is removed from the performance improvement plan and placed back in good standing, or when the contract will be terminated.

* * * * *

(h) *Written termination notice; furnishing, contents.* As a live poultry dealer, when you terminate a poultry growing contract, you must provide the poultry grower with a written termination notice [pen and paper] at least thirty (30) days prior to the removal of a flock. Your poultry contracts must also provide poultry growers with the opportunity to terminate their poultry growing arrangement in writing at least thirty (30) days prior to the removal of a flock. Written notice regarding termination shall contain the following:

(1) The reason(s) for termination;

(2) In the case of termination, when the termination is effective; and

(3) Appeal rights, if any, the poultry grower may have with you.

**Pat Donohue-Galvin,**

*Acting Administrator, Grain Inspection, Packers and Stockyards Administration.*

[FR Doc. E7–14924 Filed 7–31–07; 8:45 am]

**BILLING CODE 3410–KD–P**

## NATIONAL CREDIT UNION ADMINISTRATION

### 12 CFR Parts 703 and 704

**RIN 3133–AD34**

### Permissible Foreign Currency Investments for Federal Credit Unions and Corporate Credit Unions

**AGENCY:** National Credit Union Administration (NCUA).

**ACTION:** Advance notice of proposed rulemaking.

**SUMMARY:** NCUA is considering whether to amend its investment rules to permit natural person federal credit unions (FCUs) and corporate credit unions (corporates) to make certain investments denominated in foreign currency. NCUA seeks comment on whether FCUs and corporates should be permitted to make these investments and the safety and soundness considerations related to such authority.

**DATES:** Comments must be received on or before October 30, 2007.

**ADDRESSES:** You may submit comments by any of the following methods (Please send comments by one method only):

- *Federal eRulemaking Portal: http://www.regulations.gov*. Follow the instructions for submitting comments.
- NCUA Web Site: *http://www.ncua.gov/RegulationsOpinionsLaws/proposed_regs/proposed_regs.html*. Follow the instructions for submitting comments.
- *E-mail:* Address to *regcomments@ncua.gov*. Include ''[Your name]—Comments on Advanced Notice of Proposed Rule for Parts 703 and 704'' in the e-mail subject line.
- *Fax:* (703) 518–6319. Use the subject line described above for e-mail.
- *Mail:* Address to Mary Rupp, Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314–3428.
- *Hand Delivery/Courier:* Same as mail address.

**FOR FURTHER INFORMATION CONTACT:** *Technical Information:* Kimberly A. Iverson, Senior Investment Officer, Office of Capital Markets and Planning, at the above address or telephone: (703) 518–6620; or *Legal Information:* Moisette I. Green, Staff Attorney, Office of General Counsel, at the above address or telephone: (703) 518–6540.

**SUPPLEMENTARY INFORMATION:**

### A. Background

The Federal Credit Union Act (Act) permits federal credit unions (FCUs) to make investments denominated in foreign currency under the Act's authority permitting FCUs to invest or deposit their funds in shares or accounts of federally insured banks and corporates. 12 U.S.C. 1757(7), (8). In addition, the Board has authority under the Act to permit corporates to invest in foreign currency. 12 U.S.C. 1766. While the Act does not explicitly restrict FCUs and corporates to making investments only in U.S. dollars, NCUA has imposed this limitation by regulation.

NCUA regulations implement the authority in the Act and establish requirements and limitations under which FCUs and corporates, respectively under Parts 703 and 704, can make investments. 12 CFR parts 703, 704. The corporate regulation expressly states corporates may only make investments denominated in U.S. dollars. 12 CFR 704.5(b). For FCUs, the general investment rule does not expressly prohibit foreign currency denominated investments, but ties variable rate investments to a domestic interest rate and, consequently, limits FCU investment authority to U.S. dollars. 12 CFR 703.14(a).

Part of the impetus for this advance notice of proposed rulemaking (ANPR) is that, in 2006, the Board amended NCUA's share insurance rule to permit federally insured credit unions to accept member shares denominated in foreign currency. 12 CFR 745.7; 71 FR 14631 (March 23, 2006) (interim final rule); 71 FR 56001 (September 26, 2006) (final rule). That rulemaking, however, did not address lending or investment in foreign denominated currencies. The Board recognizes that, for some credit unions, the ability to accept member shares denominated in foreign currency—without authority to make investments in foreign denominated currencies—may place them at a competitive disadvantage. Commenters should note that this ANPR's scope is limited to investment in foreign denominated currencies; the Board may consider issues associated with lending in foreign denominated currencies at another time but is not inclined to do so as part of this ANPR.

The Board is considering whether to permit FCUs and corporates to make limited investments denominated in foreign currency as a complementary authority to the change in the share insurance rule and allow FCUs and corporates to invest funds from the now-permissible foreign denominated share accounts. Comments from interested parties on the issues associated with investments denominated in foreign currency will assist the Board in determining whether to permit these kinds of investments and, if so, the kinds of appropriate limitations and requirements for the activity to address safety and soundness concerns.

### B. Discussion

*U.S. Domiciled Issuers*

The Board is considering whether to permit FCUs and corporates to invest foreign currency in deposits and instruments issued by federally insured banks, corporates, and government-sponsored enterprises (GSEs) domiciled in the U.S. or its territories. The Board believes restricting foreign currency investments to shares and deposits in federally insured banks, corporates, and GSEs domiciled in the U.S. or its territories would substantially mitigate exposure to the potential instability of a foreign country. Changes in the political and economic environment of a particular country may adversely affect the exchange rate for that currency, as well as the ability of a foreign domiciled entity to repay an obligation. By limiting investments to shares and deposits in U.S. domiciled depositories or the debt obligations of GSEs, a credit union could avoid settlement risks arising from international payment systems.

While the Board recognizes other investments in foreign currency may be permissible under the Act, it believes safety and soundness concerns

outweigh their utility. The Board requests comments on whether FCUs or corporates should be permitted to invest foreign currency in vehicles other than deposits and instruments issued by federally insured banks, corporates, and GSEs domiciled in the U.S. or its territories permissible under the Act. If a commenter supports additional authority, the Board requests that commenters specify the statutory authority for the investment and include a description of how the authority would be used and additional risks would be controlled.

*Exchange Rate Risk*

Credit unions would have to establish an appropriate process to measure, monitor, and control foreign exchange risk associated with investments denominated in foreign currency and foreign currency denominated shares, and the Board specifically requests comments on appropriate foreign exchange risk limits. Commenters should address how an FCU or corporate would measure, monitor, and control the foreign exchange risk of each currency in which it invests and accepts deposits. An FCU or corporate should be able to evaluate the volatility of each currency in which it invests and takes deposits and the Board requests comments on appropriate limits per foreign currency and aggregate limits across all foreign currencies. Additionally, the Board requests comments on whether it should limit the currencies in which investments may be denominated.

Foreign exchange risk may be mitigated, for example, by maintaining a balance between foreign currency denominated assets and the member shares denominated in foreign currencies. To control the risk arising when assets and liabilities denominated in a particular foreign currency are not in balance, NCUA is considering establishing a maximum limit on the out-of-balance amount. For example, NCUA could establish an out-of-balance limit of 10 percent of an FCU's net worth or a corporate's capital between foreign currency denominated assets and liabilities. That limit would require an FCU with $10 million in net worth to maintain an amount of foreign currency denominated assets in a given foreign currency within $1 million of the amount of liabilities in that same foreign currency.

*Credit and Other Risks*

While foreign currency denominated investments might be in partially or fully insured accounts, FCUs and corporates must manage the other risks these investments pose. NCUA expects credit unions would have to establish appropriate processes for controlling credit risk, interest rate risk, liquidity risk, transaction risk, compliance risk, strategic risk, and reputation risk associated with investments denominated in foreign currency. Comment is invited on provisions a regulation should contain to control these various risks.

Regarding credit risk, NCUA believes a regulation permitting investments denominated in foreign currency would need to address obligor or concentration limits. Any limit on credit risk may include requirements for a counterparty and the instrument or investment type. The Board requests comments on whether it should impose a limit on credit ratings or other requirements to control credit risk.

The Board is particularly concerned about a credit union's ability to liquidate foreign currency denominated investments. Liquidity risk relates to the available market for the instruments or activities in which FCUs and corporates invest with foreign currency. The Board requests comments generally on liquidity risk and what requirements or limits would reasonably constrain it.

*Exit Strategy*

NCUA may also require credit unions to develop an exit strategy to facilitate divestiture of all investments in a particular currency. An exit strategy would provide for stress testing and the means to evaluate the performance of foreign currency investments. An exit strategy should be commensurate with the level of risk exposure and identify triggering events or scenarios that would alert credit unions as to when divestiture would be appropriate or necessary. The Board requests comments on potential investment policy and exit strategy requirements and the availability of bond coverage to absorb potential losses.

As an integral part of an exit strategy, the Board is considering a requirement that members must be notified of any conversion of their shares from foreign currency denominated to U.S. dollar denominated. The Board requests comments on the appropriate notice that members should be given in such an event.

*Information Systems and Technology Risks*

The Board believes it is likely that a regulation would need to address information systems and technology risks. For example, a regulation would likely require FCUs and corporates to demonstrate they can effectively manage the inherent risks of running multiple balance sheets in various denominations while simultaneously presenting consolidated information to NCUA.

The Board requests comments on FCU and corporate ability to manage this risk, the data NCUA should collect regarding their information systems and investments denominated in foreign currency, and how often NCUA should collect the data. The Board believes additional reporting would be required to monitor foreign currency exposure adequately both on an individual credit union basis and an industry-wide basis. Call reports would likely need to be revised to capture necessary data regarding foreign currency exposures. Additional interim reporting for supervision purposes may also be required of individual credit unions engaging in the activity.

*Internal Controls*

A regulation would likely address the need to establish certain internal controls, policies, and procedures to manage investments denominated in foreign currency as well as staff qualifications and potential conflict of interest issues. FCUs and corporates would be expected to have knowledgeable, experienced staff to manage foreign currency investment portfolios. The Board requests comments on whether it should regulate the qualifications of credit union employees involved in foreign currency investment activities. Additionally, the Board requests comments on whether a rule should permit the employment of third parties to meet experience requirements for credit union staff in conducting foreign currency investments and, if so, whether the conflict of interest provision in the member business loan would be an appropriate model for a provision in a rule governing foreign currency investments. 12 CFR 723.5.

*NCUA Approval*

The Board believes is it likely that a regulation on this activity would include an approval process for an FCU or corporate to engage in foreign currency denominated investments and deposits. This would be primarily because of the staff expertise and internal systems required for the activity. An approval process could be patterned on the requirements for corporates to obtain expanded authorities under part 704 or by some other method. The NCUA Board is interested in comments regarding an appropriate mechanism for an approval process.

**C. Request for Comments**

In addition to the areas of interest noted above, the Board invites comments from all interested parties on any aspects it should consider concerning foreign currency investments by FCUs and corporates.

By the National Credit Union Administration Board on July 26, 2007.

**Mary F. Rupp,**

*Secretary of the Board.*

[FR Doc. E7–14849 Filed 7–31–07; 8:45 am]

**BILLING CODE 7535–01–P**

## DEPARTMENT OF TRANSPORTATION

## Federal Aviation Administration

## 14 CFR Part 39

**[Docket No. FAA–2007–28828; Directorate Identifier 2007–NM–010–AD]**

**RIN 2120–AA64**

## Airworthiness Directives; Boeing Model 707 Airplanes and Model 720 and 720B Series Airplanes

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

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** The FAA proposes to adopt a new airworthiness directive (AD) for all Boeing Model 707 airplanes and Model 720 and 720B series airplanes. This proposed AD would require accomplishing an airplane survey to define the configuration of certain system installations, and repair of any discrepancy found. This proposed AD would also require modifying the fuel system by installing lightning protection for the fuel quantity indication system (FQIS), ground fault relays for the fuel boost pumps, and additional power relays for the center tank fuel pumps and uncommanded on-indication lights at the flight engineer's panel. This proposed AD results from fuel system reviews conducted by the manufacturer. We are proposing this AD to prevent certain failures of the fuel pumps or FQIS, which could result in a potential ignition source inside the fuel tank, which, in combination with flammable fuel vapors, could result in a fuel tank explosion and consequent loss of the airplane.

**DATES:** We must receive comments on this proposed AD by September 17, 2007.

**ADDRESSES:** Use one of the following addresses to submit comments on this proposed AD.

- *DOT Docket Web site:* Go to *http://dms.dot.gov* and follow the instructions for sending your comments electronically.
- *Government-wide rulemaking Web site:* Go to *http://www.regulations.gov* and follow the instructions for sending your comments electronically.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590.
- *Fax:* (202) 493–2251.
- *Hand Delivery:* Room W12–140 on the ground floor of the West Building, 1200 New Jersey Avenue, SE., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Contact Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington 98124–2207, for the service information identified in this proposed AD.

**FOR FURTHER INFORMATION CONTACT:** Kathrine Rask, Aerospace Engineer, Propulsion Branch, ANM–140S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98057–3356; telephone (425) 917–6505; fax (425) 917–6590.

**SUPPLEMENTARY INFORMATION:**

**Comments Invited**

We invite you to submit any relevant written data, views, or arguments regarding this proposed AD. Send your comments to an address listed in the **ADDRESSES** section. Include the docket number ''FAA–2007–28828; Directorate Identifier 2007–NM–010–AD'' at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of the proposed AD. We will consider all comments received by the closing date and may amend the proposed AD in light of those comments.

We will post all comments we receive, without change, to *http://dms.dot.gov,* including any personal information you provide. We will also post a report summarizing each substantive verbal contact with FAA personnel concerning this proposed AD. Using the search function of that Web site, anyone can find and read the comments in any of our dockets, including the name of the individual who sent the comment (or signed the comment on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477–78), or you may visit *http://dms.dot.gov.*

**Examining the Docket**

You may examine the AD docket on the Internet at *http://dms.dot.gov*, or in person at the Docket Operations office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Docket Operations office (telephone (800) 647–5527) is located on the ground floor of the West Building at the street address stated in the **ADDRESSES** section. Comments will be available in the AD docket shortly after the Docket Management System receives them.

**Discussion**

The FAA has examined the underlying safety issues involved in fuel tank explosions on several large transport airplanes, including the adequacy of existing regulations, the service history of airplanes subject to those regulations, and existing maintenance practices for fuel tank systems. As a result of those findings, we issued a regulation titled ''Transport Airplane Fuel Tank System Design Review, Flammability Reduction and Maintenance and Inspection Requirements'' (66 FR 23086, May 7, 2001). In addition to new airworthiness standards for transport airplanes and new maintenance requirements, this rule included Special Federal Aviation Regulation No. 88 (''SFAR 88,'' Amendment 21–78, and subsequent Amendments 21–82 and 21–83).

Among other actions, SFAR 88 requires certain type design (i.e., type certificate (TC) and supplemental type certificate (STC)) holders to substantiate that their fuel tank systems can prevent ignition sources in the fuel tanks. This requirement applies to type design holders for large turbine-powered transport airplanes and for subsequent modifications to those airplanes. It requires them to perform design reviews and to develop design changes and maintenance procedures if their designs do not meet the new fuel tank safety standards. As explained in the preamble to the rule, we intended to adopt airworthiness directives to mandate any changes found necessary to address unsafe conditions identified as a result of these reviews.

In evaluating these design reviews, we have established four criteria intended to define the unsafe conditions associated with fuel tank systems that require corrective actions. The percentage of operating time during which fuel tanks are exposed to flammable conditions is one of these criteria. The other three criteria address the failure types under evaluation: single failures, single failures in combination with a latent condition(s),