

purpose of applying any limitation or restriction as provided in 12 CFR 28.14.

PART 28—INTERNATIONAL BANKING ACTIVITIES

- 1. The authority citation for part 28 continues to read as follows:
Authority: 12 U.S.C. 1 *et seq.*, 24(Seventh), 93a, 161, 602, 1818, 3101 *et seq.*, and 3901 *et seq.*
- 2. In § 28.15, revise paragraph (b) to read as follows:

§ 28.15 Capital equivalency deposits

(b) *Increase in capital equivalency deposits.* For prudential or supervisory reasons, the OCC may require, in individual cases or otherwise, that a foreign bank increase its CED above the minimum amount. For example, the OCC may require an increase if a Federal branch or agency of the foreign bank increases its leverage through the establishment, acquisition, or maintenance of an operating subsidiary.

Dated: September 18, 2001.
John D. Hawke, Jr.,
Comptroller of the Currency.
[FR Doc. 01-24005 Filed 9-25-01; 8:45 am]
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FEDERAL RESERVE SYSTEM

12 CFR Part 201

[Regulation A]

Extensions of Credit by Federal Reserve Banks; Change in Discount Rate

AGENCY: Board of Governors of the Federal Reserve System.
ACTION: Final rule.

SUMMARY: The Board of Governors has amended its Regulation A, Extensions of Credit by Federal Reserve Banks to reflect its approval of a decrease in the basic discount rate at each Federal Reserve Bank. The Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks.

DATES: The amendments to part 201 (Regulation A) were effective September 17, 2001. The rate changes for adjustment credit were effective on the dates specified in 12 CFR 201.51.

FOR FURTHER INFORMATION CONTACT: Jennifer J. Johnson, Secretary of the Board, at (202) 452-3259, Board of Governors of the Federal Reserve System, 20th and C Streets NW., Washington, DC 20551.

SUPPLEMENTARY INFORMATION: Pursuant to the authority of sections 10(b), 13, 14,

19, *et al.*, of the Federal Reserve Act, the Board has amended its Regulation A (12 CFR part 201) to incorporate changes in discount rates on Federal Reserve Bank extensions of credit. The discount rates are the interest rates charged to depository institutions when they borrow from their district Reserve Banks.

The “basic discount rate” is a fixed rate charged by Reserve Banks for adjustment credit and, at the Reserve Banks’ discretion, for extended credit for up to 30 days. In decreasing the basic discount rate from 3.00 percent to 2.5 percent, the Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks. The new rates were effective on the dates specified below. The 50-basis-point decrease in the discount rate was associated with a similar decrease in the federal funds rate approved by the Federal Open Market Committee (FOMC) and announced at the same time.

In a joint press release announcing these actions, the FOMC and the Board of Governors stated that the Federal Reserve will continue to supply unusually large volumes of liquidity to the financial markets, as needed, until more normal market functioning is restored. As a consequence, the FOMC recognizes that the actual federal funds rate may be below its target on occasion in these unusual circumstances.

Even before the tragic events of last week, employment, production, and business spending remained weak, and last week’s events have the potential to damp spending further. Nonetheless, the long-term prospects for productivity growth and the economy remain favorable and should become evident once the unusual forces restraining demand abate. For the foreseeable future, the Board and the FOMC continue to believe that against the background of their long-run goals of price stability and sustainable economic growth and of the information currently available, the risks are weighted mainly toward conditions that may generate economic weakness.

Regulatory Flexibility Act Certification

Pursuant to section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 605(b)), the Board certifies that the change in the basic discount rate will not have a significant adverse economic impact on a substantial number of small entities. The rule does not impose any additional requirements on entities affected by the regulation.

Administrative Procedure Act

The provisions of 5 U.S.C. 553(b) relating to notice and public participation were not followed in connection with the adoption of the amendment because the Board for good cause finds that delaying the change in the basic discount rate in order to allow notice and public comment on the change is impracticable, unnecessary, and contrary to the public interest in fostering price stability and sustainable economic growth.

The provisions of 5 U.S.C. 553(d) that prescribe 30 days prior notice of the effective date of a rule have not been followed because section 553(d) provides that such prior notice is not necessary whenever there is good cause for finding that such notice is contrary to the public interest. As previously stated, the Board determined that delaying the changes in the basic discount rate is contrary to the public interest.

List of Subjects in 12 CFR Part 201

Banks, Banking, Credit, Federal Reserve System.

For the reasons set out in the preamble, 12 CFR part 201 is amended as set forth below:

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

- 1. The authority citation for 12 CFR part 201 continues to read as follows:

Authority: 12 U.S.C. 343 *et seq.*, 347a, 347b, 347c, 347d, 348 *et seq.*, 357, 374, 374a and 461.

- 2. Section 201.51 is revised to read as follows:

§ 201.51 Adjustment credit for depository institutions.

The rates for adjustment credit provided to depository institutions under § 201.3(a) are:

Federal Reserve Bank	Rate	Effective
Boston	2.5	September 17, 2001.
New York	2.5	September 17, 2001.
Philadelphia	2.5	September 17, 2001.
Cleveland	2.5	September 17, 2001.
Richmond	2.5	September 17, 2001.
Atlanta	2.5	September 17, 2001.
Chicago	2.5	September 17, 2001.
St. Louis	2.5	September 18, 2001.

Federal Reserve Bank	Rate	Effective
Minneapolis	2.5	September 17, 2001.
Kansas City	2.5	September 17, 2001.
Dallas	2.5	September 17, 2001.
San Francisco	2.5	September 17, 2001.

By order of the Board of Governors of the Federal Reserve System, September 20, 2001.

Jennifer J. Johnson,
Secretary of the Board.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2001-NE-22-AD; Amendment 39-12445; AD 2001-19-05]

RIN 2120-AA64

Airworthiness Directives; Rolls-Royce plc. RB211 535 Turbofan Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This amendment adopts a new airworthiness directive (AD) that is applicable to Rolls-Royce plc. (RR) models RB211-535C-37, RB211-535E4-37, RB211-535E4-B-37, and RB211-535E4-B-75 turbofan engines, with radial drive steady bearing, part number (P/N) LK76084. This action requires the replacement of certain radial drive steady bearings, installed in the high speed gearbox drive. This amendment is prompted by five reports of radial drive steady bearing failures. The actions specified in this AD are intended to reduce the risk of engine in-flight shutdown, due to failure at low life of radial drive steady bearings.

DATES: Effective October 11, 2001.

Comments for inclusion in the Rules Docket must be received on or before November 26, 2001.

ADDRESSES: Information regarding this action may be examined at the Federal Aviation Administration (FAA), New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA., or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: James Lawrence, Aerospace Engineer,

Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone (781) 238-7176; fax (781) 238-7199.

SUPPLEMENTARY INFORMATION: The Civil Aviation Authority (CAA), which is the airworthiness authority for the United Kingdom (UK), recently notified the FAA that an unsafe condition may exist on Rolls-Royce plc. models (RR) RB211-535C-37, RB211-535E4-37, RB211-535E4-B-37, and RB211-535E4-B-75 turbofan engines. The CAA advises that five reports of failure of the radial drive steady bearing have occurred, causing three in-flight shutdowns. Investigation has concluded that a number of radial drive steady bearings have been found with evidence of loose rivets after a short period in service and have a potential for low life failure as a result. This condition can lead to the eventual failure of the radial drive steady bearing and an in-flight shutdown.

Manufacturer's Service Information

Rolls-Royce plc has issued mandatory service bulletin (MSB) RB.211-72-D176, dated September 19, 2000, that specifies procedures for ensuring that all airplanes having engines with the affected bearing design installed, will meet the following criteria:

- Both radial drive steady bearings installed will have more than 600 flight hours accumulated on each engine, or
- At least one radial drive steady bearing installed will have more than 1,500 flight hours accumulated on one engine if the other engine has less than 600 accumulated flight hours, or
- One or both engines replace radial drive steady bearings of the affected design with new design bearings as specified in service bulletin (SB) RB.211-72-C925.

The CAA has classified this service bulletin as mandatory and issued AD 004-09-2000, dated September 19, 2000, in order to assure the airworthiness of these RR engines in the UK.

Bilateral Airworthiness Agreement

This engine model is manufactured in the UK, and is type certificated for operation in the United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the CAA has kept the FAA informed of the situation described above. The FAA has examined the findings of the CAA, reviewed all available information, and determined that AD action is necessary for products of this type design that are

certificated for operation in the United States.

FAA's Determination of an Unsafe Condition and Required Actions

Since an unsafe condition has been identified that is likely to exist or develop on other Rolls-Royce plc. (RR) models RB211-535C-37, RB211-535E4-37, RB211-535E4-B-37, and RB211-535E4-B-75 turbofan engines of the same type design, this AD is being issued to reduce the risk of engine in-flight shutdown, due to failure at low life of radial drive steady bearings. This AD requires the replacement of certain radial drive steady bearings, based on their accumulated flight time.

Immediate Adoption of This AD

Since a situation exists that requires the immediate adoption of this regulation, it is found that notice and opportunity for prior public comment hereon are impracticable, and that good cause exists for making this amendment effective in less than 30 days.

Therefore, a situation exists that allows the immediate adoption of this regulation.

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, both before and after the closing date for comments, 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.