, DE248BJ, United Kingdom; telephone 1332-249428, fax 1332-249423. This information may be examined at the Federal Aviation Administration (FAA), New England Region, Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, MA; or at the Office of the Federal Register, 800 North Capitol Street, NW., Suite 700, Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Daniel Kerman, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New

England Executive Park, Burlington, MA 01803-5299; telephone (617) 238-7130, fax (617) 238-7199.

**SUPPLEMENTARY INFORMATION:** A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to Rolls-Royce plc (R-R) RB211-535 series turbofan engines was published in the Federal Register on June 12, 1996 (61 FR 29697). That action proposed to require installation of an improved Fuel Flow Governor (FFG) that incorporate revised minimum compressor discharge P4 stop settings. This revised setting will raise the steady state low idle schedule above the idle conditions experienced during any of the prior engine rundown events. This schedule increase will result in a substantial increase in Intermediate Pressure Compressor (IPC) stall margin, a moderate increase in High Pressure Compressor (HPC) stall margin, as well as provide the additional benefit of increased ice accretion tolerance due to increased compressor airflow and increased rotor speed. This action must be accomplished within 9 calendar months after the effective date of this AD. The FAA has determined the calendar end-date based on the time interval required for fleet modification. The actions would be required to be accomplished in accordance with R-R Mandatory (SB) No. RB.211-73-B869, Revision 1, dated May 24, 1996.

Interested persons have been afforded an opportunity to participate in the making of this amendment. Due consideration has been given to the comments received.

One commenter states that the proposed AD should be modified to eliminate the shop visit requirement and to impose a calendar end-date for compliance with the proposed FFG modification. The FAA concurs, and has revised this final rule to delete the shop visit requirement. The FAA has determined that the shop visit requirement is not necessary and that a calendar end-date will assure an adequate level of safety.

One commenter states that the compliance period for the proposed AD should be extended from 9 months to one year. The commenter bases this request on the fact that there are limited facilities available to modify the FFG. The FAA does not concur. The manufacturer has established sufficient inventory and facility capability to implement the modification program within 9 months after the effective date of the final rule AD. The FAA also notes that the burden on the current inventory and facilities will be minimized because

a large population of operators have already voluntarily complied with the proposed FFG modification.

One commenter states that the modification of the FFG, as required by the proposed AD, on one engine for each aircraft, should be sufficient for terminating action to AD 96-04-11, which required selecting anti-ice prior to initiating descent. The FAA does not concur. The FAA is concerned that under the circumstances in which a rundown occurs, there could be excessive crew workload, and that this increased workload could lead to potentially inappropriate actions by the flight crew. The FAA has determined that the interests of the flying public are best served by requiring the proposed FFG modification on both engines to preclude this excessive crew workload.

After careful review of the available data, including the comments noted above, the FAA has determined that air safety and the public interest require the adoption of the rule with the changes described previously. The FAA has determined that these changes will neither increase the economic burden on any operator nor increase the scope of the AD.

There are approximately 770 engines of the affected design in the worldwide fleet. The FAA estimates that 381 engines installed on aircraft of U.S. registry will be affected by this AD, that it will take approximately 3 work hours per engine to accomplish the required actions, and that the average labor rate is \$60 per work hour. The affected FFGs will be modified to incorporate the changes required by this AD on a free-of-charge basis per engine. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be \$68,580.

The regulations adopted herein will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this action (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory