

have a significant economic impact on a substantial number of small entities.

List of Subjects in 12 CFR Part 951

Community development, Credit, Federal home loan banks, Housing, Reporting and recordkeeping requirements.

Accordingly, the Finance Board hereby proposes to amend part 951, title 12, chapter IX, Code of Federal Regulations, as follows:

PART 951—AFFORDABLE HOUSING PROGRAM

1. The authority citation for part 951 continues to read as follows:

Authority: 12 U.S.C. 1430(j).

2. Revise § 951.3(a)(1) to read as follows:

§ 951.3 Operation of Program and adoption of AHP implementation plan.

(a) *Allocation of AHP contributions—*
(1) *Homeownership set-aside programs—*(i) *Homeownership set-aside programs subject to \$3.0 million or 25 percent cap.* Each Bank, after consultation with its Advisory Council, may set aside annually, in the aggregate, up to the greater of \$3.0 million or 25 percent of its annual required AHP contribution to provide funds to members participating in the Bank's homeownership set-aside programs, pursuant to the requirements of this part. In cases where the amount of homeownership set-aside funds applied for by members in a given year exceeds the amount available for that year, a Bank may allocate up to the greater of \$3.0 million or 25 percent of its annual required AHP contribution for the subsequent year to the current year's homeownership set-aside programs pursuant to written policies adopted by the Bank's board of directors. A Bank may establish one or more homeownership set-aside programs pursuant to written policies adopted by the Bank's board of directors.

(ii) *Additional first-time homebuyer set-aside program subject to \$1.5 million or 10 percent cap.* In addition to the authority provided under paragraph (a)(1)(i) of this section, each Bank, after consultation with its Advisory Council, and pursuant to written policies adopted by the Bank's board of directors, may set aside annually up to the greater of \$1.5 million or 10 percent of its annual required AHP contribution to provide funds to members participating in a Bank homeownership set-aside program to assist first-time homebuyers, pursuant to the requirements of this part. In cases where the amount of homeownership set-aside

funds applied for by members in a given year under such a program exceeds the amount available for that year, a Bank may allocate up to the greater of \$1.5 million or 10 percent of its annual required AHP contribution for the subsequent year to the current year's program pursuant to written policies adopted by the Bank's board of directors.

(iii) *Requirements applicable to all homeownership set-aside programs.* Beginning in 2003 and for subsequent years, the maximum dollar limits set forth in paragraphs (a)(1)(i) and (a)(1)(ii) of this section shall be adjusted annually by the Finance Board to reflect any percentage increase in the preceding year's Consumer Price Index (CPI) for all urban consumers, as published by the Department of Labor. Each year, as soon as practicable after the publication of the previous year's CPI, the Finance Board shall publish notice by **Federal Register**, distribution of a memorandum, or otherwise, of the CPI-adjusted limits on the maximum set-aside dollar amount. A Bank's board of directors shall not delegate to Bank officers or other Bank employees the responsibility for adopting its homeownership set-aside program policies.

3. Revise § 951.5(a)(2)(iii) to read as follows:

§ 951.5 Minimum eligibility standards for AHP projects.

(a) * * *

(2) * * *

(iii) Meet the first-time homebuyer requirement, in the case of households receiving funds pursuant to a first-time homebuyer set-aside program established pursuant to § 951.3(a)(1)(ii), and meet such other eligibility criteria that may be established by the Bank, such as a matching funds requirement or criteria that give priority for the purchase or rehabilitation of housing in particular areas or as part of a disaster relief effort, in the case of households receiving funds pursuant to homeownership set-aside programs established pursuant to § 951.3(a)(1)(i) or (ii);

* * * * *

Dated: June 12, 2002.

By the Board of Directors of the Federal Housing Finance Board.

John T. Korsmo,
Chairman.

[FR Doc. 02-15626 Filed 6-19-02; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2001-SW-59-AD]

RIN 2120-AA64

Airworthiness Directives; Sikorsky Aircraft Corporation Model S-76A, S-76B and S-76C Helicopters

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the adoption of a new airworthiness directive (AD) for Sikorsky Aircraft Corporation Model S-76A, S-76B and S-76C helicopters. The AD would require removing and inspecting each main rotor spindle attachment bolt (bolt) to ensure that the correct bolts are installed. This proposal is prompted by the discovery of improper bolts installed on a helicopter during its production. The actions specified by the proposed AD are intended to detect installation of incorrect bolts, which could result in reduced hub or bolt fatigue life, separation of the main rotor blade at the spindle attachment, and subsequent loss of control of the helicopter.

DATES: Comments must be received on or before August 19, 2002.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Office of the Regional Counsel, Southwest Region, Attention: Rules Docket No. 2001-SW-59-AD, 2601 Meacham Blvd., Room 663, Fort Worth, Texas 76137. You may also send comments electronically to the Rules Docket at the following address: 9-asv-adcomments@faa.gov. Comments may be inspected at the Office of the Regional Counsel between 9 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Kirk Gustafson, Aviation Safety Engineer, Boston Aircraft Certification Office, Engine and Propeller Directorate, FAA, 12 New England Executive Park, Burlington, MA 01803, telephone (781) 238-7190, fax (781) 238-7170.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the Rules Docket number and be submitted in triplicate to

the address specified above. All communications received on or before the closing date for comments will be considered before taking action on the proposed rule. The proposals contained in this document may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report summarizing each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their mailed comments submitted in response to this proposal must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 2001-SW-59-AD." The postcard will be date stamped and returned to the commenter.

Discussion

This document proposes the adoption of a new AD for Sikorsky Aircraft Corporation Model S-76A, S-76B and S-76C helicopters. The AD would require removing and inspecting each bolt to ensure that the correct bolts are installed. The bolt's complete part number is not visible, so it is necessary to measure each bolt to ensure the proper length bolt is installed. This proposal is prompted by the discovery of improper length bolts installed on a helicopter during its production. The manufacturer conducted subsequent inspections of additional helicopters, as well as structural assessments on spindle/hub attachments. A total of four helicopters were found to have incorrect bolts installed. The actions specified by the proposed AD are intended to detect installation of incorrect bolts, which could result in reduced hub or bolt fatigue life, separation of the main rotor blade at the spindle attachment, and subsequent loss of control of the helicopter.

The FAA has reviewed Sikorsky Aircraft Corporation Alert Service Bulletin No. 76-65-52 (321), dated July 24, 2001, which describes procedures for a one-time inspection of each bolt for the correct length during the 1,250 hour time-in-service (TIS) inspection.

This unsafe condition is likely to exist or develop on other helicopters of the same type design. Therefore, the proposed AD would require removing and inspecting each bolt to ensure that the correct bolts are installed.

The FAA estimates that 165 helicopters of U.S. registry would be affected by this proposed AD, that it would take approximately 6 work hours per helicopter to accomplish the proposed actions, and that the average labor rate is \$60 per work hour. Required parts would cost approximately \$240 per helicopter. Based on these figures, the total cost impact of the proposed AD on U.S. operators is estimated to be \$99,000, assuming all 40 bolts (per helicopter) are replaced.

The regulations proposed herein would not have a substantial direct effect 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, it is determined that this proposal would not have federalism implications under Executive Order 13132.

For the reasons discussed above, I certify that this proposed regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A copy of the draft regulatory evaluation prepared for this action is contained in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption ADDRESSES.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding a new airworthiness directive to read as follows:

Sikorsky Aircraft Corporation: Docket No. 2001-SW-59-AD.

Applicability: Model S-76A, S-76B and S-76C helicopters, except those having a serial number of 760501, or 760506 through 760515, certificated in any category.

Note 1: This AD applies to each helicopter identified in the preceding applicability provision, regardless of whether it has been otherwise modified, altered, or repaired in the area subject to the requirements of this AD. For helicopters that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (c) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required within 1,250-hour time-in-service or two years, whichever comes first, unless accomplished previously.

To detect installation of an incorrect main rotor spindle attachment bolt (bolt), which could result in reduced hub or bolt fatigue life, separation of the main rotor blade at the spindle attachment, and subsequent loss of control of the helicopter, accomplish the following:

(a) Remove and measure each bolt to ensure that the length is $1.181 \pm .015$ inches. There are 10 bolts per rotor spindle and 40 bolts per helicopter that require inspection.

(1) If 1 or 2 bolts are found on any spindle that are longer than 1.196 inches (1.181 inches + .015-inch permissible tolerance), visually inspect the main rotor hub internal threads for distortion and the hole-bottoms for scoring.

(i) If thread distortion or hole-bottom scoring is found, remove the rotor hub from service.

(ii) If no thread distortion or hole-bottom scoring is found, replace all 10 bolts with new airworthy bolts.

(2) If 3 or more bolts that exceed 1.196 inches are found on any spindle, remove and replace the main rotor hub with an airworthy main rotor hub.

(3) If any bolt is found that is shorter than 1.166 inches (1.181 inches - .015 permissible tolerance), replace it with a new airworthy bolt.

(b) Report the results of the inspections of the main rotor hubs whenever the bolts exceed 1.196 inches in length, within 5 calendar days of the inspection, to the Manager, Boston Aircraft Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone: (781) 238-7150; fax: (781) 238-7170. Include the following information in the report:

(1) Serial number of the helicopter.

(2) Quantity of incorrect bolts.

(3) Description of thread distortion or hole-bottom scoring caused by each bolt.

Information collection requirements contained in this AD have been approved by the Office of Management and Budget (OMB) under the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*) and have been assigned OMB Control Number 2120-0056.

(c) 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, Boston Aircraft Certification Office, Engine and Propeller Directorate, FAA. Operators shall submit their requests through an FAA Principal Maintenance Inspector, who may concur or comment and then send it to the Manager, Boston Aircraft Certification Office.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Boston Aircraft Certification Office.

(d) Special flight permits may be issued in accordance with 14 CFR 21.197 and 21.199 to operate the helicopter to a location where the requirements of this AD can be accomplished.

Issued in Fort Worth, Texas, on June 10, 2002.

Larry M. Kelly,

*Acting Manager, Rotorcraft Directorate,
Aircraft Certification Service.*

[FR Doc. 02-15551 Filed 6-19-02; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 232, 240 and 249

[Release No. 34-46079; File No. S7-21-02]

RIN 3235-A154

Certification of Disclosure in Companies' Quarterly and Annual Reports

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule.

SUMMARY: We propose to require a company's principal executive officer and principal financial officer to certify that, to their knowledge, the information in the company's quarterly and annual reports is true in all important respects and that the reports contain all information about the company of which they are aware that they believe is important to a reasonable investor. In addition, we propose to require a company to maintain procedures to provide reasonable assurance that the company is able to collect, process and disclose the information required in the company's quarterly and annual reports, as well as current reports on Form 8-K, and also to require periodic review and evaluation of these procedures. We believe that it is important both to the quality of disclosure and investor confidence for a company's principal executive officer and principal financial officer to provide the proposed certification and for companies to

maintain procedures that enable the company to satisfy its disclosure obligations under the federal securities laws and that are subject to periodic evaluation by senior management.

DATES: Comments should be received on or before August 19, 2002.

ADDRESSES: Comments should be submitted in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Comments also may be submitted electronically at the following electronic mail address: rule-comments@sec.gov. All comment letters should refer to File No. S7-21-02; this file number should be included in the subject line if electronic mail is used. Comment letters will be available for public inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. Electronically submitted comment letters will be posted on the Commission's Internet website (<http://www.sec.gov>).¹

FOR FURTHER INFORMATION CONTACT:

Mark A. Borges, Special Counsel, or Elizabeth M. Murphy, Chief, Office of Rulemaking, at (202) 942-2910, Division of Corporation Finance, U.S. Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0312.

SUPPLEMENTARY INFORMATION: We are proposing new Rules 13a-14,² 13a-15,³ 15d-14⁴ and 15d-15⁵ under the Securities Exchange Act of 1934 ("Exchange Act")⁶ and amendments to Forms 10-Q,⁷ 10-QSB,⁸ 10-K⁹ and 10-KSB¹⁰ under the Exchange Act and to Rule 302 of Regulation S-T.¹¹

I. Introduction

Our system of federal securities regulation is based on full and fair disclosure. Congress, in enacting the federal securities laws, embraced full disclosure as the best way to permit markets to allocate capital. For this system to function most effectively, investors must have access to disclosure that is clear, accurate and timely.

¹ 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 available publicly.

² 17 CFR 240.13a-14.

³ 17 CFR 240.13a-15.

⁴ 17 CFR 240.15d-14.

⁵ 17 CFR 240.15d-15.

⁶ 15 U.S.C. 78a *et seq.*

⁷ 17 CFR 249.308a.

⁸ 17 CFR 249.308b.

⁹ 17 CFR 249.310.

¹⁰ 17 CFR 249.310b.

¹¹ 17 CFR 232.302.

The Exchange Act requires companies to make information publicly available to investors on a continuing basis to aid in their investment and voting decisions.¹² In addition, we permit seasoned issuers (that is, companies that have been subject to the reporting requirements of the Exchange Act for an extended period of time) to incorporate information from their Exchange Act reports into their registration statements filed under the Securities Act of 1933.¹³ Therefore, investors purchasing securities from these companies in public offerings also rely on the companies' Exchange Act disclosure.

Investors depend on companies' quarterly and annual reports to present a clear picture in all important respects of the company's business and financial condition. Investors trust and rely upon a company's management to ensure that these reports are accurate. Unless this belief is well-founded, we risk an erosion of investor confidence in our securities markets.

Our existing antifraud and disclosure rules are designed to elicit full and fair corporate disclosure. Questions have arisen as to whether senior corporate officials devote sufficient attention to the preparation of their companies' quarterly and annual reports and to the internal procedures that generate the data from which they are prepared. We are concerned that investor confidence has suffered because of a real or perceived absence of such participation. We believe that it is important both to the quality of disclosure and investor confidence for senior executives to provide assurance that they have reviewed and evaluated the information contained in their companies' quarterly and annual reports. We therefore propose to require a company's principal executive officer and principal financial officer each to certify that, to his or her knowledge, the company's quarterly and annual reports are true in all important respects and that the reports contain all information about the company of which he or she is aware that he or she believes is important to a reasonable investor.¹⁴

¹² See Release No. 33-8089 (Apr. 12, 2002) [67 FR 19896] at n. 11. The Exchange Act reporting system contemplates an ongoing disclosure system for the purpose of "keep[ing] reasonably current the information and documents required to be included or filed with the application or registration statement filed pursuant to Section 12."

¹³ 15 U.S.C. § 77a *et seq.*

¹⁴ See proposed Rules 13a-14 and 15d-14. Our proposal is consistent with President Bush's objective to make corporate leaders more accountable to the investing public by requiring a company's senior executives to certify to their security holders that all of the information about