

for federal funds transactions. The public comments received by the Finance Board support this interpretation.

For purposes of the final rule, a sale of federal funds means either a conventional federal funds transaction or a correspondent-respondent federal funds transaction. A conventional sale of federal funds involves the unsecured sale of funds held by a FHLBank in an account maintained at its district Federal Reserve Bank to a bank in need of additional funds to meet its statutory reserve requirement.⁵ A correspondent-respondent federal funds sale involves the sale of unsecured funds directly from a FHLBank (the respondent) to a correspondent bank in need of funds to meet its statutory reserve requirement.

III. Regulatory Flexibility Act

Under the Regulatory Flexibility Act (RFA), 5 U.S.C. 601, *et seq.*, the FHLBanks are not "small entities." *Id.* section 601(6). Since this final rule applies only to the FHLBanks, it does not impose any additional regulatory requirements on small entities. Thus, in accordance with section 605(b) of the RFA, *Id.* section 605(b), the Board of Directors of the Finance Board hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities.

List of Subjects in 12 CFR Part 931

Banks, banking, Federal home loan banks.

Accordingly, the Board of Directors of the Federal Housing Finance Board hereby amends chapter IX, title 12, part 931, Code of Federal Regulations, as follows:

PART 931—DEFINITIONS

1. The authority citation for part 931 is revised to read as follows:

Authority: 12 U.S.C. 1422a, 1422b, 1427, and 1431(g).

2. Section 931.5 is revised to read as follows:

§ 931.5 Deposits in banks or trust companies.

Include:

(a) A deposit in another Bank;

(b) A demand account in a Federal Reserve Bank; and

(c) A deposit in, or a sale of federal funds to:

(1) An insured depository institution, as defined in section 2(12)(A) of the Act (12 U.S.C. 1422(12)(A)), that is designated by the Bank's board of directors; or

(2) A trust company that is a member of the Federal Reserve System or insured by the Federal Deposit Insurance Corporation, and is designated by the Bank's board of directors.

Dated: July 3, 1996.

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

Bruce A. Morrison,
Chairperson.

[FR Doc. 96-19525 Filed 8-1-96; 8:45 am]

BILLING CODE 6725-01-U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 96-ANE-04; Amendment 39-9705, AD 96-08-01 R1]

Airworthiness Directives; Hamilton Standard Model 14RF-9 Propellers

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This amendment revises airworthiness directive (AD) 96-08-01, that is applicable to Hamilton Standard Model 14RF-9 propellers. The current AD superseded priority letter AD 95-24-09, and requires an ultrasonic shear wave inspection, adds a one-time visual and fluorescent penetrant inspection, and repair of the propeller blade shank. This revision will add a new shank eddy current inspection and will allow repair of certain blade shanks removed from service under the current AD. The actions specified by this AD are intended to prevent propeller blade separation due to propeller blade shank cracking that can result in loss of control of the aircraft.

DATES: Effective August 2, 1996.

The incorporation by reference of Hamilton Standard Service Bulletins (SB) Nos. 14RF-9-61-86, Revision 4, dated November 9, 1995, Alert Service Bulletin No. 14RF-9-61-A90, Original, dated November 9, 1995, and Alert Service Bulletin No. 14RF-9-61-A92, Revision 2, dated March 6, 1996, and listed in the regulations was approved

by the Director of the Federal Register as of May 1, 1996 (61 FR 16618, 4/16/96). The incorporation by reference of Hamilton Standard Service Bulletin No. 14RF-9-61-105, Original, dated July 24, 1996, is approved by the Director of the Federal Register as of August 2, 1996.

Comments for inclusion in the Rules Docket must be received on or before September 16, 1996.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), New England Region, Office of the Assistant Chief Counsel, Attention: Rules Docket No. 96-ANE-04, 12 New England Executive Park, Burlington, MA 01803-5299. Comments may also be submitted to the Rules Docket by using the following Internet address: "epd-adcomments@mail.hq.faa.gov". All comments must contain the Docket No. in the subject line of the comment. Comments may be inspected at this location between 8:00 a.m. and 4:30 p.m.

The service information referenced in this AD may be obtained from Hamilton Standard, One Hamilton Road, Windsor Locks, CT 06096-1010; telephone (203) 654-6876. This information may be examined at the FAA, New England Region, Office of the Assistant Chief 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: Frank Walsh, Aerospace Engineer, Boston Aircraft Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone (617) 238-7158, fax (617) 238-7199.

SUPPLEMENTARY INFORMATION: On April 1, 1996, the Federal Aviation Administration (FAA) issued airworthiness directive (AD) 96-08-01, applicable to Hamilton Standard Model 14RF-9 propellers, which superseded priority letter AD 95-24-09, and requires an ultrasonic shear wave inspection for cracks or surface indications, a one-time visual and fluorescent penetrant inspection for mechanical damage, and repair of the propeller blade shank. That action was prompted by a report of an inflight loss of a Hamilton Standard Model 14RF-9 propeller blade installed on an Embraer EMB-120 aircraft. The loss of the propeller blade resulted in the subsequent loss of the propeller and portions of the gearbox. The propeller blade separated due to a crack approximately 9 inches from the butt end of the blade. The FAA determined that the crack initiated on the outer

⁵ Section 19(b)(2)(A) of the Federal Reserve Act requires each depository institution to maintain reserves against its transaction accounts, as the FRS Board of Governors may prescribe, for the purpose of implementing monetary policy. See 12 U.S.C. 461(b)(2)(A). These reserves are commonly referred to as "federal funds." A depository institution meets the reserve requirement by maintaining accounts at its direct Federal Reserve Bank or by holding cash in its vaults. A depository institution may sell excess reserves to another depository institution in need of additional funds to meet its reserve requirement.

surface of the blade shank in an area of mechanical damage induced as a result of a localized interference condition between the blade spar and the foam mold which occurred during blade manufacture. That condition, if not corrected, could result in propeller blade separation due to propeller blade shank cracking, which could result in loss of control of the aircraft.

Since the issuance of that AD, the manufacturer has developed new inspection and repair procedures for mechanical damage (dents) greater than .005 inches deep to a maximum of .010 inches in depth. The new inspection and repair procedures will ensure that the structural integrity of the blades is maintained. Also, the new inspection and repair procedures will allow certain blades having dents greater than .005 inches deep that were removed from service in accordance with AD 96-08-01 to be inspected and repaired in accordance with Hamilton Standard Service Bulletin No. 14RF-9-61-105, dated July 24, 1996, and returned to service.

The new inspection procedure can find damage in areas of the propeller blade shank that might have been damaged by interference with the propeller blade foam mold during manufacture. The damage will be visible when the overlying fiberglass and adhesive layers are removed. Prior to returning damaged propeller blades to service, blades must be repaired in accordance with the applicable service or alert service bulletin.

The FAA has reviewed and approved the technical contents of Hamilton Standard Service Bulletin (SB) No. 14RF-9-61-86, Revision 4, and Alert Service Bulletin (ASB) No. 14RF-9-61-A90, both dated November 9, 1995, that describe procedures for an ultrasonic shear wave inspection of propeller blade shanks for cracks or surface indications; and Hamilton Standard ASB No. 14RF-9-61-A92, Revision 2, dated March 6, 1996, that describes procedures for an inspection and repair for mechanical damage. In addition, the FAA has reviewed and approved the technical contents of Hamilton Standard SB No. 14RF-9-61-105, Original, dated July 24, 1996, which describes eddy current inspection and repair procedures for those propeller blades with dents that exceed .005 inches deep to a maximum of .010 inches in depth.

Since an unsafe condition has been identified that is likely to exist or develop on other propellers of this same type design, this AD revises AD 96-08-01, by adding a new paragraph (d) which allows inspection and repair of propeller blades with mechanical

damage greater than .005 inches deep to a maximum of .010 inches in depth in accordance with Hamilton Standard Service Bulletin No. 14RF-9-61-105, dated July 24, 1996. This revision will also enable those propellers that were removed from service in accordance with AD 96-08-01, and that are determined repairable in accordance with SB 14RF-9-61-105, to be returned to service.

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.

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.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 96-ANE-04." The postcard will be date stamped and returned to the commenter.

The regulations adopted herein will not have substantial direct effects 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, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

The FAA has determined that this regulation is an emergency regulation that must be issued immediately to correct an unsafe condition in aircraft, and is not a "significant regulatory action" under Executive Order 12866. It has been determined further that this action involves an emergency regulation under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979). If it is determined that this emergency regulation otherwise would be significant under DOT Regulatory Policies and Procedures, a final regulatory evaluation will be prepared and placed in the Rules Docket. A copy of it, if filed, may be obtained from 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, pursuant to 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. Section 39.13 is revised to read as follows:

96-08-01R1 Hamilton Standard: Amendment 39-9707. Docket No. 96-ANE-04, revises AD 96-08-01, Amendment No. 39-9567.

Applicability: Hamilton Standard Model 14RF-9 propellers, installed on but not limited to Embraer EMB-120 series aircraft.

Note: This airworthiness directive (AD) applies to each propeller identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For propellers that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must use the authority provided in paragraph (e) to request approval from the Federal Aviation Administration (FAA). This approval may

address either no action, if the current configuration eliminates the unsafe condition, or different actions necessary to address the unsafe condition described in this AD. Such a request should include an assessment of the effect of the changed configuration on the unsafe condition addressed by this AD. In no case does the presence of any modification, alteration, or repair remove any propeller from the applicability of this AD.

Compliance: Required as indicated, unless accomplished previously.

To prevent propeller blade separation due to propeller blade shank cracking, which could result in loss of control of the aircraft, accomplish the following:

(a) Propeller blades that have been ultrasonically shear wave inspected in accordance with the requirements of AD 95-24-09 or AD 96-08-01 need not undergo another ultrasonic shear wave inspection in accordance with paragraph (b) of this AD. All affected propeller blades with S/N's less than 885751, however, must be inspected for mechanical damage in accordance with paragraph (c) of this AD by August 31, 1996. Propeller blades with S/N's less than 885751 that have not been ultrasonically shear wave inspected in accordance with AD 95-24-09 or AD 96-08-01 must undergo ultrasonic shear wave inspection in accordance with paragraph (b) of this AD prior to further flight, and must be inspected for mechanical damage in accordance with paragraph (c) of this AD by August 31, 1996; or must be inspected for mechanical damage in accordance with paragraph (c) of this AD prior to further flight.

(b) Prior to further flight, perform an ultrasonic shear wave inspection for cracks or surface indications in accordance with the applicable Hamilton Standard Service Bulletin (SB) or Alert Service Bulletin (ASB) described in paragraphs (b)(1) and (b)(2) of this AD unless accomplished previously in accordance with AD 95-24-09 or AD 96-08-01. Prior to further flight, remove from service propeller blades with ultrasonic shear wave readings that exceed the acceptable limits described in the applicable SB or ASB, and replace with serviceable propeller blades:

(1) Inspect, and if necessary, remove and replace with a serviceable propeller blade, in accordance with the Accomplishment Instructions of Hamilton Standard SB No. 14RF-9-61-86, Revision 4, dated November 9, 1995, propeller blade shanks with propeller blade spars, Part Number (P/N) 792231-1. These propeller blades may be identified by, but not limited to, Serial Numbers (S/N's) 853445 and higher except for the S/N's listed in Table 1 of this SB. Propeller blades inspected in accordance with the Original, Revision 1, Revision 2, or Revision 3 of Hamilton Standard SB No. 14RF-9-61-86, and which passed inspection, need not be ultrasonically shear wave inspected again.

(2) Remove propeller blade for off-wing inspection, inspect, and if necessary, replace with a serviceable propeller blade, in accordance with the Accomplishment Instructions of Hamilton Standard ASB No. 14RF-9-61-A90, dated November 9, 1995,

propeller blade shanks with propeller blade spars, P/N 782683-1. These propeller blades may be identified by, but not limited to, S/N's less than 853445, and propeller blades with S/N's greater than 853445 that are listed in Table 1 of this ASB.

(c) Perform a one-time visual and fluorescent penetrant inspection of the propeller blade shank for mechanical damage by August 31, 1996, in accordance with the Accomplishment Instructions of Hamilton Standard ASB No. 14RF-9-61-A92, Revision 2, dated March 6, 1996, on all propeller blade shanks with S/N's before 885751. Propeller blades inspected in accordance with the original or Revision 1 of Hamilton Standard ASB No. 14RF-9-61-A92, and which passed inspection or were repaired, need not be inspected again.

(1) Prior to further flight, remove from service propeller blades with mechanical damage that exceed repair limits specified in ASB No. 14RF-9-61-A92, Revision 2, dated March 6, 1996, and replace with serviceable parts.

(2) Prior to further flight, repair propeller blades with repairable damage in accordance with the procedures described in ASB No. 14RF-9-61-A92, Revision 2, dated March 6, 1996.

(d) Propeller blades removed from service in accordance with paragraph (c) of this AD, may be returned to service provided the blades are inspected for cracks and repaired in accordance with the procedures described in Hamilton Standard SB No. 14RF-9-61-105, dated July 24, 1996. Blades with damage that exceed repair limits specified in Hamilton Standard SB 14RF-9-61-105, dated July 24, 1996, cannot be returned to service.

(e) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Boston Aircraft Certification Office. The request should be forwarded through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Boston Aircraft Certification Office.

Note: Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the Boston Aircraft Certification Office.

(f) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the aircraft to a location where the requirements of this AD can be accomplished.

(g) The actions required by this AD shall be performed in accordance with Hamilton Standard Service Bulletin (SB) No. 14RF-9-61-86, Pages 1-34, Revision 4, dated November 9, 1995, Hamilton Standard Alert SB No. 14RF-9-61-A90, Pages 1-39, Original, dated November 9, 1995; Hamilton Standard Alert SB No. 14RF-9-61-A92, Pages 1-44, Revision 2, dated March 6, 1996, and Hamilton Standard SB No. 14RF-9-61-105, Pages 1-23, Original, dated July 24, 1996. The incorporation of Hamilton Standard ASB Nos. 14RF-9-61-86, 14RF-9-61-A90, and 14RF-9-61-A92, was approved previously in accordance with 5 U.S.C.

552(a) and 1 CFR part 51 as of May 1, 1996 (61 FR 16618, 4/16/96). The incorporation by reference of Hamilton Standard Service Bulletin No. 14RF-9-61-105, Pages 1-23, Original dated July 24, 1996, was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51 as of August 2, 1996. Copies may be obtained from Hamilton Standard, One Hamilton Road, Windsor Locks, CT 06096-1010; telephone (203) 654-6876. Copies may be inspected at the FAA, New England Region, Office of the Assistant Chief 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.

(h) This amendment revises AD 96-08-01, issued April 1, 1996.

(i) This amendment becomes effective on August 2, 1996.

Issued in Burlington, Massachusetts, on July 27, 1996.

Jay J. Pardee,

Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 96-19560 Filed 7-31-96; 10:38 am]

BILLING CODE 4910-13-U

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 96-ANM-012]

Establishment of Class E Airspace; Grants Pass, OR

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action establishes the Grants Pass, Oregon, Class E airspace to accommodate a Global Positioning System (GPS) Standard Instrument Approach Procedure (SIAP) to the Grants Pass Airport.

EFFECTIVE DATE: 0901 UTC, December 5, 1996.

FOR FURTHER INFORMATION CONTACT: James C. Frala, Operations Branch, ANM-532.4, Federal Aviation Administration, Docket No. 96-ANM-012, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone number: (206) 227-2535.

SUPPLEMENTARY INFORMATION:

History

On June 12, 1996, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) to establish Class E airspace at Grants Pass, Oregon, to accommodate a new GPS SIAP to the Grants Pass Airport (61 FR 29699). Interested parties were invited to participate in the rulemaking proceeding by submitting written comments on the proposal. No comments were received.