

safety and soundness concerns. For example, the loans being guaranteed are often more risky than other loans made by credit unions. In fact, most credit unions would not make these kinds of loans without the security the SBA guarantees provide. NCUA is aware that SBA guarantee programs generally place stringent requirements on participating lenders to comply with program requirements or face losing the guarantee. Accordingly, NCUA recommends that, before a credit union becomes a participating lender, it makes certain it fully understands the terms of the program and has procedures in place to assure its compliance with all program requirements. Although this rulemaking only pertains to SBA guaranteed loan programs, NCUA will consider other government programs as the need arises.

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 ten million dollars in assets). The proposed rule permits credit unions to more fully participate in SBA loan programs, without imposing any additional regulatory burden. 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 723

Credit, Credit unions, Reporting and recordkeeping requirements.

By the National Credit Union Administration Board on June 24, 2004.

Becky Baker,

Secretary of the Board.

For the reasons stated above, NCUA proposes to amend 12 CFR part 723 as follows:

PART 723—MEMBER BUSINESS LOANS

1. The authority citation for part 723 continues to read as follows:

Authority: 12 U.S.C. 1756, 1757, 1757A, 1766, 1785, 1789.

2. Revise the introductory sentence of § 723.3 to read as follows:

§ 723.3 What are the requirements for construction and development lending?

Except as provided in § 723.4 or unless your Regional Director grants a waiver, loans granted for the construction or development of commercial or residential property are subject to the following additional requirements.

* * * * *

3. Revise § 723.4 to read as follows:

§ 723.4 What other regulations apply to member business lending?

(a) The provisions of § 701.21(a) through (g) of this chapter apply to member business loans granted by federal credit unions to the extent they are consistent with this part. Except as required by part 741 of this chapter, federally insured state-chartered credit unions are not required to comply with the provisions of § 701.21(a) through (g) of this chapter.

(b) If a federal credit union makes a member business loan as part of a Small

Business Administration guaranteed loan program with loan requirements that are less restrictive than those required by NCUA, then the federal credit union may follow the loan requirements of the relevant Small Business Administration guaranteed loan program to the extent they are consistent with this part. A federally insured state-chartered credit union that is subject to this part and makes a member business loan as part of a Small Business Administration guaranteed loan program with loan requirements that are less restrictive than those required by NCUA may follow the loan requirements of the relevant Small Business Administration guaranteed loan program to the extent they are consistent with this part if its state supervisory authority has determined that the credit union has authority to do so under state law.

(c) The collateral and security requirements of § 723.3 and § 723.7 do not apply to member business loans made as part of a Small Business Administration guaranteed loan program.

4. Revise § 723.7(a) introductory text to read as follows:

§ 723.7 What are the collateral and security requirements?

(a) Except as provided in § 723.4 or unless your Regional Director grants a waiver, all member business loans, except those made under paragraphs (c), (d), and (e) of this section, must be secured by collateral as follows:

* * * * *

[FR Doc. 04-14763 Filed 6-30-04; 8:45 am]

BILLING CODE 7535-01-P

SMALL BUSINESS ADMINISTRATION

13 CFR Part 121

RIN 3245-AF11

Small Business Size Standards; Restructuring of Size Standards

AGENCY: Small Business Administration (SBA).

ACTION: Proposed rule; withdrawal.

SUMMARY: SBA is hereby withdrawing its March 19, 2004, proposed rule to restructure small business size standards. SBA intends to issue an Advance Notice of Proposed Rulemaking to obtain more data before deciding what further actions to take to restructure small business size standards.

DATES: This proposed rule is withdrawn as of July 1, 2004.

FOR FURTHER INFORMATION CONTACT: Gary M. Jackson, Assistant Administrator for Size Standards, (202) 205-6464 or gary.jackson@sba.gov.

SUPPLEMENTARY INFORMATION: On March 19, 2004, SBA published a proposed rule (69 FR 13130) to restructure its small business size standards. The rule proposed to simplify size standards by establishing number of employees as a common standard for all industries and by reducing the number of individual size standard levels from 37 to 10. The current 37 standards are based either on monetary amounts or on number of employees. The proposed rule also included several other revisions to simplify the size standards and provided a 60-day public comment period closing on May 18, 2004. Because of the significant level of interest generated by the proposed rule, on May 17, 2004, SBA published a notice extending the comment period to July 2, 2004 (69 FR 27865).

To date, SBA has received well over 3,700 public comments. SBA intends to issue an Advance Notice of Proposed Rulemaking (ANPRM) to collect additional information to review the issues raised by the comments on the proposed rule. Although many of those comments support aspects of the proposal, a number have raised concerns about SBA's methodology for developing the proposed size standards, the impact the proposed size standards will have on existing small businesses, the determination of the employee size of a business, and SBA's proposed overall approach to simplifying the size standards. Further review of these issues may result in substantive changes from the proposal. By withdrawing the March 19, 2004, proposed rule, SBA commits to issue a new proposed rule prior to final rulemaking, ensuring that the public has sufficient notice and opportunity to comment on such changes.

Therefore, by this notice, SBA is withdrawing the March 19, 2004, proposed rule. Once SBA completes its review of the comments received in response to March 19, 2004, proposed rule and the comments it may receive in response to the planned ANPRM, it will decide what further actions are necessary and issue any appropriate notices of proposed rulemaking.

Hector V. Barreto,
Administrator.

[FR Doc. 04-15080 Filed 6-30-04; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF TRANSPORTATION (DOT)

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2004-18496; Directorate Identifier 2004-NE-04-AD]

RIN 2120-AA64

Airworthiness Directives; Honeywell International Inc. (Formerly AlliedSignal Inc. and Garrett Turbine Engine Co.). TFE731-2 and -3 Series Turbofan Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for Honeywell International Inc. (formerly AlliedSignal Inc. and Garrett Turbine Engine Co.) TFE731-2 and -3 series turbofan engines with certain part numbers (P/Ns) and serial numbers (SNs) of low pressure (LP) 1st and 2nd stage turbine rotor discs initially installed as new parts before April 1, 1991. This proposed AD would require replacement of those LP 1st and 2nd stage turbine rotor discs. This proposed AD results from a report of an uncontained failure of an LP 2nd stage turbine rotor disc that caused an in-flight engine shutdown. We are proposing this AD to prevent LP turbine rotor disk separation, which could result in an uncontained engine failure and damage to the airplane.

DATES: We must receive any comments on this proposed AD by August 30, 2004.

ADDRESSES: Use one of the following addresses to submit comments on this proposed AD.

- DOT Docket Web site: Go to <http://dms.dot.gov> and follow the instructions for sending your comments electronically.
 - Government-wide rulemaking Web site: Go to <http://www.regulations.gov> and follow the instructions for sending your comments electronically.
 - Mail: Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL-401, Washington, DC 20590-001.
 - Fax: (202) 493-2251.
 - Hand Delivery: Room PL-401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- You can get the service information identified in this proposed AD from

Honeywell Engines and Systems (formerly AlliedSignal Inc. and Garrett Turbine Engine Co.) Technical Publications and Distribution, M/S 2101-201, P.O. Box 52170, Phoenix, AZ 85072-2170; telephone: (602) 365-2493 (General Aviation), (602) 365-5535 (Commercial Aviation), fax: (602) 365-5577 (General Aviation), (602) 365-2832 (Commercial Aviation).

You may examine the comments on this proposed AD in the AD docket on the Internet at <http://dms.dot.gov>.

FOR FURTHER INFORMATION CONTACT: Joseph Costa, Aerospace Engineer, Los Angeles Aircraft Certification Office, FAA, Transport Airplane Directorate, 3960 Paramount Blvd., Lakewood CA 90712-4137; telephone: (562) 627-5246; fax: (562) 627-5210.

SUPPLEMENTARY INFORMATION:

Docket Management System (DMS)

We have implemented new procedures for maintaining AD dockets electronically. As of May 17, 2004, we posted new AD actions on the DMS and assigned a DMS docket number. We track each action and assign a corresponding Directorate identifier. The DMS docket No. is in the form "Docket No. FAA-200X-XXXXX." Each DMS docket also lists the Directorate identifier ("Old Docket Number") as a cross-reference for searching purposes.

Comments Invited

We invite you to submit any written relevant data, views, or arguments regarding this proposal. Send your comments to an address listed under **ADDRESSES**. Include "Docket No. FAA-2004-18496; Directorate Identifier 2004-NE-04-AD" in the subject line of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of the proposed AD. We will consider all comments received by the closing date and may amend the proposed AD in light of those comments.

We will post all comments we receive, without change, to <http://dms.dot.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact with FAA personnel concerning this proposed AD. Using the search function of the DMS Web site, anyone can find and read the comments in any of our dockets, including the name of the individual who sent the comment (or signed the comment on behalf of an association, business, labor union, etc.). You may review the DOT's complete Privacy Act Statement in the **Federal Register**