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FEDERAL RESERVE SYSTEM

12 CFR Part 201

[Regulation A]

Extensions of Credit by Federal Reserve Banks; Change in Discount Rate

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors has amended its Regulation A on Extensions of Credit by Federal Reserve Banks to reflect its approval of a decrease in the basic discount rate at each Federal Reserve Bank. The Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks.

DATES: The amendments to part 201 (Regulation A) were effective January 31, 2001. The rate changes for adjustment credit were effective on the dates specified in 12 CFR 201.51.

FOR FURTHER INFORMATION CONTACT: Jennifer J. Johnson, Secretary of the Board, at (202) 452-3259, Board of Governors of the Federal Reserve System, 20th and C Streets NW., Washington, DC 20551.

SUPPLEMENTARY INFORMATION: Pursuant to the authority of sections 10(b), 13, 14, 19, et al., of the Federal Reserve Act, the Board has amended its Regulation A (12 CFR part 201) to incorporate changes in discount rates on Federal Reserve Bank extensions of credit. The discount rates are the interest rates charged to depository institutions when they borrow from their district Reserve Banks.

The “basic discount rate” is a fixed rate charged by Reserve Banks for adjustment credit and, at the Reserve Banks’ discretion, for extended credit for up to 30 days. In decreasing the basic discount rate from 5.5 percent to 5.0 percent, the Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks. The new rates were effective on the dates specified below. The 50-basis-point decrease in the discount rate was associated with a similar decrease in the federal funds rate approved by the Federal Open Market Committee and announced at the same time.

Consumer and business confidence has eroded further, exacerbated by rising energy costs that continue to drain consumer purchasing power and press on business profit margins. Partly as a consequence, retail sales and business spending on capital equipment have weakened appreciably. In response, manufacturing production has been cut back sharply, with new technologies appearing to have accelerated the response of production and demand to potential excesses in the stock of inventories and capital equipment.

Taken together, and with inflation contained, these circumstances have called for a rapid and forceful response of monetary policy. The longer-term advances in technology and accompanying gains in productivity, however, exhibit few signs of abating and these gains, along with the lower interest rates, should support growth of the economy over time.

Nonetheless, the Committee continues to believe that against the background of its long-run goals of price stability and sustainable economic growth and of the information currently available, the risks are weighted mainly toward conditions that may generate economic weakness in the foreseeable future.

Regulatory Flexibility Act Certification

Pursuant to section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 605(b)), the Board certifies that the change in the basic discount rate will not have a significant adverse economic

impact on a substantial number of small entities. The rule does not impose any additional requirements on entities affected by the regulation.

Administrative Procedure Act

The provisions of 5 U.S.C. 553(b) relating to notice and public participation were not followed in connection with the adoption of the amendment because the Board for good cause finds that delaying the change in the basic discount rate in order to allow notice and public comment on the change is impracticable, unnecessary, and contrary to the public interest in fostering price stability and sustainable economic growth.

The provisions of 5 U.S.C. 553(d) that prescribe 30 days prior notice of the effective date of a rule have not been followed because section 553(d) provides that such prior notice is not necessary whenever there is good cause for finding that such notice is contrary to the public interest. As previously stated, the Board determined that delaying the changes in the basic discount rate is contrary to the public interest.

List of Subjects in 12 CFR Part 201

Banks, banking, Credit, Federal Reserve System.

For the reasons set out in the preamble, 12 CFR part 201 is amended as set forth below:

PART 201—EXTENSIONS OF CREDIT BY FEDERAL RESERVE BANKS (REGULATION A)

1. The authority citation for 12 CFR part 201 continues to read as follows:

Authority: 12 U.S.C. 343 *et seq.*, 347a, 347b, 347c, 347d, 348 *et seq.*, 357, 374, 374a and 461.

2. Section 201.51 is revised to read as follows:

§ 201.51 Adjustment credit for depository institutions.

The rates for adjustment credit provided to depository institutions under § 201.3(a) are:

Federal Reserve Bank	Rate	Effective
Boston	5.0	January 31, 2001
New York	5.0	January 31, 2001.
Philadelphia	5.0	January 31, 2001.
Cleveland	5.0	January 31, 2001.

Federal Reserve Bank	Rate	Effective
Richmond	5.0	January 31, 2001.
Atlanta	5.0	January 31, 2001.
Chicago	5.0	January 31, 2001.
St. Louis	5.0	February 1, 2001.
Minneapolis	5.0	January 31, 2001.
Kansas City	5.0	February 1, 2001.
Dallas	5.0	January 31, 2001.
San Francisco	5.0	January 31, 2001.

Dated: By order of the Board of Governors of the Federal Reserve System, February 7, 2001.

Jennifer J. Johnson,
Secretary of the Board.
 [FR Doc. 01-3564 Filed 2-12-01; 8:45 am]
BILLING CODE 6210-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2000-SW-56-AD; Amendment 39-12104; AD 2001-03-03]

RIN 2120-AA64

Airworthiness Directives; Bell Helicopter Textron, Inc. Model 214B and 214B-1 Helicopters

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This amendment adopts a new airworthiness directive (AD) for Bell Helicopter Textron, Inc. (BHTI) Model 214B and 214B-1 helicopters. This action requires, within 10 hours time-in-service (TIS), determining the hours TIS for certain main rotor outboard strap fitting assemblies and creating appropriate records. This action also requires, if any main rotor outboard strap fitting assembly (strap fitting) is determined to have 2,500 or more hours TIS or the hours TIS cannot be determined, replacing the strap fitting with an airworthy strap fitting before further flight. This action also establishes a 2,500-hour retirement life for the strap fitting and revises the Airworthiness Limitations section accordingly. This amendment is prompted by fatigue testing that indicates a fatigue crack may occur in the strap fitting with resulting failure. The actions specified in this AD are intended to prevent failure of a strap fitting, separation of a main rotor blade, and subsequent loss of control of the helicopter.

DATES: Effective February 28, 2001.

Comments for inclusion in the Rules Docket must be received on or before April 16, 2001.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Office of the Regional Counsel, Southwest Region, Attention: Rules Docket No. 2000-SW-56-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.

FOR FURTHER INFORMATION CONTACT: Michael Kohner, Aviation Safety Engineer, FAA, Rotorcraft Directorate, Rotorcraft Certification Office, Fort Worth, Texas 76193-0111, telephone (817) 222-5447, fax (817) 222-5783.

SUPPLEMENTARY INFORMATION: This amendment adopts a new AD for BHTI Model 214B and 214B-1 helicopters. This action requires, within 10 hours TIS, determining the hours TIS for each strap fitting, P/N 214-010-185-107, and creating a component history card or equivalent record for each strap fitting. This action also requires that if a strap fitting has 2,500 or more hours TIS or if the hours TIS cannot be determined, replacing the strap fitting with an airworthy strap fitting before further flight. This strap fitting is structurally identical to strap fitting, P/N 214-010-189-103, which currently has a retirement life of 2,500 hours. The strap fitting has been sold for spares since approximately 1982. This amendment is prompted by fatigue testing which indicates that a fatigue crack may occur in the strap fitting leading to failure of the strap fitting if it is allowed to remain in service in excess of 2,500 hours. The actions specified in this AD are intended to prevent a failure of a strap fitting, separation of a main rotor blade, and subsequent loss of control of the helicopter.

The FAA has reviewed BHTI Alert Service Bulletin 214-00-62, dated June 2, 2000, which describes procedures for establishing a 2,500-hour airworthiness life pending formal revision of the 214B series Maintenance Manual and provides information to determine

continued serviceability for strap fitting, P/N 214-010-185-107.

We have identified an unsafe condition that is likely to exist or develop on other BHTI Model 214B and 214B-1 helicopters of the same type design. Therefore, this AD is being issued to require the following for each strap fitting, P/N 214-010-185-107:

- Within 10 hours TIS, by referring to the helicopter maintenance records, create a component history card or equivalent record for each strap fitting and record the hours TIS and serial number.

- If the hours TIS cannot be determined, replace the strap fitting with an airworthy strap fitting before further flight.

- If the strap fitting has accumulated 2,500 or more hours TIS, replace it with an airworthy strap fitting before further flight.

- Continue to record the subsequent hours TIS.

- Revise the Airworthiness Limitations section of the maintenance manual by establishing a retirement life of 2,500 hours TIS for the strap fitting.

The short compliance time involved is required because the previously described critical unsafe condition can adversely affect the controllability and structural integrity of the helicopter. Therefore, replacing any strap fitting, P/N 214-010-185-107, that has 2,500 or more hours TIS or a strap fitting for which the hours TIS cannot be determined is required within 10 hours TIS, and this AD must be issued immediately.

Since a situation exists that requires the immediate adoption of this regulation, it is found that notice and opportunity for prior public comment hereon are impracticable, and that good cause exists for making this amendment effective in less than 30 days.

The FAA estimates that 11 helicopters will be affected by this proposed AD, that it will take approximately 14 work hours to replace each of the 2 strap fittings, 2 work hours to create a new component history card, and 10 work hours annually to maintain the records, and that the average labor rate is \$60 per