

interest in the individual account.) Qualifying joint accounts in the names of both husband and wife which are comprised of community property funds shall be added together and insured up to \$200,000, separately from any funds deposited into accounts bearing their individual names.

\* \* \* \* \*

By order of the Board of Directors.

Dated at Washington, D.C., this 8th day of November, 1999.

Federal Deposit Insurance Corporation.

**Robert E. Feldman,**

*Executive Secretary.*

[FR Doc. 99-29830 Filed 11-15-99; 8:45 am]

BILLING CODE 6714-01-P

## FEDERAL DEPOSIT INSURANCE CORPORATION

### 12 CFR Part 343

RIN 3064-AC19

#### Insured State Nonmember Banks Which Are Municipal Securities Dealers

**AGENCY:** Federal Deposit Insurance Corporation.

**ACTION:** Final rule.

**SUMMARY:** The Federal Deposit Insurance Corporation (FDIC) published a notice of proposed rescission of a rule in the **Federal Register** on May 16, 1997, which proposed to rescind its regulation entitled "Insured State Nonmember Banks Which Are Municipal Securities Dealers". The regulation requires insured state nonmember banks which are municipal securities dealers to file with the FDIC certain information about those persons who are or seek to be associated with these dealers as municipal securities principals or municipal securities representatives. The FDIC has determined for a number of reasons, as set forth in the original notice and discussed in **SUPPLEMENTARY INFORMATION**, that the regulation is unnecessary and duplicative, and therefore, the FDIC is rescinding it.

**EFFECTIVE DATE:** The rescission of this regulation will be effective December 16, 1999.

**FOR FURTHER INFORMATION CONTACT:** Amy A. Mitchell, Senior Capital Markets Specialist, Division of Supervision (202) 898-3670, or Karen L. Main, Counsel, Legal Division (202) 898-8838.

**SUPPLEMENTARY INFORMATION:**

#### I. Background

Part 343 of the FDIC's rules and regulations requires insured state nonmember banks and certain of their subsidiaries, departments and divisions which are municipal securities dealers, as defined in section 3(a)(30) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(30)) (Exchange Act), to file certain information with the FDIC. State nonmember banks must file information about persons who are associated with their subsidiaries, departments and divisions as municipal securities principals or municipal securities representatives. The Exchange Act delegates responsibility to the Municipal Securities Rulemaking Board (MSRB) to formulate rules regulating the activities of municipal securities dealers. The FDIC is authorized, pursuant to section 3(a)(34)(A)(iii) of the Exchange Act, to enforce compliance with MSRB rules by any insured state nonmember bank, as well as a subsidiary or a department or a division thereof, which is a municipal securities dealer (hereafter referred to as a state nonmember bank municipal securities dealer).

One of the areas in which the Exchange Act directs the MSRB to promulgate rules is the qualification of persons associated with municipal securities dealers. Under paragraph (b) of MSRB Rule G-7, persons who are or seek to be associated with municipal securities dealers as municipal securities principals or municipal securities representatives must provide certain background information and conversely, the municipal securities dealers must obtain the information from such persons. The FDIC, the Office of the Comptroller of the Currency (OCC), and the Board of Governors of the Federal Reserve System (FRB) (collectively, the Banking Agencies) developed Form MSD-4 to satisfy this requirement. The FDIC requires state nonmember bank municipal securities dealers to file Form MSD-4 with the FDIC. 12 CFR 343.3(a).

Under paragraph (c) of MSRB Rule G-7, a person who is or seeks to be associated with a municipal securities dealer is required to provide the dealer with a statement correcting information furnished under paragraph (b), to the extent that such information becomes materially inaccurate or incomplete. The FDIC requires state nonmember bank municipal securities dealers to file with the FDIC copies of MSRB Rule G-7 paragraph (c) statements and Form MSD-5s. Form MSD-5, also developed by the Banking Agencies, is a notification by a municipal securities

dealer that a municipal securities principal or a municipal securities representative has terminated association with the dealer and the reasons for such termination. 12 CFR 343.3 (b) and (c).

Paragraphs (e) and (f) of the MSRB Rule G-7 contain record retention requirements. The FDIC has imposed substantially the same requirements on state nonmember bank municipal securities dealers. 12 CFR 343.3(d).

Paragraph (g) of the MSRB's Rule G-7 requires every bank municipal securities dealer to file with the appropriate regulatory agency for such bank dealer the information prescribed by the MSRB's Rule G-7, as the appropriate regulatory agency shall require by rule or regulation. As noted above, the FDIC requires that each state nonmember bank municipal securities dealer file Form MSD-4, MSRB Rule G-7 paragraph (c) statement, and Form MSD-5 with the FDIC for each person associated with the dealer as a municipal securities principal or municipal securities representative.

#### II. Basis for Rescission of Part 343

The reasons supporting the rescission of part 343 of the FDIC's rules and regulations were thoroughly discussed in the original proposal to rescind. (62 FR 26994, May 16, 1997). A summary of the most compelling justifications are provided below.

##### A. MSRB's Rule G-7 Requires the Provision of Much of the Same Information as § 343.3

The requirements of § 343.3 are largely duplicative of those requirements in MSRB Rule G-7. Therefore, there is no need to retain these redundant requirements in part 343 of the FDIC's rules and regulations. Paragraph (b) of the MSRB's Rule G-7 requires bank municipal securities dealers to obtain certain information from persons who are or seek to be associated with them as municipal securities principals or municipal securities representatives. Paragraph (c) requires filing of statements to correct materially inaccurate or incomplete information. MSRB's Rule G-7 paragraphs (e) and (f) provide recordkeeping requirements, including that the information required in paragraphs (b) and (c) be maintained for three years after the associated person's employment with the municipal securities dealer or broker has terminated.

In order to implement MSRB Rule G-7, the FDIC will continue to provide the Forms MSD-4 and MSD-5 to state nonmember bank municipal securities

dealers. These forms will be reviewed by the FDIC during the regular examination process. Section 15B(c)(5) of the Exchange Act authorizes the FDIC to enforce MSRB regulations in accordance with section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818).

#### *B. The Number of Covered Entities is Declining*

The FDIC has noted a steady decline in the number of state nonmember bank municipal securities dealers over the last several years. Withdrawal of several banks previously registered as bank municipal securities dealers, as well as the consolidation of the industry, has caused the number of state nonmember bank municipal securities dealers to decline to 12. In the interests of efficiency and reducing duplicative requirements for this very small number of covered entities, the FDIC is rescinding its part 343 and relying on MSRB Rule G-7.

#### *C. Implementing Regulations Are Not Required by the Exchange Act*

Section 23(a)(1) of the Exchange Act states that the FDIC shall have power "to make such rules or regulations as may be necessary or appropriate to implement the provisions of this title for which [it is] responsible". Although section 15B(b)(2)(A) of the Exchange Act requires the MSRB to promulgate regulations addressing the qualification of persons who are or seek to be associated with bank municipal securities dealers, there is no corresponding statutory requirement imposed upon the Banking Agencies, including the FDIC. Therefore, the FDIC may exercise its discretion to determine whether it is necessary or appropriate to adopt regulations such as part 343 or, in this case, to decide that such a regulation is no longer necessary or appropriate.

#### *D. Maintenance of Uniformity Among Banking Agencies*

The FDIC undertook the review of part 343 of its rules and regulations as part of a systematic review of its regulations and written policies mandated by section 303(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRI) (12 U.S.C. 4803(a)). Section 303(a) of CDRI requires each of the Banking Agencies to remove inconsistencies and outmoded and duplicative requirements from its regulations and written policies. The FDIC has determined that part 343 is duplicative of many of the requirements of the MSRB's Rule G-7.

Section 303(a)(2) of CDRI requires the FDIC to work jointly with the other federal banking agencies to make uniform all regulations "implementing common statutory or supervisory policies". The Banking Agencies will continue to take a uniform approach to this substantive legal area, although the means of reaching that end is not uniform. The FRB has rescinded its regulation, 12 CFR 208.8(j) (63 FR 37629, July 13, 1998); however, it intends that the applicable state member banks which are municipal securities dealers will continue to file the requisite reports and maintain the applicable records. (62 FR 15272, 15278, March 31, 1997). The OCC streamlined its regulation, 12 CFR part 10, by cross-referencing the relevant MSRB rules and deleting certain redundant provisions (63 FR 29092, May 28, 1998). Therefore, the Banking Agencies have succeeded in moving toward the objective stated in section 303(a)(2) of CDRI as well as accomplishing the overall goal of eliminating duplicative and unnecessary regulations.

#### **III. Comments Received**

The FDIC published its notice of proposed rescission in the **Federal Register** on May 16, 1997 (62 FR 26994), and accepted comments through July 15, 1997. No comments were received on the proposal.

#### **IV. Paperwork Reduction Act**

In accordance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*), the FDIC may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The collection of information requirements contained in part 343 (Form MSD-4, the MSRB Rule G-7(c) statement and Form MSD-5) have been approved by OMB under control number 3064-0022 which expires August 31, 2002. The rescission of part 343 will not alter this collection. The requirement under the MSRB's Rule G-7 that bank municipal securities dealers collect the prescribed information from the persons who are or seek to be associated with them as municipal securities principals or municipal securities representatives still remains in effect.

#### **V. Regulatory Flexibility Act**

Under section 605(b) of the Regulatory Flexibility Act (RFA) (5 U.S.C. 605(b)), the regulatory flexibility analysis otherwise required under section 604 of the RFA (5 U.S.C. 604) is

not required if the head of the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities and the agency publishes such certification and a statement providing the factual basis for such certification in the **Federal Register** along with the final rule.

The FDIC estimates that, currently, there are 12 state nonmember bank municipal securities dealers under its jurisdiction, none of which have \$100 million or less in assets. The rescission of part 343 would result in the elimination of duplicative and unnecessary informational requirements found in the FDIC's regulation and allow the covered entities to refer to the MSRB's Rule G-7 requirements instead. Basically, the state nonmember bank's reporting and recordkeeping obligations will remain the same. Thus, the FDIC Board of Directors hereby certifies that the rescission of part 343 of its rules and regulations will not have a significant economic impact on a substantial number of small entities within the meaning of the RFA. Therefore, the provisions of the RFA regarding a final regulatory flexibility analysis (Id. At 604) do not apply here.

#### **VI. Small Business Regulatory Enforcement Fairness Act**

The Office of Management and Budget has determined that this rule is not a "major rule" within the meaning of the relevant sections of the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), 5 U.S.C. 801, *et seq.* As required by SBREFA, the FDIC will file the appropriate reports with Congress and the General Accounting Office so that the rescission of part 343 can be reviewed.

#### **VII. Assessment of Impact of Federal Regulation on Families**

The FDIC has determined that the rescission of this rule will not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act, 1999, Public Law 105-277, 112 Stat. 2681 (1998).

#### **List of Subjects in 12 CFR Part 343**

Banks, banking, Reporting and recordkeeping requirements, Securities.

Under the authority of 12 U.S.C. 1819(a) (Tenth), the Board of Directors of the Federal Deposit Insurance Corporation hereby removes part 343 of title 12 of the Code of Federal Regulations.

**PART 343—[REMOVED AND RESERVED]**

1. Part 343 is removed and reserved.

By Order of the Board of Directors.

Dated at Washington, D.C. this 8th day of November, 1999.

Federal Deposit Insurance Corporation.

**Robert E. Feldman,**

*Executive Secretary.*

[FR Doc. 99-29853 Filed 11-15-99; 8:45 am]

BILLING CODE 6714-01-P

**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Part 39**

[Docket No. 99-SW-55-AD; Amendment 39-11419; AD 99-23-23]

RIN 2120-AA64

**Airworthiness Directives; Bell Helicopter Textron, Inc. Model 412, 412EP and 412CF Helicopters**

**AGENCY:** Federal Aviation Administration, DOT.

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

**SUMMARY:** This amendment adopts a new airworthiness directive (AD) applicable to Bell Helicopter Textron, Inc. (BHTI) Model 412, 412EP, and 412CF helicopters. This action requires inspecting and measuring the thickness of certain main rotor yoke assemblies. This AD also requires adding 500 hours time-in-service (TIS) to the total time for main rotor yoke assemblies that measure below 0.478-inch thickness and noting the measurement and added TIS on the component history card or equivalent record. This amendment is prompted by a report of an emergency landing due to severe main rotor vibration on a BHTI Model 412 helicopter. Subsequent fatigue analysis indicates that the main rotor yoke assembly (yoke) does not have the anticipated service life when manufactured below 0.478-inch thickness. The actions specified in this AD are intended to prevent a fatigue failure of the yoke, loss of a main rotor blade, and subsequent loss of control of the helicopter.

**DATES:** Effective December 1, 1999.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the **Federal Register** as of December 1, 1999.

Comments for inclusion in the Rules Docket must be received on or before January 18, 2000.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Office of the Regional Counsel, Southwest Region, Attention: Rules Docket No. 99-SW-55-AD, 2601 Meacham Blvd., Room 663, Fort Worth, Texas 76137.

The service information referenced in this AD may be obtained from Bell Helicopter Textron, Inc., P.O. Box 482, Fort Worth, Texas 76101, telephone (817) 280-3391, fax (817) 280-6466. This information may be examined at the FAA, Office of the Regional Counsel, Southwest Region, 2601 Meacham Blvd., Room 663, Fort Worth, Texas 76137; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

**FOR FURTHER INFORMATION CONTACT:**

Michael Kohner, FAA, Rotorcraft Directorate, Rotorcraft Certification Office, 2601 Meacham Blvd., Fort Worth, Texas 76137, telephone (817) 222-5447, fax (817) 222-5783.

**SUPPLEMENTARY INFORMATION:** This amendment adopts a new AD applicable to BHTI Model 412, 412EP, and 412CF helicopters. This action requires inspecting and measuring each yoke, part number (P/N) 412-010-101-123 or -127, installed on Model 412 and 412EP helicopters, serial numbers (S/N) 33001 through 33213, 34001 through 34036, and 36001 through 36204; and on Model 412CF helicopters, S/N 46400 through 46499. If a yoke measures less than 0.478-inch thickness, this AD requires adding 500 hours TIS to the total time for the component and noting the measurement and the increase in hours TIS on the component history card or equivalent record. This amendment is prompted by a report of an emergency landing due to severe main rotor vibration on a BHTI Model 412 helicopter. Subsequent fatigue analysis indicates that a yoke does not have the anticipated service life when manufactured to less than a 0.478-inch thickness. This condition, if not corrected could result in a fatigue failure of the yoke, loss of a main rotor blade, and subsequent loss of control of the helicopter.

The FAA has reviewed BHTI Service Bulletins 412-98-93 and 412CF-98-5, both dated March 2, 1998 (ASB), which describe procedures for inspecting and measuring certain yokes and imposing a flight-hour penalty of 500 hours TIS for yokes measuring less than 0.478-inch thickness.

Since an unsafe condition has been identified that is likely to exist or develop on other BHTI Model 412, 412EP, and 412CF helicopters of the same type design, this AD is being

issued to prevent a fatigue failure of a yoke, loss of a main rotor blade, and subsequent loss of control of the helicopter. This AD requires inspecting and measuring each yoke, P/N 412-010-101-123 and -127, for thickness. The AD also requires noting on the component history card or equivalent record the thickness measurement and adding 500 hours TIS to the total time of any yoke that measures under 0.478-inch thickness. The actions are required to be accomplished in accordance with the applicable ASB described previously. The short compliance time involved is required because the previously described critical unsafe condition can adversely affect the controllability of the helicopter. Therefore, to prevent a fatigue failure of the yoke, this AD must be issued immediately.

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.

The FAA estimates that 149 helicopters will be affected by this AD, that it will take approximately 8 work hours to accomplish the measurement of the yoke thickness and to annotate the history card or equivalent component record, and that the average labor rate is \$60 per work hour. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be \$71,520.

**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