

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 712

Credit Union Service Organizations (CUSOs)

AGENCY: National Credit Union Administration (NCUA).

ACTION: Proposed rule.

SUMMARY: NCUA proposes two changes to its rule concerning federal credit union (FCU) investments in and loans to credit union service organizations (CUSOs). The first proposed change clarifies that the list of permissible activities in the CUSO regulation is intended to establish broad categories of permissible activities. The listing of particular activities under these categories is meant to be illustrative not exhaustive of activities that may be permissible. In conjunction with this change, the provision for adding new activities to the regulation is amended to encourage FCUs to seek an advisory opinion from the Office of General Counsel on whether a proposed activity falls within one of the authorized categories before requesting a regulatory amendment. The second proposed change adds a federally-chartered corporation to the category of permissible structures for CUSOs.

DATES: Comments must be received on or before April 23, 2001.

ADDRESSES: Comments should be directed to Becky Baker, Secretary of the Board. Mail or hand-deliver comments to: National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428. Fax comments to (703) 518-6319. E-mail comments to regcomments@ncua.gov. Please send comments by one method only.

FOR FURTHER INFORMATION CONTACT: Mary Rupp, Staff Attorney, Office of General Counsel, at the above address or telephone (703) 518-6540.

SUPPLEMENTARY INFORMATION:

Proposed Changes

The NCUA Board proposes revising § 712.5, the provision governing permissible CUSO activities. Currently, this section lists 17 broad categories of permissible activities and, within many of these categories, there are several subcategories. Questions have arisen from time to time about whether an activity that is not specifically listed is permissible. The Board's intent is that the listings under the broad categories are for illustrative purposes. The Board proposes revising § 712.5 to state this plainly. In conjunction with that change, the Board proposes amending the provision for adding new activities to the regulation to advise FCUs to seek an advisory opinion from the Office of General Counsel as to whether a proposed activity fits into one of the authorized categories before requesting a regulatory change to add a new activity.

These amendments will reduce regulatory burden by allowing the rule to expand as technology expands. In a previous rulemaking, the Board took this same approach with respect to the permissible activity "cyber financial services." 12 CFR 712.5(d)(8). With respect to that activity, the Board agreed with the commenters and rejected listing specific permissible services because "it would be too limiting and, with changing technology, would rapidly become outdated." 64 FR 33184, 33185 (June 22, 1999).

The second proposed change concerns the structure of a CUSO formed as a corporation. The rule limits a CUSO structured as a corporation to a "corporation as established and maintained under relevant state law." 12 CFR 712.3(a). At the time the rule was drafted, that was the only type of corporate structure envisioned for a CUSO falling within one of the permissible activities. It has since been brought to the Board's attention that a CUSO engaging in permissible trust activities may wish to be chartered as a national trust company. The Federal Credit Union Act does not prohibit this structure if the trust company is not a depository institution. Therefore, the Board is revising the rule to include federally-chartered corporations. The Board cautions FCUs that there are specific prohibitions against using the CUSO authority to acquire control either directly or indirectly over other

depository institutions. 12 U.S.C. 1757(7)(I); 12 CFR 712.6.

Request for Comment

The NCUA Board is interested in receiving comments on the proposed amendments to part 712.

The NCUA Board is also interested in receiving comment on whether the categories listed in § 712.5 are sufficiently broad to cover all activities and services that relate to the routine daily operations of credit unions.

Regulatory Procedures

Regulatory Flexibility Act

The Regulatory Flexibility Act requires NCUA to prepare an analysis to describe any significant economic impact any proposed regulation may have on a substantial number of small entities (primarily those under 1 million in assets). The proposed amendments will not have a significant economic impact on a substantial number of small credit unions and, therefore, a regulatory flexibility analysis is not required.

Paperwork Reduction Act

NCUA has determined that the proposed regulation does not increase paperwork requirements under the Paperwork Reduction Act of 1995 and regulations of the Office of Management and Budget.

Executive Order 13132

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests. In adherence to fundamental federalism principles, NCUA, an independent regulatory agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order. This proposed rule, if adopted, will apply only to federally-chartered credit unions. It 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. NCUA has determined that this proposal does not constitute a policy that has federalism implications for purposes of the executive order.

The Treasury and General Government Appropriations Act, 1999—Assessment of Federal Regulations and Policies on Families

The NCUA has determined that this proposed rule will not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act, 1999, Pub. L. 105-277, 112 Stat. 2681 (1998).

Agency Regulatory Goal

NCUA's goal is to promulgate clear and understandable regulations that impose minimal regulatory burden. We request your comments on whether the proposed rule is understandable and minimally intrusive if implemented as proposed.

List of Subjects in 12 CFR Part 712

Administrative practices and procedure, Credit, Credit unions, Investments, Reporting and record keeping requirements.

By the National Credit Union Administration Board on February 15, 2001.
Becky Baker,
Secretary of the Board.

Proposed Rule

Accordingly, NCUA proposes to amend 12 CFR part 712 as follows:

PART 712—CREDIT UNION SERVICE ORGANIZATIONS (CUSOs)

1. The authority citation for part 712 continues to read as follows:

Authority: 12 U.S.C. 1756, 1757(5)(D), and (7)(I), 1766, 1782, 1784, 1785 and 1786.

2. Amend § 712.3 by revising the third sentence of paragraph (a) to read as follows:

§ 712.3 What are the characteristics of and what requirements apply to CUSOs?

(a) *Structure.* * * * For purposes of this part, "corporation" means a legally incorporated corporation as established and maintained under relevant federal or state law. * * *

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4. Amend § 712.5 by revising the second sentence and adding a third sentence to the introductory paragraph to read as follows:

§ 712.5 What activities and services are preapproved for CUSOs?

* * * Otherwise, an FCU may invest in, loan to, and/or contract with only those CUSOs that are sufficiently bonded or insured for their specific operations and engaged in the preapproved activities and services related to the routine daily operations of credit unions. The specific activities listed within each preapproved category

are provided in this section as illustrations of activities permissible under the particular category, not as an exclusive or exhaustive list.

* * * * *

5. Add a sentence to the end of § 712.7 to read as follows:

§ 712.7 What must an FCU do to add activities or services that are not preapproved?

* * * Before you engage in the petition process, you should seek an advisory opinion from NCUA's Office of General Counsel as to whether a proposed activity is already covered by one of the authorized categories without filing a petition to amend the regulation.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2000-NE-41-AD]

RIN 2120-AA64

Airworthiness Directives; Rolls-Royce Corporation (Formerly Allison Engine Company) AE 3007A and AE 3007C Model Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the adoption of a new airworthiness directive (AD) that is applicable to Rolls-Royce (RR) Corporation (formerly Allison Engine Company) AE 3007A and AE 3007C model engines with high pressure turbine (HPT) 1st to 2nd stage turbine spacer part number (P/N) 23058369 installed. This proposal would require removal and replacement of the HPT 1st to 2nd stage turbine spacer P/N 23058369 before it reaches its new reduced engine cycle life limit. This proposal is prompted by the results of a detailed component analysis that indicates that the HPT 1st to 2nd stage turbine spacer stresses are higher than predicted. The actions specified by the proposed AD are intended to prevent HPT 1st to 2nd stage turbine spacer failure which could result in an uncontained engine failure and damage to the airplane.

DATES: Comments must be received by April 23, 2001.

ADDRESSES: Submit comments in triplicate to the Federal Aviation

Administration (FAA), New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 2000-NE-41-AD, 12 New England Executive Park, Burlington, MA 01803-5299. Comments may also be submitted to the Rules Docket by using the following Internet address: "9-ane-adcomment@faa.gov." Comments may be inspected at this location between 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT:

Michael Downs, Aerospace Engineer, Chicago Aircraft Certification Office, FAA, Small Airplane Directorate, 2300 E. Devon Ave., Des Plaines, IL 60018; telephone (847) 294-7870, fax (847) 294-7834.

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, specified above, will be considered before taking action on the proposed rule. The proposals contained in this action 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 comments submitted in response to this proposal must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 2000-NE-41-AD." The postcard will be date stamped and returned to the commenter.

Availability of NPRM's

Any person may obtain a copy of this NPRM by submitting a request to the FAA, New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 2000-NE-41-AD, 12 New England Executive Park, Burlington, MA 01803-5299.