

♦ 79 of the 286 federal credit unions (27.6 percent) with less than \$5 million in assets are low-income, and

♦ 97 of the 416 federal credit unions (23.3 percent) with less than \$10 million in assets are low-income.

These credit unions offset the cost of generating low-balance loans through the increased interest rates charged. They generally do not have the ability to provide credit card loans and instead grant closed and open-ended loans with the prerequisite underwriting documentation. Further these smaller credit unions generally maintain a higher expense ratio since many are involved with high-transaction accounts that require higher personnel costs and related operational expenses, and do not have economies of scale.

The Board has concluded that conditions exist to retain the federal credit union interest rate ceiling of 18 percent per year for the period March 8, 2002 to September 8, 2003. Loans and line of credit balances existing on or before May 14, 1987, may continue to bear interest at their contractual rate, not to exceed 21 percent. Finally, the Board is prepared to reconsider the 18 percent ceiling at any time during the extension period should changes in economic conditions warrant.

### Regulatory Procedures

#### *Administrative Procedure Act*

The Board has determined that notification and public comment on this rule are impractical and not in the public interest. 5 U.S.C. 553(b)(3)(B). Due to the need for a planning period prior to the March 8, 2002, expiration date of the current rule, and the threat to the safety and soundness of individual credit unions with insufficient flexibility to determine loan rates, final action on the loan rate ceiling is necessary.

#### *Regulatory Flexibility Act*

The Regulatory Flexibility Act requires NCUA to prepare an analysis to describe any significant economic impact a regulation may have on a substantial number of small credit unions (those under one million dollars in assets). This final rule provides added flexibility to all federal credit unions regarding the permissible interest rate that may be used in connection with lending. The NCUA Board has determined and certifies that this rule will not have a significant economic impact on a substantial number of small credit unions.

#### *Paperwork Reduction Act*

NCUA has determined that this rule 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 regulatory actions on state and local interest. 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 rule applies only to federal credit unions and, thus, will not have substantial direct effects on the states, on the relationship between the national government and the states, nor materially affect state interests. The NCUA has determined that the rule does not constitute a policy that has any federalism implication for purposes of the executive order.

#### *Small Business Regulatory Enforcement Fairness Act*

The Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104-121) provides generally for congressional review of agency rules. A reporting requirement is triggered in instances where NCUA issues a final rule as defined by Section 551 of the Administrative Procedure Act. 5 U.S.C. 551. The Office of Management and Budget has determined that this is not a major rule.

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

NCUA has determined that this 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).

#### **List of Subjects in 12 CFR Part 701**

Credit, Credit unions, Loan interest rates.

By the National Credit Union Administration Board on February 7, 2002.

**Becky Baker,**

*Secretary to the Board.*

Accordingly, NCUA amends 12 CFR chapter VII as follows:

### **PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS (AMENDED)**

1. The authority citation for Part 701 continues to read as follows:

**Authority:** 12 U.S.C. 1752(5), 1755, 1756, 1757, 1759, 1761a, 1761b, 1766, 1767, 1782, 1784, 1787, and 1789. Section 701.6 is also

authorized by 15 U.S.C. 3717. Section 701.31 is also authorized by 15 U.S.C. 1601 *et seq.*, 42 U.S.C. 1981 and 3601-3610. Section 701.35 is also authorized by 42 U.S.C. 4311-4312.

2. Section 701.21(c)(7)(ii)(C) is revised to read as follows:

#### **§ 701.21 Loans to members and lines of credit to members.**

\* \* \* \* \*

(c) \* \* \*

(7) \* \* \*

(ii) \* \* \*

(C) *Expiration.* After September 8, 2003, or as otherwise ordered by the NCUA Board, the maximum rate on federal credit union extensions of credit to members shall revert to 15 percent per year. Higher rates may, however, be charged, in accordance with paragraph (c)(7)(ii)(A) and (B) of this section, on loans and line of credit balance existing on or before September 8, 2003.

\* \* \* \* \*

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## **DEPARTMENT OF TRANSPORTATION**

### **Federal Aviation Administration**

#### **14 CFR Part 39**

[Docket No. 2001-CE-31-AD; Amendment 39-12645; AD 2002-03-04]

RIN 2120-AA64

#### **Airworthiness Directives; Pilatus Britten-Norman Limited BN-2, BN-2A, BN-2B, BN-2T, and BN2A MK. III Series Airplanes**

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Final rule.

**SUMMARY:** This amendment adopts a new airworthiness directive (AD) that applies to all Pilatus Britten-Norman Limited (Pilatus Britten-Norman) BN-2, BN-2A, BN-2B, BN-2T, and BN2A MK. III series airplanes. This AD requires you to replace the emergency exit window sealant. This AD is the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for the United Kingdom. The actions specified by this AD are intended to correct the problems with emergency exit windows failing to open. Such failure could lead to the inability to exit the airplane in an emergency.

**DATES:** This AD becomes effective on March 29, 2002.

The Director of the Federal Register approved the incorporation by reference

of certain publications listed in the regulations as of March 29, 2002.

**ADDRESSES:** You may get the service information referenced in this AD from Pilatus Britten-Norman Limited, Bembridge, Isle of Wight, United Kingdom PO35 5PR; telephone: +44 (0) 1983 872511; facsimile: +44 (0) 1983 873246. You may view this information at the Federal Aviation Administration (FAA), Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 2001-CE-31-AD, 901 Locust, Room 506, Kansas City, Missouri 64106; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** Doug Rudolph, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4059; facsimile: (816) 329-4090.

#### **SUPPLEMENTARY INFORMATION:**

#### **Discussion**

##### *What Events Have Caused This AD?*

The Civil Aviation Authority (CAA), which is the airworthiness authority for the United Kingdom, recently notified FAA that an unsafe condition may exist on all Pilatus Britten-Norman BN-2,

BN-2A, BN-2B, BN-2T, and BN2A MK. III series airplanes. The CAA reports an incident where an emergency exit window could not be opened. The CAA determined that the emergency exit windows were not properly installed with the correct sealant.

##### *What Is the Potential Impact if FAA Took no Action?*

This condition, if not corrected, could lead to the inability to exit the airplane in an emergency.

##### *Has FAA Taken Any Action to This Point?*

We issued a proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an AD that would apply to all Pilatus Britten-Norman BN-2, BN-2A, BN-2B, BN-2T, and BN2A MK. III series airplanes. This proposal was published in the **Federal Register** as a notice of proposed rulemaking (NPRM) on November 27, 2001 (66 FR 59178). The NPRM proposed to require you to replace the emergency exit window sealant.

##### *Was the Public Invited to Comment?*

The FAA encouraged interested persons to participate in the making of this amendment. We did not receive any comments on the proposed rule or on

our determination of the cost to the public.

#### **FAA's Determination**

##### *What Is FAA's Final Determination on This Issue?*

After careful review of all available information related to the subject presented above, we have determined that air safety and the public interest require the adoption of the rule as proposed except for minor editorial corrections. We have determined that these minor corrections:

- Provide the intent that was proposed in the NPRM for correcting the unsafe condition; and
- Do not add any additional burden upon the public than was already proposed in the NPRM.

#### **Cost Impact**

##### *How Many Airplanes Does This AD Impact?*

We estimate that this AD affects 118 airplanes in the U.S. registry.

##### *What is the Cost Impact of This AD on Owners/Operators of the Affected Airplanes?*

We Estimate the following costs to accomplish the necessary replacement:

| Labor cost                                | Parts cost | Total cost per airplane | Total cost on U.S. operators |
|-------------------------------------------|------------|-------------------------|------------------------------|
| 2 workhours × \$60 per hour = \$120 ..... | \$40       | \$160                   | 118 × \$160 = \$18,880.      |

#### **Regulatory Impact**

##### *Does This AD Impact Various Entities?*

The regulations adopted herein will 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 final rule does not have federalism implications under Executive Order 13132.

##### *Does This AD Involve a Significant Rule or Regulatory Action?*

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 Flexibility Act. A copy of the final 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, Incorporation by reference, Safety.

#### **Adoption of the Amendment**

Accordingly, under the authority delegated to me by the Administrator, the Federal Aviation Administration amends 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. FAA amends § 39.13 by adding a new AD to read as follows:

##### **2002-03-04 Pilatus Britten Norman**

**Limited:** Amendment 39-12645; Docket No. 2001-CE-31-AD.

(a) *What airplanes are affected by this AD?* This AD affects all serial numbers of Models BN-2, BN-2A, BN-2A-2, BN-2A-3, BN-2A-6, BN-2A-8, BN-2A-9, BN-2A-20, BN-2A-21, BN-2A-26, BN-2A-27, BN-2B-20, BN-2B-21, BN-2B-26, BN-2B-27, BN-2T, BN-2T-4R, BN2A MK. III, BN2A MK. III-2, and BN2A MK. III-3 airplanes that are certificated in any category.

(b) *Who must comply with this AD?* Anyone who wishes to operate any of the airplanes identified in paragraph (a) of this AD must comply with this AD.

(c) *What problem does this AD address?* The actions specified by this AD are intended to prevent the failure of emergency exit windows to open.

(d) *What actions must I accomplish to address this problem?* To address this problem, you must accomplish the following:

| Actions                                | Compliance                                                                                                               | Procedures                                                                                              |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Replace emergency exit window sealant. | Within the next 50 hours time-in-service after March 29, 2002 (the effective date of this AD), unless already performed. | In accordance with the Action section of B-N Service Bulletin Number SB 277, Issue 1, dated 03/08/2001. |

(e) *Can I comply with this AD in any other way?* You may use an alternative method of compliance or adjust the compliance time if:

(1) Your alternative method of compliance provides an equivalent level of safety; and

(2) The Manager, Standards Office, Small Airplane Directorate, approves your alternative. Submit your request through an FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Standards Office, Small Airplane Directorate.

**Note 1:** This AD applies to each airplane identified in paragraph (a) of this AD, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes 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 4(e) 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 you have not eliminated the unsafe condition, specific actions you propose to address it.

(f) *Where can I get information about any already-approved alternative methods of compliance?* Contact Doug Rudolph, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4059; facsimile: (816) 329-4090.

(g) *What if I need to fly the airplane to another location to comply with this AD?* The FAA can issue a special flight permit under sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate your airplane to a location where you can accomplish the requirements of this AD.

(h) *Are any service bulletins incorporated into this AD by reference?* Actions required by this AD must be done in accordance with B-N Service Bulletin Number SB 277, Issue 1, dated 03/08/2001. The Director of the Federal Register approved this incorporation by reference under 5 U.S.C. 552(a) and 1 CFR part 51. You can get copies from Pilatus Britten-Norman Limited, Bembridge, Isle of Wight, United Kingdom PO35 5PR. You can look at copies at the FAA, Central Region, Office of the Regional Counsel, 901 Locust, Room 506, Kansas City, Missouri, or at the Office of the Federal Register, 800 North Capitol Street, NW, suite 700, Washington, DC.

**Note 2:** The subject of this AD is addressed in British AD 001-08-2001, dated August 3, 2001.

(i) *When does this amendment become effective?* This amendment becomes effective on March 29, 2002.

Issued in Kansas City, Missouri, on February 4, 2002.

**Michael Gallagher,**

*Manager, Small Airplane Directorate, Aircraft Certification Service.*

[FR Doc. 02-3165 Filed 2-14-02; 8:45 am]

**BILLING CODE 4910-13-U**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 98-ANE-66-AD; Amendment 39-12649; AD 2002-03-08]

**RIN 2120-AA64**

#### **Airworthiness Directives; Pratt & Whitney PW4000 Series Turbofan Engines**

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Final rule.

**SUMMARY:** This amendment supersedes an existing airworthiness directive (AD), that is applicable to Pratt & Whitney PW4000 series turbofan engines. That AD currently requires revisions to the Time Limits Section of the manufacturer's Engine Manuals (EM's) to include required enhanced inspection of selected critical life-limited parts at each piece-part exposure. This amendment modifies the airworthiness limitations section of the manufacturer's manual and an air carrier's approved continuous airworthiness maintenance program to incorporate additional inspection requirements. An FAA study of in-service events involving uncontained failures of critical rotating engine parts has indicated the need for mandatory inspections. The mandatory inspections are needed to identify those critical rotating parts with conditions, which if allowed to continue in service, could result in uncontained failures. The actions specified by this AD are intended to prevent critical life-limited rotating engine part failure, which could result in an uncontained engine failure and damage to the airplane.

**DATES:** Effective date April 16, 2002.

**ADDRESSES:** This information may be examined, by appointment, at the Federal Aviation Administration (FAA), New England Region, Office of the

Regional Counsel, 12 New England Executive Park, Burlington, MA.

#### **FOR FURTHER INFORMATION CONTACT:**

Robert McCabe, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone (781) 238-7138, fax (781) 238-7199.

**SUPPLEMENTARY INFORMATION:** A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) by superseding AD 2000-12-02, Amendment 39-11780 (65 FR 37473, June 15, 2000), which is applicable to Pratt & Whitney PW4000 series turbofan engines was published in the **Federal Register** on October 5, 2001 (66 FR 50888). That action proposed to modify the airworthiness limitations section of the manufacturer's manual and an air carrier's approved continuous airworthiness maintenance program to incorporate additional inspection requirements. An FAA study of in-service events involving uncontained failures of critical rotating engine parts has indicated the need for mandatory inspections. The mandatory inspections are needed to identify those critical rotating parts with conditions, which if allowed to continue in service, could result in uncontained failures.

#### **Comments**

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

Two commenters state that EM part numbers 50A345, 50A751, and 50A882 are incorrect and should be changed to the correct part numbers of 51A345, 51A751, and 50A822, respectively.

The FAA agrees. The correct manual part numbers are included in this final rule.

One commenter requests that the comment period of this AD be extended until the manufacturer issues the new inspection requirements in the EM's or, that the operator's compliance to the final rule of this AD be delayed for 30 days after the manufacturer publishes the new inspection procedures in the manufacturer's EM's.

The FAA disagrees. The manufacturer has confirmed its ability to issue Temporary Revisions to the affected EM's within several weeks after the