

GSE that is below the highest investment grade or downgrades, or places on a credit watch for a potential downgrade of the credit rating on any senior unsecured obligation issued by a GSE to below the highest investment grade, the special limits on unsecured extensions of credit under paragraph (c)(1) of this section shall cease to apply, and instead, the Bank shall calculate the maximum amount of its unsecured extensions of credit to that GSE in accordance with paragraphs (a)(1) and (a)(2) of this section.

(4) *Extensions of unsecured credit to other Banks.* The limits of this section do not apply to unsecured credit extended by one Bank to another Bank.

(d) *Extensions of unsecured credit after downgrade or placement on credit watch.* If an NRSRO downgrades the credit rating applicable to any counterparty or places any counterparty on a credit watch for a potential downgrade, a Bank need not unwind or liquidate any existing transaction or position with that counterparty that complied with the limits of this section at the time it was entered. In such a case, however, a Bank may extend any additional unsecured credit to such a counterparty only in compliance with the limitations that are calculated using the lower maximum exposure limits. For the purposes of this section, the renewal of an existing unsecured extension of credit, including any decision not to terminate any sales of federal funds subject to a continuing contract, shall be considered an additional extension of unsecured credit that can be undertaken only in accordance with the lower limit.

(e) *Reporting requirements.* (1) *Total unsecured extensions of credit.* Each Bank shall report monthly to the Finance Board the amount of the Bank's total unsecured extensions of credit arising from on- and off-balance sheet and derivative transactions to any single counterparty or group of affiliated counterparties that exceeds 5 percent of:

(i) The Bank's total capital; or
(ii) The counterparty's, or affiliated counterparties' combined, Tier 1 capital, or if Tier 1 capital is not available, total capital (as defined by each counterparty's principal regulator) or some similar comparable measure identified by the Bank.

(2) *Total secured and unsecured extensions of credit.* Each Bank shall report monthly to the Finance Board the amount of the Bank's total secured and unsecured extensions of credit arising from on- and off-balance sheet and derivative transactions to any single counterparty or group of affiliated

counterparties that exceeds 5 percent of the Bank's total assets.

(3) *Extensions of credit in excess of limits.* A Bank shall report promptly to the Finance Board any extensions of unsecured credit that exceeds any limit set forth in paragraphs (a), (b) or (c) of this section. In making this report, a Bank shall provide the name of the counterparty or group of affiliated counterparties to which the excess unsecured credit has been extended, the dollar amount of the applicable limit which has been exceeded, the dollar amount by which the Bank's extension of unsecured credit exceeds such limit, the dates for which the Bank was not in compliance with the limit, and, if applicable, a brief explanation of any extenuating circumstances which caused the limit to be exceeded.

(f) *Measurement of unsecured extensions of credit.* (1) *In general.* For purposes of this section, unsecured extensions of credit will be measured as follows:

(i) For on-balance sheet transactions, an amount equal to the sum of the book value of the item plus net payments due the Bank;

(ii) For off-balance sheet transactions, an amount equal to the credit equivalent amount of such item, calculated in accordance with § 932.4(f) of this part; and

(iii) For derivative transactions, an amount equal to the sum of the current and potential future credit exposures for the derivative contract, where those values are calculated in accordance with §§ 932.4(g) or 932.4(h) of this part, as applicable, less the amount of any collateral that is held in accordance with the requirements of § 932.4(e)(2)(ii)(B) of this part against the credit exposure from the derivative contract.

(2) *Status of debt obligations purchased by the Bank.* Any debt obligation or debt security (other than mortgage-backed securities or acquired member assets that are identified in §§ 955.2(a)(1) and (2) of this chapter) purchased by a Bank shall be considered an unsecured extension of credit for the purposes of this section, except:

(i) Any amount owed the Bank against which the Bank holds collateral in accordance with § 932.4(e)(2)(ii)(B) of this part; or

(ii) Any amount which the Finance Board has determined on a case-by-case basis shall not be considered an unsecured extension of credit.

(g) *Obligations of the United States.* Obligations of, or guaranteed by, the United States are not subject to the requirements of this section.

Dated: December 11, 2001.

By the Board of Directors of the Federal Housing Finance Board.

J. Timothy O'Neill,
Chairman.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2001-CE-29-AD; Amendment 39-12562; AD 2001-25-09]

RIN 2120-AA64

Airworthiness Directives; Dornier Luftfahrt GmbH Model 228-212 Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD) that applies to all Dornier Luftfahrt GmbH (Dornier) Model 228-212 airplanes that have a certain brake assembly installed. This AD requires you to inspect the brake housing subassembly for cracks, nicks, or corrosion (referred to as damage). This AD also requires you to replace damaged brake housing assemblies and modify the torque take-out cavity. This AD is the result of mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for Germany. The actions specified by this AD are intended to detect and correct damage to the brake housing assembly, which could result in failure of this assembly. Such failure could lead to loss of braking action on landing and possible loss of control of the airplane.

DATES: This AD becomes effective on January 18, 2002.

The Director of the Federal Register approved the incorporation by reference of certain publications listed in the regulations as of January 18, 2002.

ADDRESSES: You may get the service information referenced in this AD from Dornier Luftfahrt GmbH, Customer Support, P.O. Box 1103, D-82230 Wessling, Federal Republic of Germany; telephone: (08153) 300; facsimile: (08153) 304463. You may view this information at the Federal Aviation Administration (FAA), Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 2001-CE-29-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: Karl Schletzbaum, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4146; facsimile: (816) 329-4090.

SUPPLEMENTARY INFORMATION:

Discussion

What events have caused this AD?
 The Luftfahrt-Bundesamt (LBA), which is the airworthiness authority for Germany, recently notified FAA that an unsafe condition may exist on all Dornier Model 228-212 airplanes equipped with brake assembly part-number 5009850-1, 5009850-2, 5009850-3, or 5009850-4. The LBA reports one occurrence of failure of the right-hand main landing gear (MLG) brake housing subassembly on one of the above-referenced airplanes. Failure of the brake housing assembly resulted in total loss of braking power.

The brake manufacturer, Aircraft Braking Systems Corporation (ABSC), has developed a modification to the torque take-out cavity of the brake housing assembly. The incorporation of

this modification on Dornier Model 228-212 airplanes would prevent surface damage from developing into fatigue damage.

What is the potential impact if FAA took no action? Damage to the brake housing assembly, if not detected and corrected, could result in failure of this assembly. Such failure could result in loss of braking action on landing and possible loss of control of the airplane.

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 Dornier Model 228-212 airplanes that have a certain brake assembly installed. This proposal was published in the **Federal Register** as a notice of proposed rulemaking (NPRM) on October 2, 2001 (66 FR 50125). The NPRM proposed to require you to inspect the brake housing subassembly for cracks, nicks, or corrosion (referred to as damage), replace damaged brake housing assemblies, and modify the torque take-out cavity.

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 1 airplane in the U.S. registry.

What is the cost impact of this AD on owners/operators of the affected airplane? We estimate the following costs to accomplish the inspection:

Labor cost	Parts cost	Total cost per airplane	Total cost on U.S. operators
10 workhours × \$60 per hour = \$600	No parts required for the inspection	\$600	\$600

You will not need parts or special equipment to accomplish any necessary repairs after the inspection. The time necessary to accomplish any repairs is included in the inspection labor cost.

We estimate the following costs to accomplish any necessary replacements that will be required based on the results of the inspection. We have no way of determining the number of

airplanes that may need such replacements.

Labor cost	Parts cost	Total cost per airplane
9 workhours × \$60 per hour = \$540		\$46

ABSC will provide labor reimbursement for the modification to the torque take-out cavity of the brake housing to the extent noted in Service Bulletin Do228-212-13, dated December 15, 2000.

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:

2001-25-09 Dornier Luftfahrt GMBH:

Amendment 39-12562; Docket No. 2001-CE-29-AD.

(a) *What airplanes are affected by this AD?* This AD affects Model 228-212 airplanes, all serial numbers, that are:

- (1) certificated in any category; and
- (2) equipped with brake assembly part-number 5009850-1, 5009850-2, 5009850-3, or 5009850-4.

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

(c) *What problem does this AD address?* The actions specified by this AD are intended

to detect and correct damage to the brake housing assembly, which could result in failure of this assembly. Such failure could lead to loss of braking action on landing and possible loss of control of the airplane.

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

Actions	Compliance	Procedures
(1) Inspect, using both visual and eddy current methods, the brake housing subassembly for damage (cracks, nicks, corrosion, etc.), and accomplish the following: (i) Replace the brake housing if damage is found in the torque take-out cavity in the area specified in the referenced service information; or (ii) Repair the brake housing if damage is found on the walls of the torque take-out cavity and the width exceeds the maximum limit specified in the referenced service information.	Inspect within the next 300 hours time-in-service (TIS) after January 18, 2002, the effective date of this AD. Repair or replace prior to further flight.	In accordance with Aircraft Braking Systems Corporation Service Bulletin Do228-212-32-13, dated December 15, 2000, and Aircraft Braking Systems Corporation Service Bulletin Do228-212-32-12, dated November 15, 2000, as specified in Fairchild/Dornier Dornier 228 Service Bulletin SB-228-236, issued January 11, 2001.
(2) Modify the torque take-out cavity of the brake housing assembly.	Prior to further flight after the inspection required by paragraph (d)(1) of this AD, and thereafter prior to the installation of a brake housing subassembly.	In accordance with Aircraft Braking System Corporation Service Bulletin Do228-212-32-13, dated December 15, 2000, and Aircraft Braking Systems Corporation Service Bulletin Do228-212-32-12, dated November 15, 2000, as specified in Fairchild/Dornier Dornier 228 Service Bulletin SB-228-236, issued January 11, 2001.
(3) Do not install any brake housing assembly (or FAA-approved equivalent part number) unless it has been inspected as required in paragraph (d)(1) of this AD, is damage free or repaired as required in paragraph (d)(1)(ii) of this AD; and modified as required in paragraph (d)(2) of this AD.	As of January 18, 2002, the effective date of this AD.	Not applicable.

(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, 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, 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 (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 Karl Schletzbaum, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas

City, Missouri 64106; telephone: (816) 329-4146; 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 Aircraft Braking Systems Corporation Service Bulletin Do228-212-32-13, dated December 15, 2000, Aircraft Braking Systems Corporation Service Bulletin Do228-212-32-12, dated November 15, 2000, and Fairchild/Dornier Dornier 228 Service Bulletin SB-228-236, issued January 11, 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 Dornier Luftfahrt GmbH, Customer Support, P.O. Box 1103, D-82230 Wessling, Federal Republic of Germany. 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 German AD Number 2001-164, dated June 14, 2001.

(i) *When does this amendment become effective?* This amendment becomes effective on January 18, 2002.

Issued in Kansas City, Missouri, on December 11, 2001.

Michael Gallagher,
 Manager, Small Airplane Directorate, Aircraft Certification Service.

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