

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Chapter VII

Request for Burden Reduction Recommendation; Directors, Officers and Employees and Rules of Procedure; Economic Growth and Regulatory Paperwork Reduction Act of 1996 Review

AGENCY: National Credit Union
Administration (NCUA).

ACTION: Notice of regulatory review;
request for comments.

SUMMARY: The NCUA Board is continuing its review of its regulations to identify outdated, unnecessary, or unduly burdensome regulatory requirements imposed on federally-insured credit unions pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA). Today, NCUA requests comments and suggestions on ways to reduce burden in regulations that govern directors, officers, and employees and that establish rules of procedure, consistent with our statutory obligations. All comments are welcome.

We will analyze the comments received and propose burden reducing changes to our regulations where appropriate. Some suggestions for burden reduction might require legislative changes. Where legislative changes would be required, we will consider the suggestions in recommending appropriate changes to Congress.

DATES: Comment must be received on or before October 5, 2005.

ADDRESSES: You may submit comments by any of the following methods (Please send comments by one method only):

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *NCUA Web site:* http://www.ncua.gov/RegulationsOpinionsLaws/proposed_regs/proposed_regs.html. Follow the instructions for submitting comments.

- *E-mail:* Address to regcomments@ncua.gov. Include "[Your name] Comments on Fifth EGRPRA Notice" in the e-mail subject line.

- *Fax:* (703) 518-6319. Use the subject line described above for e-mail.

- *Mail:* Address to Mary Rupp, Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

- *Hand Delivery/Courier:* Same as mail address.

Public Inspection: All public comments are available on the agency's Web site at <http://www.ncua.gov/RegulationsOpinionsLaws/comments> as submitted, except as may not be possible for technical reasons. Public comments will not be edited to remove any identifying or contact information. Paper copies of comments may be inspected in NCUA's law library, at 1775 Duke Street, Alexandria, Virginia 22314, by appointment weekdays between 9 a.m. and 3 p.m. To make an appointment, call (703) 518-6546 or send an e-mail to OGCMail@ncua.gov.

FOR FURTHER INFORMATION CONTACT: Ross P. Kendall, Staff Attorney, Office of General Counsel, at the above address or telephone (703) 518-6562.

SUPPLEMENTARY INFORMATION:

I. Introduction

NCUA seeks public comment and suggestions on ways it can reduce regulatory burdens consistent with our statutory obligations. Today, we request input to help identify which requirements in two regulatory categories—Directors, Officers and Employees and Rules of Procedure—are outdated, unnecessary, or unduly burdensome. The rules in these categories are listed in a chart at the end of this notice. The EGRPRA review supplements and complements the reviews of regulations that NCUA conducts under other laws and its internal policies.

We specifically invite comment on the following issues: Whether statutory changes are needed; whether the regulations contain requirements that are not needed to serve the purposes of the statutes they implement; the extent to which the regulations may adversely affect competition; the cost of compliance associated with reporting, recordkeeping, and disclosure requirements, particularly on small credit unions; whether any regulatory requirements are inconsistent or redundant; and whether any regulations are unclear.

In drafting this notice, the NCUA participated as part of the EGRPRA planning process with the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of Thrift Supervision (Agencies). Because of the unique circumstances of federally-insured credit unions and their members, NCUA is issuing a separate notice from the four bank regulatory agencies, which are issuing a joint notice. NCUA's notice is consistent and comparable with the joint notice,

although there are differences. For example, unlike the bank regulators, NCUA included Powers and Activities of Credit Unions in an earlier notice, and so this notice makes no reference to that subject.

II. A. The EGRPRA Review Requirements and NCUA's Proposed Plan

This notice is part of the regulatory review required by section 2222 of EGRPRA.¹ The NCUA described the review requirements in our initial **Federal Register** notice, published on July 3, 2003 (68 FR 39863). As we noted at that time, we anticipate that the EGRPRA review's overall focus on the "forest" of regulations will offer a new perspective in identifying opportunities to reduce regulatory burden. We must, of course, assure that the effort to reduce regulatory burden is consistent with applicable statutory mandates and provides for the continued safety and soundness of federally-insured credit unions and appropriate consumer protections.

The EGRPRA review required that NCUA categorize our regulations by type. Our July 3, 2003, **Federal Register** publication identified ten broad categories for our regulations.

The categories are:

1. Applications and Reporting.
2. Powers and Activities.
3. Agency Programs.
4. Capital.
5. Consumer Protection.
6. Corporate Credit Unions.
7. Directors, Officers and Employees.
8. Money Laundering.
9. Rules of Procedure.
10. Safety and Soundness.

To spread the work of commenting on and reviewing the categories of rules over a reasonable period of time, we proposed to publish one or more categories of rules approximately every six months between 2003 and 2006 and provide a 90-day comment period for each publication. We asked for comment on all aspects of our plan, including: The categories, the rules in each category, and the order in which we should review the categories. Because the NCUA was eager to begin reducing unnecessary burden where appropriate, our initial notice also published the first two categories of rules for comment (Applications and Reporting and Powers and Activities). NCUA published its second notice, soliciting comment on consumer protection rules in the lending area, on

¹ Pub. L. No. 104-208, div. A, title II, section 2222, 110 Stat. 3009-414; codified at 12 U.S.C. 3311.

February 4, 2004 (69 FR 5300); its third notice, relating to other consumer protection rules, on July 8, 2004 (69 FR 41202); and its fourth notice, relating to safety and soundness and anti-money laundering, on February 4, 2005 (70 FR 5946). All our covered categories of rules must be published for comment and reviewed by the end of September 2006.

The EGRPRA review then requires the Agencies to: (1) Publish a summary of the comments we received, identifying and discussing the significant issues raised in them; and (2) eliminate unnecessary regulatory requirements. Within 30 days after the Agencies publish the comment summary and discussion, the Federal Financial Institutions Examination Council (FFIEC), which is an interagency body to which all of the Agencies belong, must submit a report to Congress. This report will summarize significant issues raised by the public comments and the relative merits of those issues. It will also analyze whether the appropriate Federal financial institution regulatory agency can address the burdens by regulation, or whether the burdens must be addressed by legislation.

B. Public Response and NCUA's Current Plan

NCUA received eight comments in response to its first notice, four comments in response to its second notice, six in response to the third notice and eleven in response to the fourth notice. The comments have been posted on the interagency EGRPRA Web site, <http://www.EGRPRA.gov>, and can be viewed by clicking on "Comments." We are actively reviewing the feedback received about specific ways to reduce regulatory burden, as well as conducting our own analyses. Because the main purpose of this notice is to request comment on the next category of regulations, we will not discuss specific recommendations that we have received in response to our earlier notices here. However, as we develop initiatives to reduce burden on specific subjects in the future—whether through regulatory, legislative, or other channels—we will discuss the public's recommendations that relate to our proposed actions.

III. Request for Comment on Directors, Officers and Employees and Rules of Procedure Categories

NCUA is asking the public to identify the ways in which the rules in the category of Directors, Officers, and Employees and Rules of Procedure may be outdated, unnecessary, or unduly burdensome. If the implementation of a comment would require modifying a statute that underlies the regulation, the comment should, if possible, identify the needed statutory change. We encourage comments that not only deal with individual rules or requirements but also pertain to certain product lines. A product line approach is consistent with EGRPRA's focus on how rules interact, and may be especially helpful in exposing redundant or potentially inconsistent regulatory requirements. We recognize that commenters using a product line approach may want to make recommendations about rules that are not in our current request for comment. They should do so since the EGRPRA categories are designed to stimulate creative approaches rather than limiting them.

Specific issues to consider. While all comments are welcome, NCUA specifically invites comment on the following issues:

- *Need for statutory change.* Do any of the statutory requirements underlying these regulations impose redundant, conflicting or otherwise unduly burdensome requirements? Are there less burdensome alternatives?

- *Need and purpose of the regulations.* Are the regulations consistent with the purposes of the statutes that they implement? Have circumstances changed so that the regulation is no longer necessary? Do changes in the financial products and services offered to consumers suggest a need to revise certain regulations or statutes? Do any of the regulations impose compliance burdens not required by the statutes they implement?

- *General approach/flexibility.* Generally, is there a different approach to regulating that NCUA could use that would achieve statutory goals while imposing less burden? Do any of the regulations in this category or the statutes underlying them impose unnecessarily inflexible requirements?

- *Effect of the regulations on competition.* Do any of the regulations in this category or the statutes underlying them create competitive disadvantages for credit unions compared to another part of the financial services industry?

- *Reporting, recordkeeping and disclosure requirements.* Do any of the regulations in this category or the statutes underlying them impose particularly burdensome reporting, recordkeeping or disclosure requirements? Are any of these requirements similar enough in purpose and use so that they could be consolidated? What, if any, of these requirements could be fulfilled electronically to reduce their burden? Are any of the reporting or recordkeeping requirements unnecessary to demonstrate compliance with the law?

- *Consistency and redundancy.* Do any of the regulations in this category impose inconsistent or redundant regulatory requirements that are not warranted by the purposes of the regulation?

- *Clarity.* Are the regulations in this category drafted in clear and easily understood language?

- *Burden on small insured institutions.* NCUA has a particular interest in minimizing burden on small insured credit unions (those with less than \$10 million in assets). More than half of federally-insured credit unions are small—having \$10 million in assets or less—as defined by NCUA in Interpretative Ruling and Policy Statement 03–2, Developing and Reviewing Government Regulations. NCUA solicits comment on how any regulations in this category could be changed to minimize any significant economic impact on a substantial number of small credit unions.

NCUA appreciates the efforts of all interested parties to help us eliminate outdated, unnecessary or unduly burdensome regulatory requirements.

IV. Regulations About Which Burden Reduction Recommendations Are Requested Currently

Directors, Officers, and Employees and Rules of Procedure.

Subject	Code of Federal Regulations (CFR) citation
Retirement Benefits for Employees	12 CFR 701.19.
Loans and Lines of Credit to Officials	12 CFR 701.21(d).
Reimbursement, Insurance and Indemnification of Officials and Employees	12 CFR 701.33.
Management Official Interlocks	12 CFR part 711.
Fidelity Bond and Insurance Coverage	12 CFR part 713.

Subject	Code of Federal Regulations (CFR) citation
Liquidation (Involuntary and Voluntary)	12 CFR parts 709 and 710.
Uniform Rules of Practice and Procedure	12 CFR part 747 subpart A.
Local Rules of Practice and Procedure	12 CFR part 747 subpart B.

By the National Credit Union
Administration Board on June 30, 2005.

Mary F. Rupp,

Secretary of the Board.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2005-21464; Directorate
Identifier 2005-CE-32-AD]

RIN 2120-AA64

Airworthiness Directives; SOCATA— Groupe AEROSPATIALE Model TBM 700 Airplanes

AGENCY: Federal Aviation
Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking
(NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for certain SOCATA—Groupe AEROSPATIALE (SOCATA) Model TBM 700 airplanes. This proposed AD would require you to inspect the fuselage skin in the VHF1 antenna mounting area for cracks and loose rivets. This proposed AD would also require you to modify the area if you find cracks or loose rivets. This proposed AD results from mandatory continuing airworthiness information (MCAI) issued by the airworthiness authority for France. We are issuing this proposed AD to detect and correct cracks in the fuselage skin, which could result in loss of aircraft pressurization. Loss of aircraft pressurization could lead to flight crew incapacitation.

DATES: We must receive any comments on this proposed AD by August 19, 2005.

ADDRESSES: Use one of the following to submit comments on this proposed AD:

- **DOT Docket Web site:** Go to <http://dms.dot.gov> and follow the instructions for sending your comments electronically.

- **Government-wide rulemaking Web site:** Go to <http://www.regulations.gov> and follow the instructions for sending your comments electronically.

- **Mail:** Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL-401, Washington, DC 20590-001.

- **Fax:** 1-202-493-2251.

- **Hand Delivery:** Room PL-401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

To get the service information identified in this proposed AD, contact EADS SOCATA Tarbes, Direction des Services, 65921 Tarbes Cedex 9, France; telephone: 33 (0)5 62.41.73.00; facsimile: 33 (0)5 62.41.76.54; or SOCATA AIRCRAFT, North Perry Airport, 7501 Pembroke Road, Pembroke Pines, Florida 33023.

To view the comments to this proposed AD, go to <http://dms.dot.gov>. This is docket number FAA-2005-21464; Directorate Identifier 2005-CE-32-AD.

FOR FURTHER INFORMATION CONTACT:

Peter L. Rouse, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4135; facsimile: (816) 329-4090.

SUPPLEMENTARY INFORMATION:

Comments Invited

How do I comment on this proposed AD? We invite you to submit any written relevant data, views, or arguments regarding this proposal. Send your comments to an address listed under **ADDRESSES**. Include the docket number, "FAA-2005-21464; Directorate Identifier 2005-CE-32-AD" at the beginning of your comments. We will post all comments we receive, without change, to <http://dms.dot.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact with FAA personnel concerning this proposed rulemaking. Using the search function of our docket Web site, anyone can find and read the comments received into any of our dockets, including the name of the individual who sent the comment (or signed the comment on behalf of an association, business, labor union, etc.). This is docket number FAA-2005-21464; Directorate Identifier 2005-CE-32-AD. You may review the DOT's complete Privacy Act Statement in the **Federal**

Register published on April 11, 2000 (65 FR 19477-78) or you may visit <http://dms.dot.gov>.

Are there any specific portions of this proposed AD I should pay attention to? We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. If you contact us through a nonwritten communication and that contact relates to a substantive part of this proposed AD, we will summarize the contact and place the summary in the docket. We will consider all comments received by the closing date and may amend this proposed AD in light of those comments and contacts.

Docket Information

Where can I go to view the docket information? You may view the AD docket that contains the proposal, any comments received, and any final disposition in person at the DMS Docket Offices between 9 a.m. and 5 p.m. (eastern standard time), Monday through Friday, except Federal holidays. The Docket Office (telephone 1-800-647-5227) is located on the plaza level of the Department of Transportation NASSIF Building at the street address stated in **ADDRESSES**. You may also view the AD docket on the Internet at <http://dms.dot.gov>. The comments will be available in the AD docket shortly after the DMS receives them.

Discussion

What events have caused this proposed AD? The Direction Générale de L'Aviation Civile (DGAC), which is the airworthiness authority for France, notified FAA that an unsafe condition may exist on certain SOCATA Model TBM 700 airplanes. The DGAC reports cracks in the fuselage skin by the passenger door on the affected airplanes. These airplanes have a VHF1 antenna mounted under the fuselage between frame C12 and C13 or C13 and C13bis.

Investigations reveal that antenna vibrations are causing the cracks.

What is the potential impact if FAA took no action? If not detected and corrected, cracks in the fuselage skin could cause loss of aircraft pressurization. Loss of pressurization could lead to flight crew incapacitation.