consists of industry, trade, and farm groups, consumer interest groups, allied health professionals, scientific professionals, and other individuals that have requested to be included. Through the Listserv and web page, FSIS is able to provide information to a much broader, more diverse audience than would otherwise be possible.

For more information contact the Congressional and Public Affairs Office, at (202) 720–9113. To be added to the free e-mail subscription service (Listserv) go to the ''Constituent Update'' page on the FSIS Web site at *http://www.fsis.usda.gov/oa/update/update.htm*. Click on the ''Subscribe to the Constituent Update Listserv'' link, then fill out and submit the form.

List of Subjects

9 CFR Part 391

Fees and charges, Government employees, Meat inspection, Poultry products.

9 CFR Part 590

Eggs and egg products, Exports, Food labeling, Imports.

9 CFR Part 592

Eggs and egg products, Exports, Food labeling, Imports.

For the reasons set forth in the preamble, FSIS proposes to amend 9 CFR chapter III as follows:

PART 391—FEES AND CHARGES FOR INSPECTION AND LABORATORY ACCREDITATION

1. The authority citation for part 391 continues to read as follows:

Authority: 7 U.S.C. 138f; 7 U.S.C. 394, 1622 and 1624; 21 U.S.C. 451 *et seq.*; 21 U.S.C. 601–695; 7 CFR 2.18 and 2.53.

2. Sections 391.2, 391.3, and 391.4, are revised to read as follows:

§ 391.2 Base time rate.

The base time rate for inspection services provided pursuant to §§ 350.7, 351.8, 351.9, 352.5, 354.101, 355.12, and 362.5 is $43.64 per hour per program employee.

§ 391.3 Overtime and holiday rate.

The overtime and holiday rate for inspection services provided pursuant to §§ 307.5, 350.7, 351.8, 351.9, 352.5, 354.101, 355.12, 362.5 and 381.38 is $50.04 per hour per program employee.

§ 391.4 Laboratory services rate.

The rate for laboratory services provided pursuant to §§ 350.7, 351.9, 352.5, 354.101, 355.12, and 362.5 is $61.80 per hour per program employee.

3. In § 391.5, paragraph (a) is revised to read as follows:

§ 391.5 Laboratory accreditation fees.

(a) The annual fee for the initial accreditation and maintenance of accreditation provided pursuant to §§ 318.21 and 381.153 shall be $1,000 per accreditation.

* * * * *

PART 590—INSPECTION OF EGGS AND EGG PRODUCTS (EGG PRODUCTS INSPECTION ACT)

4. The authority citation for Part 590 continues to read as follows:

Authority: 21 U.S.C. 1031–1056.

5. Section 590.126 is revised to read as follows:

§ 590.126 Overtime inspection service.

When operations in an official plant require the services of inspection personnel beyond their regularly assigned tour of duty on any day or on a day outside the established schedule, such services are considered as overtime work. The official plant must give reasonable advance notice to the inspector of any overtime service necessary and must pay the Agency for such overtime at an hourly rate of $50.04.

6. In § 590.128, paragraph (a) is revised to read as follows:

§ 590.128 Holiday inspection service.

(a) When an official plant requires inspection service on a holiday or a day designated in lieu of a holiday, such service is considered holiday work. The official plant must, in advance of such holiday work, request the inspector in charge to furnish inspection service during such period and must pay the Agency for such holiday work at an hourly rate of $50.04.

* * * * *

PART 592—VOLUNTARY INSPECTION OF EGG PRODUCTS

7. The authority citation for Part 592 continues to read as follows:

Authority: 7 U.S.C. 1621–1627.

8. Sections 592.2, 592.3, and 592.4 are revised to read as follows:

§ 592.2 Base time rate.

The base time rate for voluntary inspection services of egg products is $43.64 per hour per program employee.

§ 592.3 Overtime rate.

When operations in an official plant require the services of inspection personnel beyond their regularly assigned tour of duty on any day or on a day outside the established schedule, such services are considered as overtime work. The official plant must give reasonable advance notice to the inspector of any overtime service necessary and must pay the Agency for such overtime at an hourly rate of $50.04.

§ 592.4 Holiday rate.

When an official plant requires voluntary inspection service on a holiday or a day designated in lieu of a holiday, such service is considered holiday work. The official plant must, in advance of such holiday work, request the inspector in charge to furnish inspection service during such period and must pay the Agency for such holiday work at an hourly rate of $50.04.

Done at Washington, DC, on: February 20, 2003.

Linda M. Swacina,

Associate Administrator.

[FR Doc. 03–4393 Filed 2–25–03; 8:45 am]

BILLING CODE 3410–DM–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 709

Treatment of Swap Agreements in Liquidation or Conservatorship

AGENCY: National Credit Union Administration.

ACTION: Proposed rule.

SUMMARY: The National Credit Union Administration (NCUA) is proposing to amend its involuntary liquidation regulation to designate swap agreements (swaps) as qualified financial contracts (QFCs). Treatment of swaps as QFCs will limit swap counterparty exposure when a Federally-insured credit union is placed into involuntary liquidation or a conservatorship and thereby encourage entities to engage in swaps with Federally-insured credit unions. Treatment of swaps as QFCs will also help preserve market stability.

DATES: Comments must be received on or before March 28, 2003.

ADDRESSES: Direct comments to Becky Baker, Secretary of the Board. Mail or hand-deliver comments to: National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314–3428. You are encouraged to fax comments to (703) 518–6319 or e-mail comments to *regcomments@ncua.gov* instead of mailing or hand-delivering them. Whatever method you choose, *please send comments by one method only.*

FOR FURTHER INFORMATION CONTACT: Paul Peterson, Staff Attorney, Office of

General Counsel, at the above address or telephone: (703) 518–6540.

SUPPLEMENTARY INFORMATION:

A. Background

Swaps are financial derivative transactions. NCUA's corporate rule permits corporate credit unions to engage in derivative transactions, including swaps, if specifically approved for such activity by the Board. 12 CFR part 704, Appendix B, part IV. NCUA's investment regulation generally prohibits natural person Federal credit unions from engaging in financial derivatives activities, but NCUA may approve a credit union for participation in an investment pilot program involving swaps and other derivatives. 12 CFR 703.110(a), 703.140. State chartered natural person credit unions that are Federally-insured may engage in swaps if permitted under their chartering statutes.

In 1989, Congress amended both the Federal Deposit Insurance Act (FDIA) and the Federal Credit Union Act (FCU Act) to add provisions concerning the treatment of QFCs in liquidation, receivership, or conservatorship. 12 U.S.C. 1821(e)(3), (8); 1787(c)(3), (8). Generally, these QFC provisions enable a QFC counterparty to exercise its contractual rights to terminate and net QFCs and protect itself against the selective assumption of QFCs by a liquidating agent, receiver, or conservator. QFC treatment limits counterparty exposure and preserves market stability when a bank or credit union with QFCs enters liquidation, receivership, or conservatorship.

The FDIA provides that ''the term 'qualified financial contract' means any securities contract, commodities contract, forward contract, repurchase agreement, *swap agreement,* and any similar agreement that the [Federal Deposit Insurance] Corporation (FDIC) determines by regulation to be a qualified financial contract for purposes of this paragraph.'' 12 U.S.C. 1821(e)(8)(D)(i)(emphasis added). The FCU Act's QFC definition is very similar to the FDIA's definition and includes securities contracts, forward contracts, and repurchase agreements but omits swaps and commodities contracts. The FCU Act authorizes the NCUA Board, like the FDIA authorizes the FDIC, to add similar agreements to the definition of QFC by regulation. 12 U.S.C. 1787(c)(8)(D)(i).

The Board believes swaps are similar to those agreements enumerated in the FCU Act's definition and should be recognized as QFCs. *See* H.R. Rep. No. 101–484 at 1 (recognizing that swaps are ''similar'' to forward contracts, securities contracts, and repurchase agreements), to accompany Pub. L. 101–311 (Bankruptcy: Swap Agreements and Forward Contracts), *reprinted in* 1990 U.S.C.C.A.N. 223. A Board determination that swaps receive QFC treatment will provide greater certainty about the treatment of swaps if a Federally-insured credit union is placed into involuntary liquidation or a conservatorship, will encourage counterparties to engage in swaps with credit unions, and will parallel the FDIA treatment of swaps involving banks.

Generally, NCUA provides a 60-day comment period on proposed rules. NCUA Interpretative Ruling and Policy Statement 87–2, Developing and Reviewing Government Regulations, III. The Board has determined that a 30-day comment period, rather than a 60-day comment period, is appropriate for this proposed rule. The proposed rule should not be controversial. Few credit unions are currently authorized to engage in swaps, and the treatment of swaps as QFCs would be beneficial to both credit unions and counterparties, including banks, that engage in swaps with credit unions.

Until a final rule is effective, the Board has determined that it will exercise its discretion as liquidating agent or conservator and provide swaps with QFC treatment if there is a liquidation or conservatorship involving swaps.

Regulatory Procedures

Regulatory Flexibility Act

The Regulatory Flexibility Act requires NCUA to prepare an analysis to describe any significant economic impact a proposed rule may have on a substantial number of small credit unions (those under one million dollars in assets). The Board believes it unlikely that any small Federally-insured credit unions engage in swaps. Accordingly, the Board believes that the proposed rule would 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 rule would 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. The proposed rule would not have substantial direct effects on the States, on the connection 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 proposed rule 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 would 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.

List of Subjects in 12 CFR Part 709

Credit unions, Liquidations.

By the National Credit Union Administration Board on February 20, 2003.

Becky Baker,

Secretary of the Board.

Accordingly, NCUA proposes to amend 12 CFR part 709 as follows:

PART 709—INVOLUNTARY LIQUIDATION OF FEDERAL CREDIT UNIONS AND ADJUDICATION OF CREDITOR CLAIMS INVOLVING FEDERALLY INSURED CREDIT UNIONS IN LIQUIDATION

1. The authority citation for part 709 continues to read as follows:

Authority: 12 U.S.C. 1757, 12 U.S.C. 1766, 12 U.S.C. 1767, 12 U.S.C. 1786(h), 12 U.S.C. 1787, 12 U.S.C. 1788, 12 U.S.C. 1789, 12 U.S.C. 1789a.

2. Add § 709.13 to read as follows:

§ 709.13 Treatment of swap agreements in liquidation or conservatorship.

The Board has determined that a swap agreement, as defined in the Federal Deposit Insurance Act at 12 U.S.C. 1821(e)(8)(D)(vi), is a qualified financial contract for purposes of the special

treatment for qualified financial contracts provided in 12 U.S.C. 1787(c).

[FR Doc. 03–4444 Filed 2–25–03; 8:45 am]
BILLING CODE 7535–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2002–SW–31–AD]

RIN 2120–AA64

Airworthiness Directives; Model HH–1K, TH–1F, TH–1L, UH–1A, UH–1B, UH–1E, UH–1F, UH–1H, UH–1L, and UH–1P; and Southwest Florida Aviation Model SW204, SW204HP, SW205, and SW205A–1 Helicopters, Manufactured by Bell Helicopter Textron, Inc. (BHTI) for the Armed Forces of the United States

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the supersedure of an existing airworthiness directive (AD) that applies to specified type-certificated military surplus helicopters. That AD currently requires visual and radiographic inspections of the Boom Station (BS) 194 skin joint area and the vertical fin spar caps for cracks or fretting. This action would require those same actions, but would update the type certificate holder names and add additional model helicopters to the applicability. This proposal is prompted by the need to update the current type certificate holders and to expand the applicability to additional military surplus helicopters, and expand the inspection to include corrosion and loose or working rivets. The actions specified by the proposed AD are intended to detect a crack in the skin of a tailboom assembly, tail rotor gearbox support fitting, or vertical fin spar, which could cause failure of the tailboom and loss of control of the helicopter.

DATES: Comments must be received on or before April 28, 2003.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Office of the Regional Counsel, Southwest Region, Attention: Rules Docket No. 2002–SW–31–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-asw-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: Michael Kohner, Aviation Safety Engineer, FAA, Rotorcraft Directorate, Rotorcraft Certification Office, Fort Worth, Texas 76193–0170, telephone (817) 222–5447, fax (817) 222–5783.

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. 2002–SW–31–AD.'' The postcard will be date stamped and returned to the commenter.

Discussion

On January 20, 1983, the FAA issued AD 83–03–03, Amendment 39–4556 (48 FR 6097, February 10, 1983), to require visually inspecting the tailboom skin and vertical fin front spar cap, radiographically inspecting the tailboom skin for cracks, and replacing cracked parts, if necessary. That action was prompted by an accident in January 1982 involving a Model UH–1B helicopter. An investigation revealed tailboom skin cracks, and a subsequent metallurgical examination revealed that the cracks were caused by structural fatigue. The requirements of that AD are intended to detect cracks and to prevent possible failure of the tailboom and fin.

Since issuing that AD, the FAA has determined that there is a need to expand the inspection to include corrosion and loose or working rivets, update the type certificate holder names, and add additional model helicopters to the applicability, specifically, the HH–1K, TH–1F, TH–1L, and the Southwest Florida Aviation Model SW204 and SW205 series helicopters.

The unsafe condition identified in this proposal is likely to exist or develop on other helicopters of the same type designs. Therefore, the proposed AD would supersede AD 83–03–03 to require:

- Within 30 hours time-in-service (TIS), and thereafter at intervals not to exceed 100 hours TIS, visually inspecting the BS 194 skin splice for fretting, corrosion, loose or working rivets, or a crack and visually inspecting the vertical fin forward spar caps for a crack where it intersects with the tail rotor gearbox support fitting.
- Before further flight and thereafter at intervals not to exceed 500 hours TIS, for a tailboom assembly found to have any fretting, corrosion, loose or working rivets, or a crack, or for a tailboom assembly with 1,000 or more hours TIS, radiographically inspecting the tailboom at the BS 194 splice joint. The radiographic inspection must be accomplished by an appropriately-rated person or facility authorized to perform this type of inspection. The radiographic inspection must be performed in accordance with the requirements of ASTM E 1742–00, MIL–STD–453C, or another FAA-accepted equivalent. MIL–STD–453C has been cancelled by the issuing agency, however, at this time, the FAA continues to accept its usage.
- Before further flight, replacing any part in which a crack is found, or repairing any corrosion or other damage that exceeds the limitations in the maintenance and overhaul manuals.

The FAA estimates that 75 helicopters of U.S. registry would be affected by this proposed AD, and that it would take approximately 4 work hours per helicopter to accomplish the visual inspections, and that the average labor rate is $60 per work hour. It is estimated that the cost of the radiographic inspection would be $850 per inspection for labor and materials. The total cost impact of this proposed AD is estimated to be $171,750 ($2,290 per helicopter each year), assuming 6 visual inspections and 1 radiographic inspection per year for each helicopter and no parts will need to be replaced.

The regulations proposed herein would not have a substantial direct