

Rules and Regulations

Federal Register

Vol. 70, No. 60

Wednesday, March 30, 2005

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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 an increase in the primary credit rate at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically increased by formula as a result of the Board's primary credit rate action.

DATES: The amendments to part 201 (Regulation A) are effective March 30, 2005. The rate changes for primary and secondary credit were effective on the dated 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 increase by 25 basis points the primary credit rate in effect at each of the twelve Federal Reserve Banks, thereby increasing from 3.50 percent to 3.75 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 increased from 4.00 percent to 4.25 percent under the secondary credit rate formula. The final amendments to Regulation A reflect these rate changes.

The 25-basis-point increase in the primary credit rate was associated with a similar increase in the target for the federal funds rate (from 2.50 percent to 2.75 percent) approved by the Federal Open Market Committee (Committee) and announced at the same time. A press release announcing these actions indicated that:

The Committee believes that, even after this action, the stance of monetary policy remains accommodative and, coupled with robust underlying growth in productivity, is providing ongoing support to economic activity. Output evidently continues to grow at a solid pace despite the rise in energy prices, and labor market conditions continue to improve gradually. Though longer-term inflation expectations remain well contained, pressures on inflation have picked up in recent months and pricing power is more evident. The rise in energy prices, however, has not notably fed through to core consumer prices.

The Committee perceives that, with appropriate monetary policy action, the upside and downside risks to the attainment of both sustainable growth and price stability should be kept roughly equal. With underlying inflation expected to be contained, the Committee believes that policy accommodation can be removed at a pace that is likely to be measured. Nonetheless, the Committee will respond to changes in economic prospects as needed to fulfill its obligation to maintain price stability.

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 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.¹

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

Federal Reserve Bank	Rate	Effective
Boston	3.75	March 22, 2005.
New York	3.75	March 22, 2005.
Philadelphia	3.75	March 22, 2005.
Cleveland	3.75	March 22, 2005.
Richmond	3.75	March 22, 2005.
Atlanta	3.75	March 22, 2005.
Chicago	3.75	March 22, 2005.
St. Louis	3.75	March 23, 2005.

¹ 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
Minneapolis	3.75	March 22, 2005.
Kansas City	3.75	March 23, 2005.
Dallas	3.75	March 24, 2005.
San Francisco ..	3.75	March 22, 2005.

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

Federal Reserve Bank	Rate	Effective
Boston	4.25	March 22, 2005.
New York	4.25	March 22, 2005.
Philadelphia	4.25	March 22, 2005.
Cleveland	4.25	March 22, 2005.
Richmond	4.25	March 22, 2005.
Atlanta	4.25	March 22, 2005.
Chicago	4.25	March 22, 2005.
St. Louis	4.25	March 23, 2005.
Minneapolis	4.25	March 22, 2005.
Kansas City	4.25	March 23, 2005.
Dallas	4.25	March 24, 2005.
San Francisco ..	4.25	March 22, 2005.

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By order of the Board of Governors of the Federal Reserve System, March 24, 2005.

Jennifer J. Johnson,
Secretary of the Board.

[FR Doc. 05-6260 Filed 3-29-05; 8:45 am]

BILLING CODE 6210-02-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2004-19463; Directorate Identifier 2004-NE-14-AD; Amendment 39-14029; AD 2005-07-05]

RIN 2120-AA64

Airworthiness Directives; General Electric Company CF6-45A, CF6-50A, CF6-50C, and CF6-50E Series Turbofan Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for General Electric Company (GE) CF6-45A, CF6-50A, CF6-50C, and CF6-50E series turbofan engines that have not incorporated GE Service Bulletin (SB) No. CF6-50 S/B 72-1239, Revision 1, dated September 24, 2003, or that have not incorporated paragraph 3.B. of GE SB No. CF6-50 S/B 72-1239, original issue, dated May 29, 2003. This AD requires inspecting the stage 1 low pressure turbine (LPT) blades for

damage and replacement of the LPT module if necessary. This AD results from a report of a stud that separated from a turbine mid frame (TMF) strut and from an updated analysis of strut stud failures. We are issuing this AD to prevent uncontained failure of the engine and possible damage to the airplane caused by failure of TMF strut studs.

DATES: This AD becomes effective May 4, 2005. The Director of the Federal Register approved the incorporation by reference of certain publications listed in the regulations as of May 4, 2005.

ADDRESSES: You can get the service information identified in this proposed AD from General Electric Company via Lockheed Martin Technology Services, 10525 Chester Road, Suite C, Cincinnati, Ohio 45215, telephone (513) 672-8400, fax (513) 672-8422.

You may examine the AD docket on the Internet at <http://dms.dot.gov> or in Room PL-401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Karen Curtis, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803; telephone (781) 238-7192; fax (781) 238-7199.

SUPPLEMENTARY INFORMATION: The FAA proposed to amend 14 CFR part 39 with an airworthiness directive (AD). The proposed AD applies to GE CF6-45A, CF6-50A, CF6-50C, and CF6-50E series turbofan engines that have not incorporated GE SB No. CF6-50 S/B 72-1239, Revision 1, dated September 24, 2003, or that have not incorporated paragraph 3.B. of GE SB No. CF6-50 S/B 72-1239, original issue, dated May 29, 2003. We published the proposed AD in the **Federal Register** on October 27, 2004 (69 FR 62623). That action proposed to require inspecting the stage 1 LPT blades for damage and replacement of the LPT module if necessary.

Examining the AD Docket

You may examine the docket that contains the AD, any comments received, and any final disposition in person at the DMS Docket Offices between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Docket Office (telephone (800) 647-5227) is located on the plaza level of the Department of Transportation Nassif Building at the street address stated in **ADDRESSES**. Comments will be available in the AD docket shortly after the DMS receives them.

Comments

We provided the public the opportunity to participate in the development of this AD. We have considered the comments received.

Request To Clarify if Extension Limits Are Still Allowed

One commenter requests that we clarify if the extension limits in aircraft maintenance manual (AMM) 72-00-00, are still allowed if out-of-limit LPT blade damage is found during the required borescope inspection. The commenter provided no justification for this request.

We do not feel we need to clarify allowing extension limits if the operator finds damage during the required borescope inspection. Paragraphs (g) and (i) of the proposed AD require replacing any LPT module that exceeds the AMM limits for the stage 1 LPT blade damage.

Requests for Credit for Inspections Already Performed

One commenter requests that we give operators credit for inspections already performed using GE Alert Service Bulletin (ASB) No. 72-A1251, dated September 24, 2003, before the effective date of the AD. Another commenter requests that we give operators credit for inspections already performed using an approved maintenance program. The commenters believe that based on the proposed AD wording, an operator would have to complete the initial inspection within 150 cycles-in-service after the effective date of the AD, regardless of any prior inspections done.

We agree that we should allow credit for inspection programs begun before the effective date of the AD. Because paragraph (e) of the proposed AD states that you are responsible for having this AD performed within the compliance times specified unless the actions have already been done, we feel that this statement provides credit for inspections already done. However, for clarity, we have added a paragraph (paragraph (j)) to the AD compliance that gives credit for initial and repetitive inspections done using GE ASB No. 72-A1251 or the applicable AMM.

Inspection AD Not Necessary

One commenter states that this inspection AD is not necessary. The commenter's reason is that GE had previously released an improved strut stud joint configuration (reference GE SB No. 72-0897, dated 1987), and recommended that studs not be reused (reference engine manual change in 1996). The commenter asks that we provide additional analysis to