

Authority: 12 U.S.C 1756 and 1766.

§ 742.1 What is NCUA's Regulatory Flexibility Program?

NCUA's Regulatory Flexibility Program (RegFlex) exempts credit unions with a current net worth of nine percent (or if a credit union is subject to a risk-based net worth requirement under § 702.103 of this chapter, it must be 200 basis points over its risk based net worth level or nine percent, whichever is higher) and a CAMEL rating of 1 or 2, for two consecutive examinations, from all or part of identified NCUA regulations. The Regulatory Flexibility Program also grants eligible credit unions additional powers.

§ 742.2 How do I become eligible for the Regulatory Flexibility Program?

Eligibility is automatic as soon as the credit union meets the net worth and CAMEL criteria. If a credit union is a CAMEL 3 (or CAMEL 1 or 2 for less than two consecutive cycles) with a net worth in excess of 9 percent or if the credit union is a CAMEL 1 or 2 with a net worth under 9 percent (or if a credit union is subject to a risk-based net worth requirement under § 702.103 of this chapter, and it does not exceed 200 basis points over its risk based net worth level), it can apply to the regional director for a RegFlex designation, in whole or in part.

§ 742.3 Will NCUA notify me when I am eligible for the Regulatory Flexibility Program?

Yes. Once this rule is effective, NCUA will notify all RegFlex eligible credit unions. Subsequent notifications of eligibility will occur after an application for a RegFlex designation or as part of the examination process.

§ 742.4 From what NCUA Regulations will I be exempt?

RegFlex credit unions are exempt from the provisions of the following NCUA Regulations: § 701.25, § 701.32(b) and (c), § 701.36(a), (b) and (c), § 703.40(c)(6), § 703.90(c), and § 703.110(d) of this chapter.

§ 742.5 What additional authority will I be granted?

Notwithstanding the general limitations in § 701.23 of this chapter, RegFlex credit unions are eligible to purchase any auto loan, credit card loan, member business loan, student loan or mortgage loan from any federally insured credit union as long as the loans are loans that the purchasing credit union is empowered to grant. RegFlex credit unions are authorized to keep these loans in their portfolio. If a

RegFlex credit union is purchasing the eligible obligations of a liquidating credit union, the loans purchased cannot exceed 5% of the unimpaired capital and surplus of the purchasing credit union.

§ 742.6 How can I lose my RegFlex eligibility?

Eligibility may be lost in two ways. First, the credit union no longer meets the RegFlex criteria set forth in § 742.1. When this event occurs, the credit union must cease using the additional authority granted by this rule. Second, the regional director for substantive and documented safety and soundness reasons may revoke a credit union's RegFlex authority in whole or in part. The regional director must give a credit union written notice stating the reasons for this action. The revocation is effective as soon as the regional director's determination has been received by the credit union.

§ 742.7 What is the appeal process?

A credit union has 60 days from the date of the regional director's determination to revoke a credit union's RegFlex authority (in whole or in part) to appeal the action to NCUA's Supervisory Review Committee. The regional director's determination will remain in effect unless the Supervisory Review Committee issues a different determination. If the credit union is dissatisfied with the decision of the Supervisory Review Committee, the credit union has 60 days from the issuance of this decision to appeal to the NCUA Board.

§ 742.8 If I lose my RegFlex authority, will my past actions be grandfathered?

Any action by the credit union under the RegFlex authority will be grandfathered. Any actions subsequent to losing the RegFlex authority must meet NCUA's regulatory requirements. This does not diminish NCUA's authority to require a credit union to divest its investments or assets for substantive safety and soundness reasons.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2001-SW-48-AD; Amendment 39-12508; AD 2001-19-51]

RIN 2120-AA64

Airworthiness Directives; Eurocopter France Model SA341G, SA342J, and SA-360C Helicopters

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This document publishes in the **Federal Register** an amendment adopting Airworthiness Directive (AD) 2001-19-51, which was sent previously to all known U.S. owners and operators of Eurocopter France (ECF) Model SA341G, SA342J, and SA-360C helicopters by individual letters. This AD requires, before further flight, replacing a certain unairworthy main rotor head torsion tie bar (tie bar) with an airworthy tie bar. This AD also requires revising the limitations section of the maintenance manual by adding a life limit for certain tie bars. This AD is prompted by an accident involving an ECF Model SA341G helicopter due to the failure of a tie bar. The actions specified by this AD are intended to prevent failure of a tie bar, loss of a main rotor blade, and subsequent loss of control of the helicopter.

DATES: Effective December 10, 2001, to all persons except those persons to whom it was made immediately effective by Emergency AD 2001-19-51, issued on September 21, 2001, which contained the requirements of this amendment.

Comments for inclusion in the Rules Docket must be received on or before January 22, 2002.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Office of the Regional Counsel, Southwest Region, Attention: Rules Docket No. 2001-SW-48-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: Jim Grigg, Aviation Safety Engineer, FAA, Rotorcraft Directorate, Rotorcraft Standards Staff, Fort Worth, Texas 76193-0110, telephone (817) 222-5490, fax (817) 222-5961.

SUPPLEMENTARY INFORMATION: On September 21, 2001, the FAA issued

Emergency AD 2001-19-51 for ECF Model SA341G, SA342J, and SA-360C helicopters which requires, before further flight, replacing certain unairworthy tie bars with airworthy tie bars. The AD also requires revising the limitations section of the maintenance manual by adding a life limit for certain tie bars and specifies that certain tie bars are not approved for installation on any helicopter. That action was prompted by an accident involving an ECF Model SA341G helicopter due to the failure of a tie bar. The ECF Model SA342J and SA-360C helicopters are equipped with tie bars identical to the one that failed on the ECF Model SA341G helicopter. Failure of a tie bar could result in loss of a main rotor blade and subsequent loss of control of the aircraft.

ECF has issued Telex Alert Nos. 01.28 and 01.38, both dated August 7, 2001, which declare certain tie bars unairworthy and impose a 20-year life limit for certain other tie bars. The Direction Generale De L'Aviation Civile (DGAC), which is the airworthiness authority for France, classified these telex alerts as mandatory and issued AD Nos. 2001-374-040(A) and 2001-375-046(A), both dated August 22, 2001, to ensure the continued airworthiness of these helicopters in France.

These helicopter models are manufactured in France and are type certificated for operation in the United States under the provisions of 14 CFR 21.29 and the applicable bilateral agreement. Pursuant to the applicable bilateral agreement, the DGAC has kept the FAA informed of the situation described above. The FAA has examined the findings of the DGAC, reviewed all available information, and determined that AD action is necessary for products of these type designs that are certificated for operation in the United States.

Since the unsafe condition described is likely to exist or develop on other ECF Model SA341G, SA342J, and SA-360C helicopters of the same type designs, the FAA issued Emergency AD 2001-19-51 to prevent failure of a tie bar, loss of a main rotor blade, and subsequent loss of control of the helicopter. The AD requires, before further flight, replacing certain unairworthy tie bars with airworthy tie bars. The AD also requires revising the limitations section of the maintenance manual by adding a life limit for tie bars, P/N 341A31-4933-00 and 341A31-4933-01, of 20 years from initial installation on any helicopter. The existing 5,000 hours TIS life limit on those tie bars remains the same. Tie bars, P/N 341A31-4933-00 and

341A31-4933-01, are to be removed from service when either the years or hours life limit is reached, whichever occurs first. The AD also specifies that tie bars, P/N 341A31-4904-00, -01, -02, -03, and 360A31-1097-02 and -03, are not approved for installation on any helicopter. The short compliance time involved is required because the previously described critical unsafe condition can adversely affect the structural integrity and controllability of the helicopter. Therefore, the actions previously mentioned are required before further flight, and this AD must be issued immediately.

Since it was found that immediate corrective action was required, notice and opportunity for prior public comment thereon were impracticable and contrary to the public interest, and good cause existed to make the AD effective immediately by individual letters issued on September 21, 2001 to all known U.S. owners and operators of ECF Model SA341G, SA342J, and SA-360C helicopters. These conditions still exist, and the AD is hereby published in the **Federal Register** as an amendment to 14 CFR 39.13 to make it effective to all persons.

The FAA estimates that 33 helicopters of U.S. registry will be affected by this AD, that it will take approximately 8 work hours per helicopter to accomplish the required actions, and that the average labor rate is \$60 per work hour. Required parts will cost approximately \$13,335 per helicopter, assuming all 3 tie bars are replaced. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be \$445,895 (\$13,815 per helicopter).

Comments Invited

Although this action is in the form of a final rule that involves requirements affecting flight safety and, thus, was not preceded by notice and an opportunity for public comment, comments are invited on this rule. Interested persons are invited to comment on this 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 under the caption **ADDRESSES**. All communications received on or before the closing date for comments will be considered, and this rule may be amended in light of the comments received. Factual information that supports the commenter's ideas and suggestions is extremely helpful in evaluating the effectiveness of the AD action and determining whether additional rulemaking action would be needed.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the rule that might suggest a need to modify the rule. All comments submitted will be available in the Rules Docket for examination by interested persons. A report that summarizes each FAA-public contact concerned with the substance of this AD will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their mailed comments submitted in response to this rule must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 2001-SW-48-AD." The postcard will be date stamped and returned to the commenter.

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.

The FAA has determined that this regulation is an emergency regulation that must be issued immediately to correct an unsafe condition in aircraft, and that it is not a "significant regulatory action" under Executive Order 12866. It has been determined further that this action involves an emergency regulation under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979). If it is determined that this emergency regulation otherwise would be significant under DOT Regulatory Policies and Procedures, a final regulatory evaluation will be prepared and placed in the Rules Docket. A copy of it, if filed, may be obtained from the Rules Docket at the FAA, Office of the Regional Counsel, Southwest Region, 2601 Meacham Blvd., Room 663, Fort Worth, Texas.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

Adoption of the Amendment

Accordingly, pursuant to 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. Section 39.13 is amended by adding a new airworthiness directive to read as follows:

2001-19-51 Eurocopter France:

Amendment 39-12508. Docket No. 2001-SW-48-AD.

Applicability: Model SA341G, SA342J, and SA-360C helicopters with the following main rotor head torsion tie bar (tie bar), part number (P/N):

341A31-4904-00, -01, -02, -03;

341A31-4933-00, -01; or

360A31-1097-02, or -03;

installed, certificated in any category.

Note 1: This AD applies to each helicopter identified in the preceding applicability provision, regardless of whether it has been otherwise modified, altered, or repaired in the area subject to the requirements of this AD. For helicopters 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 (d) 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 the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required before further flight, unless accomplished previously.

To prevent failure of a tie bar, loss of a main rotor blade, and subsequent loss of control of the aircraft, accomplish the following:

(a) Remove each tie bar, P/N 341A31-4904-00, -01, -02, or -03; 360A31-1097-02 or -03, from service and replace with an airworthy tie bar, P/N 341A31-4933-00 or 341A31-4933-01.

Note 2: Eurocopter France Telex Alert Nos. 01.28 and 01.38, both dated August 7, 2001, pertain to the subject of this AD.

(b) Replace each tie bar, P/N 341A31-4933-00 or 341A31-4933-01, if 20 or more years have elapsed since initial installation on any helicopter, with an airworthy tie bar, P/N 341A31-4933-00 or 341A31-4933-01. If the date of initial installation on any helicopter cannot be determined, use the date of manufacture of the tie bar as the date of initial installation.

(c) This AD revises the limitations section of the maintenance manual by adding a life limit for tie bars, P/N 341A31-4933-00 and 341A31-4933-01, of 20 years from initial installation on any helicopter and retains the existing 5,000 hours time-in-service (TIS) life limit on those tie bars. Tie bars, P/N 341A31-4933-00 and 341A31-4933-01, are to be removed from service when either the years or hours TIS life limit is reached, whichever occurs first. Tie bars, P/N 341A31-4904-00,

-01, -02, and -03, and 360A31-1097-02 and -03, are not approved for installation on any helicopter.

(d) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Regulations Group, Rotorcraft Directorate FAA. Operators shall submit their requests through an FAA Principal Maintenance Inspector, who may concur or comment and then send it to the Manager, Regulations Group.

Note 3: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Regulations Group.

(e) Special flight permits will not be issued.

(f) This amendment becomes effective on December 10, 2001, to all persons except those persons to whom it was made immediately effective by Emergency AD 2001-19-51, issued September 21, 2001, which contained the requirements of this amendment.

Note 4: The subject of this AD is addressed in Direction Generale De L'Aviation Civile (France), AD's 2001-374-040(A) and 2001-375-046(A), both dated August 22, 2001.

Issued in Fort Worth, Texas, on November 9, 2001.

Eric Bries,

*Acting Manager, Rotorcraft Directorate,
Aircraft Certification Service.*

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DEPARTMENT OF TRANSPORTATION**Federal Highway Administration****23 CFR Part 1**

RIN 2125-AE73

Engineering Services

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Final rule.

SUMMARY: This document amends the regulation for engineering services by removing a sentence that defined expenditures for the establishment, maintenance, general administration, supervision, and other overhead of the State highway department, or other instrumentality or entity referred to in the regulation, as ineligible for Federal participation. This amendment to the regulation stems from a provision in the Transportation Equity Act for the 21st Century (TEA-21) that changed statutory requirements to allow for eligibility of administrative costs for State transportation departments.

EFFECTIVE DATE: This rule is effective December 24, 2001.

FOR FURTHER INFORMATION CONTACT: Mr. Max Inman, Federal-aid Financial

Management Division, (202) 366-2853 or Mr. Steve Rochlis, Office of the Chief Counsel, (202) 366-1395, Federal Highway Administration, 400 Seventh Street SW., Washington, DC 20590. Office hours are from 7:45 a.m. to 4:15 p.m., e.t., Monday through Friday, except Federal holidays.

SUPPLEMENTARY INFORMATION:**Electronic Access**

An electronic copy of this document may be downloaded using a modem and suitable communications software from the Government Printing Office's Electronic Bulletin Board Service (202) 512-1661. Internet users may reach the Office of the Federal Register's homepage at <http://www.nara.gov/fedreg> and the Government Printing Office's database at <http://www.access.gpo.gov/nara>.

Background

Prior to the TEA-21 (Pub. L. 105-178, 112 Stat. 107 (1998)), expenditures for the establishment, maintenance, general administration, supervision, and other overhead of the State highway department, or other instrumentality or entity referred to in paragraph (b) of 23 CFR 1.11, were not eligible for Federal participation. Section 302 of title 23, U.S. Code, requires a State to have a functioning transportation department as a condition for receiving Federal-aid highway funds. The FHWA has interpreted this provision, in accordance with legislative intent, to mean that the costs of operating the State transportation department were not eligible for Federal highway funds. This policy was inconsistent with general government policy issued in the Office of Management and Budget (OMB) Circular A-87¹ which allows Federal participation in a State's indirect or overhead costs.

Section 1212 (a) of the TEA-21 amended section 302, clarifying that the requirement to maintain a suitably equipped and organized transportation department did not effect a State's eligibility to be reimbursed for costs (including costs for indirect rates).

The purpose for this statutory change was to provide for a consistent policy for cost reimbursement, specifically among Federal transportation agencies.

Therefore, the FHWA is amending the regulation for engineering services. In 23 CFR 1.11 (a), the first paragraph is amended by removing the last sentence of the paragraph, "Expenditures for the

¹ OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, is available at the following URL: <http://www.whitehouse.gov/omb/circulars>.