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## FEDERAL RESERVE SYSTEM

### 12 CFR Part 201

#### [Regulation A]

#### Extensions of Credit by Federal Reserve Banks

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) has adopted final amendments to its Regulation A to reflect the Board's approval of a decrease in the primary credit rate at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically decreased by formula as a result of the Board's primary credit rate action.

**DATES:** The amendments to part 201 (Regulation A) are effective November 8, 2007. The rate changes for primary and secondary credit were effective on the dates specified in 12 CFR 201.51, as amended.

**FOR FURTHER INFORMATION CONTACT:** Jennifer J. Johnson, Secretary of the Board (202/452-3259); for users of Telecommunication Devices for the Deaf (TDD) only, contact 202/263-4869.

**SUPPLEMENTARY INFORMATION:** The Federal Reserve Banks make primary and secondary credit available to depository institutions as a backup source of funding on a short-term basis, usually overnight. The primary and secondary credit rates are the interest rates that the twelve Federal Reserve Banks charge for extensions of credit under these programs. In accordance with the Federal Reserve Act, the primary and secondary credit rates are established by the boards of directors of the Federal Reserve Banks, subject to the review and determination of the Board.

The Board approved requests by the Reserve Banks to decrease by 25 basis points the primary credit rate in effect at each of the twelve Federal Reserve Banks, thereby decreasing from 5.25 percent to 5.00 percent the rate that each Reserve Bank charges for extensions of primary credit. As a result of the Board's action on the primary credit rate, the rate that each Reserve Bank charges for extensions of secondary credit automatically decreased from 5.75 percent to 5.50 percent under the secondary credit rate formula. The final amendments to Regulation A reflect these rate changes.

The 25-basis-point decrease in the primary credit rate was associated with a similar decrease in the target for the federal funds rate (from 4.75 percent to 4.50 percent) approved by the Federal Open Market Committee (Committee) and announced at the same time. A press release announcing these actions indicated that:

Economic growth was solid in the third quarter, and strains in financial markets have eased somewhat on balance. However, the pace of economic expansion will likely slow in the near term, partly reflecting the intensification of the housing correction. Today's action, combined with the policy action taken in September, should help forestall some of the adverse effects on the broader economy that might otherwise arise from the disruptions in financial markets and promote moderate growth over time.

Readings on core inflation have improved modestly this year, but recent increases in energy and commodity prices, among other factors, may put renewed upward pressure on inflation. In this context, the Committee judges that some inflation risks remain, and it will continue to monitor inflation developments carefully.

The Committee judges that, after this action, the upside risks to inflation roughly balance the downside risks to growth. The Committee will continue to assess the effects of financial and other developments on economic prospects and will act as needed to foster price stability and sustainable economic growth.

#### Regulatory Flexibility Act Certification

Pursuant to the Regulatory Flexibility Act (5 U.S.C. 605(b)), the Board certifies that the new primary and secondary credit rates will not have a significantly adverse economic impact on a substantial number of small entities because the final rule does not impose any additional requirements on entities affected by the regulation.

#### Administrative Procedure Act

The Board did not follow the provisions of 5 U.S.C. 553(b) relating to notice and public participation in connection with the adoption of these amendments because the Board for good cause determined that delaying implementation of the new primary and secondary credit rates in order to allow notice and public comment would be unnecessary and contrary to the public interest in fostering price stability and sustainable economic growth. For these same reasons, the Board also has not provided 30 days prior notice of the effective date of the rule under section 553(d).

#### 12 CFR Chapter II

#### List of Subjects in 12 CFR Part 201

Banks, Banking, Federal Reserve System, Reporting and recordkeeping.

#### Authority and Issuance

■ For the reasons set forth in the preamble, the Board is amending 12 CFR Chapter II to read as follows:

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

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

**Authority:** 12 U.S.C. 248(i)-(j), 343 *et seq.*, 347a, 347b, 347c, 348 *et seq.*, 357, 374, 374a, and 461.

■ 2. In § 201.51, paragraphs (a) and (b) are revised to read as follows:

#### § 201.51 Interest rates applicable to credit extended by a Federal Reserve Bank.<sup>1</sup>

(a) *Primary credit.* The interest rates for primary credit provided to depository institutions under § 201.4(a) are:

| Federal Reserve Bank | Rate | Effective         |
|----------------------|------|-------------------|
| Boston .....         | 5.00 | November 1, 2007. |
| New York .....       | 5.00 | October 31, 2007. |
| Philadelphia .....   | 5.00 | November 1, 2007. |
| Cleveland .....      | 5.00 | November 1, 2007. |
| Richmond .....       | 5.00 | October 31, 2007. |

<sup>1</sup> The primary, secondary, and seasonal credit rates described in this section apply to both advances and discounts made under the primary, secondary, and seasonal credit programs, respectively.

| Federal Reserve Bank | Rate | Effective         |
|----------------------|------|-------------------|
| Atlanta .....        | 5.00 | October 31, 2007. |
| Chicago .....        | 5.00 | October 31, 2007. |
| St. Louis .....      | 5.00 | November 1, 2007. |
| Minneapolis .....    | 5.00 | November 1, 2007. |
| Kansas City .....    | 5.00 | November 1, 2007. |
| Dallas .....         | 5.00 | November 1, 2007. |
| San Francisco ....   | 5.00 | October 31, 2007. |

(b) *Secondary credit.* The interest rates for secondary credit provided to depository institutions under 201.4(b) are:

| Federal Reserve Bank | Rate | Effective         |
|----------------------|------|-------------------|
| Boston .....         | 5.50 | November 1, 2007. |
| New York .....       | 5.50 | October 31, 2007. |
| Philadelphia .....   | 5.50 | November 1, 2007. |
| Cleveland .....      | 5.50 | November 1, 2007. |
| Richmond .....       | 5.50 | October 31, 2007. |
| Atlanta .....        | 5.50 | October 31, 2007. |
| Chicago .....        | 5.50 | October 31, 2007. |
| St. Louis .....      | 5.50 | November 1, 2007. |
| Minneapolis .....    | 5.50 | November 1, 2007. |
| Kansas City .....    | 5.50 | November 1, 2007. |
| Dallas .....         | 5.50 | November 1, 2007. |
| San Francisco ....   | 5.50 | October 31, 2007. |

\* \* \* \* \*

By order of the Board of Governors of the Federal Reserve System, November 2, 2007.

Jennifer J. Johnson,  
Secretary of the Board.

[FR Doc. E7-21889 Filed 11-7-07; 8:45 am]

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**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 39**

[Docket No. FAA-2007-0158; Directorate Identifier 2007-CE-081-AD; Amendment 39-15253; AD 2007-23-07]

RIN 2120-AA64

**Airworthiness Directives; EADS SOCATA Model TBM 700 Airplanes**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule; request for comments.

**SUMMARY:** We are adopting a new airworthiness directive (AD) for the

products listed above. This AD results from mandatory continuing airworthiness information (MCAI) issued by the aviation authority of another country to identify and correct an unsafe condition on an aviation product. The MCAI describes the unsafe condition as:

This Airworthiness Directive (AD) results from one report of main landing gear wheel attaching nut partly unscrewed on a TBM 850 what has generated a loss of braking and which could lead to a wheel loss. The investigation revealed that this incident was due to a wheel axle machining issue, concerning a few production batches.

This AD requires actions that are intended to address the unsafe condition described in the MCAI.

**DATES:** This AD becomes effective November 28, 2007.

On November 28, 2007, the Director of the Federal Register approved the incorporation by reference of certain publications listed in this AD.

We must receive comments on this AD by December 10, 2007.

**ADDRESSES:** You may send comments by any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *Fax:* (202) 493-2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590.
- *Hand Delivery:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

**Examining the AD Docket**

You may examine the AD docket on the Internet at <http://www.regulations.gov>; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Office (telephone (800) 647-5527) is in the **ADDRESSES** section.

Comments will be available in the AD docket shortly after receipt.

**FOR FURTHER INFORMATION CONTACT:** Albert J. Mercado, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri, 64106; telephone: (816) 329-4119; facsimile: (816) 329-4090.

**SUPPLEMENTARY INFORMATION:**

**Discussion**

The Direction générale de l'aviation civile (DGAC), which is the aviation authority for France, has issued Emergency AD No. CN UF-2007-015—EADS SOCATA—TBM 700, dated September 20, 2007 (referred to after this as “the MCAI”), to correct an unsafe condition for the specified products. The MCAI states:

This Airworthiness Directive (AD) results from one report of main landing gear wheel attaching nut partly unscrewed on a TBM 850 what has generated a loss of braking and which could lead to wheel loss. The investigation revealed that this incident was due to a wheel axle machining issue, concerning a few production batches.

The MCAI requires you to inspect the main landing gear (MLG) wheel axles to determine that batch number. If the batch number is one affected by this AD, you are required to inspect the axle for conformity and replace the lockwasher if necessary.

You may obtain further information by examining the MCAI in the AD docket.

**Relevant Service Information**

EADS SOCATA has issued TBM Aircraft Mandatory Service Bulletin Number SB 70-151, Amendment 1, dated September 2007. The actions described in this service information are intended to correct the unsafe condition identified in the MCAI.

**FAA's Determination and Requirements of the AD**

This product has been approved by the aviation authority of another country, and is approved for operation in the United States. Pursuant to our bilateral agreement with this State of Design Authority, they have notified us of the unsafe condition described in the MCAI and service information referenced above. We are issuing this AD because we evaluated all information provided by the State of Design Authority and determined the unsafe condition exists and is likely to exist or develop on other products of the same type design.

**Differences Between This AD and the MCAI or Service Information**

We have reviewed the MCAI and related service information and, in general, agree with their substance. But we might have found it necessary to use different words from those in the MCAI to ensure the AD is clear for U.S. operators and is enforceable. In making these changes, we do not intend to differ substantively from the information provided in the MCAI and related service information.