

Rules and Regulations

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DEPARTMENT OF AGRICULTURE

Rural Housing Service

Rural Business-Cooperative Service

Rural Utilities Service

Farm Service Agency

7 CFR Part 1980

Nonprofit National Corporations Loan and Grant Program

AGENCIES: Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, and Farm Service Agency, USDA.

ACTION: Final rule.

SUMMARY: The Rural Business-Cooperative Service (RBS) removes, as unnecessary, regulations concerning the Nonprofit National Corporations Loan and Grant Program from the Code of Federal Regulations, since no funding is available or requested. This action is being taken as part of the National Performance Review program to eliminate excess regulations and to improve the quality of those that remain in effect.

EFFECTIVE DATE: October 30, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. Joyce Allen, Business Programs, Servicing Division, Loan Specialist, Rural Business-Cooperative Service, USDA, STOP 3224, Washington DC 20250-3221, telephone (202) 720-8604.

SUPPLEMENTARY INFORMATION:

Classification

This action is not subject to the provisions of Executive Order 12866 since it involves only internal Agency management. This Action is not published for prior notice and comment under the Administrative Procedure Act since it involves only internal Agency management and publication for

comment is unnecessary and contrary to the public intent.

Regulatory Flexibility Act

The Regulatory Flexibility Act is not applicable to this rule since the Rural Business-Cooperative Service (RBS) is not required by 5 U.S.C. 553, or any other provision of law, to publish a notice of proposed rulemaking to effect these administrative changes.

Environmental Impact Statement

This action has been reviewed in accordance with 7 CFR part 1940, subpart G, "Environmental Program." The Agency has determined that this action does not constitute a major Federal action significantly affecting the quality of the human environment, and in accordance with the National Environmental Policy Act of 1969, Pub. L. 91-190, an Environmental Impact Statement is not required.

Executive Order 12778

This rule was reviewed in accordance with Executive Order 12778. The provisions of the rule do not preempt State laws, are not retroactive, and do not involve administrative appeals.

Unfunded Mandate Reform Act

Title II of the Unfunded Mandate Reform Act of 1995 (UMRA), Pub. L. 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local and tribal governments, and the private sector. Under section 202 of the UMRA, RBS generally must prepare a written statement, including a cost-benefit analysis, for proposed and final rules with "Federal mandates" that may result in expenditures to State, local, or tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any one year. When such a statement is needed for a rule, section 205 of the UMRA generally requires RBS to identify and consider a reasonable number of regulatory alternatives and adopt the least burdensome alternative that achieves the objectives of the rule.

This rule contains no Federal mandates (under the regulatory provisions of Title II of the UMRA) for State, local and tribal governments, or the private sector. Thus, today's rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Paperwork Reduction Act

This final rule does not impose any new information or recordkeeping requirements on the public. The Agency will update the data documenting the burden on the public at its regularly scheduled burden submissions to OMB.

Background

This final rule removes regulations concerning the Nonprofit National Corporations Loan and Grant Program from the Code of Federal Regulations, since no funding is available or requested.

List of Subjects in 7 CFR Part 1980

Business and industry, Grant programs—business, Loan programs—business, Nonprofit organizations, Rural areas. Accordingly, Chapter XVIII, title 7, Code of Federal Regulations is amended as follows:

PART 1980—GENERAL

1. The authority citation for part 1980 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1989; 42 U.S.C. 1480; 7 CFR 2.23 and 2.70.

Subpart G—[Removed and Reserved]

2. Subpart G, consisting of §§ 1980.601 through 1980.700 and appendices A through D, is removed and reserved.

Dated: September 9, 1996.
Jill Long Thompson,
Under Secretary, Rural Development.
[FR Doc. 96-27765 Filed 10-29-96; 8:45 am]
BILLING CODE 3410-XT-U

FEDERAL HOUSING FINANCE BOARD

12 CFR Part 934

[No. 96-71]

Amendment of Budgets Regulation

AGENCY: Federal Housing Finance Board.

ACTION: Final rule.

SUMMARY: The Federal Housing Finance Board (Finance Board) is amending its regulation governing approval of Federal Home Loan Bank (FHLBank) budgets by removing the requirement that the FHLBanks' budgets be approved by the Finance Board. In order to ensure sufficient data to carry out its

supervisory responsibility to ensure the safety and soundness of FHLBank operations, the final rule establishes specific requirements for the FHLBanks' preparation and reporting of both budget and other financial information to the Finance Board. Certain of these reporting requirements are derived and streamlined from the Finance Board's current practice for budget and financial information reporting by the FHLBanks. The final rule is consistent with the Finance Board's continuing effort to devolve management and governance authority to the FHLBanks. It also is consistent with the goals of the Regulatory Reinvention Initiative of the National Performance Review.

EFFECTIVE DATE: The final rule is effective November 29, 1996.

FOR FURTHER INFORMATION CONTACT: John C. Waters, Office of Resource Management, (202) 408-2860, or Sharon B. Like, Senior Attorney-Advisor, Office of General Counsel, (202) 408-2930, Federal Housing Finance Board, 1777 F Street, N.W., Washington, D.C. 20006.

SUPPLEMENTARY INFORMATION:

I. Statutory and Regulatory Background

The Federal Home Loan Bank Act (Bank Act), 12 U.S.C. 1421 to 1449, does not provide explicitly for Finance Board approval of Bank budgets. *See id.* section 1432(a). Such approval authority is derived from the Finance Board's general powers and duties to supervise the FHLBanks under sections 2A(a)(3) and 2B(a)(1) of the Bank Act, as well as the Finance Board's authority to approve corporate powers granted to the FHLBanks under section 12(a) of the Bank Act. *See id.* sections 1422a(a)(3), 1422b(a)(1), 1432(a).

Section 934.6 of the Finance Board's existing regulation provides:

As prescribed by the [Finance] Board or its designee, each Bank shall prepare and submit to the Board for its approval a budget. Each Bank will operate within such budget as approved or as it may be amended by the Bank's board of directors within limits set by the Board. Any amendment beyond such limits must be submitted to the Board for approval. The Board's designee, may approve amendments within limits set by the Board.

See 12 CFR 934.6.

The substance of § 934.6 previously appeared at § 524.6 of the regulations of the Finance Board's predecessor, the Federal Home Loan Bank Board (FHLBB). *See* 12 CFR 524.6 (1989) (redesignated). The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Pub. L. 101-73, 103 Stat. 183 (Aug. 9, 1989), amended the Bank Act by creating the Finance Board and transferring from the

FHLBB to the Finance Board the responsibility for the supervision and regulation of the twelve FHLBanks. *See* 12 U.S.C. 1422a(a), 1422b(a)(1). Section 524.6 subsequently was redesignated as § 934.6 of the Finance Board's regulations. *See* 54 FR 36757 (Sept. 5, 1989).

In approving the FHLBanks' budgets under current § 934.6, the Finance Board's practice, which is not codified in the regulation, has been to request from each FHLBank a report on the FHLBank's annual budgets approved by its board of directors, including the following information: projected balance sheet; projected income statement (including FHLBank board-approved operating expense budget and staffing levels); FHLBank board-approved capital expenditures budget; supplemental information as requested by the Finance Board; strategic/business plan; organizational chart; FHLBank board-approved budget resolution; and management discussion of the FHLBank's expected financial performance and underlying assumptions and comparisons with the financial performance from the prior year.

Pursuant to § 934.6, the Finance Board approves each of the FHLBanks' operating expense and capital expenditures budgets. The Finance Board also approves amendments to FHLBank budgets that exceed previously approved limits.

In addition, Finance Board practice has been to require each FHLBank to submit quarterly reports that evaluate year-to-date actual performance results relative to the budget projections as originally approved or amended, and reforecasted financial projections for the remainder of the year relative to the budget projections as originally approved or amended. Each FHLBank also submits an annual report that evaluates the actual performance results for the year relative to the budget projections as originally approved or amended.

The Finance Board has been considering ways to transfer a variety of governance responsibilities it exercises to the FHLBanks since the completion of studies by the Congressional Budget Office, General Accounting Office, Department of Treasury, Department of the Housing and Urban Development, and Finance Board, which were required by the Housing and Community Development Act of 1992, Pub. L. 102-550, 106 Stat. 3672 (Oct. 28, 1992). These studies recommended that the governance and regulatory responsibilities for the FHLBanks be separated, with the FHLBanks carrying

out the management functions, and the Finance Board exercising regulatory oversight over the FHLBanks. The Finance Board already has taken actions to devolve other governance functions to the FHLBanks, including its recently adopted final rule transferring responsibility for all FHLBank membership approvals from the Finance Board to the FHLBanks. *See* 61 FR 42531 (Aug. 16, 1996) (to be codified at 12 CFR part 933).

Approval of the FHLBanks' budgets is a management responsibility which the Finance Board believes is best administered by the FHLBanks' respective boards of directors. Therefore, the Finance Board approved for publication a proposed rule to amend the budgets regulation by eliminating the requirement that the Finance Board approve FHLBank budgets, while establishing reporting requirements for the FHLBanks in order to ensure that the Finance Board has sufficient information to carry out its supervisory responsibility. The notice of proposed rulemaking was published in the Federal Register on August 9, 1996, with a 30-day public comment period that closed on September 9, 1996. *See* 61 FR 41535 (Aug. 9, 1996).

The Finance Board received a total of seven comment letters in response to the notice of proposed rulemaking. The commenters included five FHLBanks and two trade associations. All comment letters addressing the issue supported the elimination of Finance Board approval of FHLBank budgets. Generally, commenters viewed budget approval as a management responsibility best administered by the Banks' boards and the transfer of this responsibility as consistent with the Finance Board's devolvement of corporate governance authority.

In addition, most commenters addressed one or both of the two issues in the proposed rule for which comments were specifically requested—Finance Board determination of a consistent interest rate scenario to be incorporated in FHLBank budgets and adoption of an efficiency standard in the rule. One commenter also presented views on establishing a threshold for budget amendments submitted to the Finance Board and on overall reporting requirements proposed by the Finance Board. Specific comments are discussed in Section II of the **SUPPLEMENTARY INFORMATION**.

II. Analysis of Public Comments and the Final Rule

The final rule sets forth responsibilities and requirements for adoption of annual FHLBank budgets,

and reporting requirements for annual budgets, budget amendments, mid-year reforecasted projections, and annual actual performance results.

The following is a section-by-section analysis of the final rule.

A. Adoption of Annual FHLBank Budgets—§ 934.6(a)

Section 934.6(a)(1) of the final rule provides that each FHLBank's board of directors shall be responsible for the adoption of an annual operating expense budget and a capital expenditures budget for the FHLBank, and any subsequent amendments thereto, consistent with the requirements of the Bank Act, § 934.6, and other regulations and policies of the Finance Board. Finance Board approval of FHLBank operating expense and capital expenditures budgets will no longer be required. However, eliminating the requirement that the Finance Board approve FHLBank budgets will not preclude the Finance Board from continuing to require the reporting of FHLBank budgets and other financial information (as codified in this final rule), as part of its regulatory oversight responsibility. Furthermore, adoption of this final rule does not remove or modify the requirement in section 12(a) of the Bank Act that a FHLBank obtain the prior approval of the Finance Board before it may purchase or erect, or lease for a term of more than 10 years, a building to house the FHLBank. See *id.* section 1432(a); § 934.6(a)(2).

Six commenters supported the transfer of budget approval authority to the FHLBank boards. Almost uniformly, the commenters agreed that budget approval is a management function most appropriately administered at the individual FHLBank level, and that the budget proposal is consistent with Finance Board efforts to devolve management responsibilities to the FHLBanks.

The notice of proposed rulemaking specifically solicited comments on whether the final rule should include an efficiency standard to which FHLBank budgets should conform and, if so, what that standard should be. Four commenters strongly opposed the adoption of an efficiency standard. Commenters stated that no uniform efficiency measure could be set for the FHLBanks, given the diversity of their operations and operating philosophies. Two commenters noted that efficiency standards are already in place at the FHLBanks, where efficiency goals are required by stockholders, since inefficiency impacts net income and thus reduces dividend availability. Two

FHLBanks also commented that a regulatory efficiency standard is not necessary because the Finance Board has sufficient supervisory authority to intervene if safety and soundness issues arise. It also was suggested that adopting such a standard would be inconsistent with the goal of separating the Finance Board's regulatory and governance responsibilities.

After considering the comments received, the Finance Board has decided not to incorporate a specific efficiency standard into the final rule. The Finance Board concurs that, considering the diversity of the FHLBanks, their districts, and their members, it would be difficult to establish a uniform efficiency standard that would recognize these differences while fairly measuring individual FHLBank efficiency. However, § 934.6(a)(1) of the final rule provides generally that, in adopting their budgets, the FHLBanks have a responsibility to protect both their members and the public interest by keeping their costs to an efficient and effective minimum.

Section 934.6(a)(3) of the final rule provides that the board of directors of a FHLBank may not delegate the authority to approve the annual budgets, or any subsequent amendments thereto, to FHLBank officers or other FHLBank employees.

Section 934.6(a)(4) of the final rule allows each FHLBank to determine the interest rate scenario it will use in preparing its annual budgets. This is a change from the current practice under which the Finance Board provides the interest rate scenario that the FHLBanks must use in preparing their budgets. The notice of proposed rulemaking specifically requested comments on whether an alternative approach for determining interest rate scenarios for FHLBank budgets, such as requiring the use of reported interest rates as of a fixed date specified in the regulation, would be preferable to the current approach. Six commenters addressed the issue. Comments focused on whether or not the Finance Board should determine interest rate scenarios for FHLBank budgets. One commenter supported Finance Board determination of a uniform interest rate scenario, believing that uniform interest rates for all FHLBanks would improve Finance Board monitoring capabilities, and would recognize potential risks of the FHLBank System's joint and several liability. Five FHLBanks opposed Finance Board determination of a uniform interest rate scenario. Commenters stated that interest rates set by the Finance Board generally lag behind the market, and budget

procedures did not provide the Banks with enough flexibility to update their budgets based upon their own interest rate assumptions. One commenter raised the possibility that multiple budgets based on different interest rate scenarios, one established by the Finance Board and one by the FHLBank board, might need to be prepared. One commenter stated that involvement of the Finance Board in determining interest rates is inappropriate since it does not involve safety and soundness concerns.

After considering the comments received, the Finance Board has decided to provide the FHLBanks with the flexibility to determine their own interest rate scenarios when preparing annual budgets. The Finance Board believes that providing each FHLBank with the flexibility to update interest rates as it deems appropriate throughout the budget preparation process will improve the meaningfulness of FHLBank budgets. The Finance Board further believes that the benefits gained from this added flexibility will more than compensate for the lack of a FHLBank System-wide uniform interest rate scenario. Each FHLBank, however, will be required to provide to the Finance Board its interest rate assumptions. See § 934.6(b)(6).

Section 934.6(a)(5) of the final rule provides that a FHLBank may not exceed its total annual operating expense budget or its total annual capital expenditures budget without prior approval by the FHLBank's board of directors of an amendment to such budget.

B. Budget Reports—§ 934.6(b)

Section 934.6(b) of the final rule establishes specific FHLBank reporting requirements, certain of which are codified and streamlined from the Finance Board's current practice for FHLBank reporting.

Specifically, the FHLBanks are required to submit to the Finance Board, by January 31 of each year, in accordance with reporting formats and as further prescribed by the Finance Board, such FHLBank budgets and other financial information as the Finance Board shall require, including the following: (1) Balance sheet projections; (2) income statement projections, including operating expense budget data and staffing levels; (3) capital expenditures budget data; (4) management discussion of expected financial performance; (5) strategic or business plan; (6) interest rate assumptions; and (7) a copy of the FHLBank's board of directors resolution adopting the FHLBank's annual

operating expense budget and capital expenditures budget.

One commenter recommended that the reporting requirements imposed on the FHLBanks should be limited to submissions of annual approved operating expenses and capital expenditures budgets. However, the Finance Board believes that the comprehensive collection of information on the Banks' financial plans provided for in the final rule, including balance sheet and income statement projections, enables the Finance Board to review FHLBank operating expenses and capital expenditures in context, and provides relevant information necessary to enable the Finance Board to carry out its supervisory oversight responsibilities over the FHLBanks.

C. Report on Amendments to Total Annual Budgets—§ 934.6(c)

Section 934.6(c) of the final rule requires a FHLBank to submit promptly to the Finance Board a copy of the FHLBank's board of directors resolution adopting any amendment increasing a FHLBank's total annual operating expense budget or total annual capital expenditures budget above originally approved budget limits.

One commenter recommended that only amendments increasing the total budget by 10 percent or more be required to be reported to the Finance Board. However, the Finance Board believes that any amendment of a Bank's total budget should be a rare occurrence which reflects a significant change that should be reported to the Finance Board. Accordingly, the commenter's recommendation is not adopted in the final rule.

D. Mid-year Reforecasting Report—§ 934.6(d)

Rather than requiring the current quarterly reports from the FHLBanks of reforecasted projections for the year relative to original budget projections, § 934.6(d) of the final rule requires each FHLBank to submit a mid-year report containing a balance sheet and income statement setting forth reforecasted projections for the year relative to the budget projections as originally approved or amended, including a management discussion explaining any significant changes.

E. Annual Actual Performance Results Report—§ 934.6(e)

Rather than requiring the current quarterly reports from the FHLBanks, which analyze actual performance results for the period relative to original budget projections, § 934.6(e) of the

final rule requires each FHLBank to submit an annual report containing a balance sheet and income statement setting forth actual performance results for the year relative to the budget projections as originally approved or amended, including a management discussion explaining any significant changes.

III. Regulatory Flexibility Act

This final rule applies only to the FHLBanks, which do not come within the meaning of "small entities," as defined in the Regulatory Flexibility Act (RFA), 5 U.S.C. 601, *et seq.*, section 601(6). Therefore, in accordance with the provisions of the RFA, 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. *Id.* section 605(b).

List of Subjects in 12 CFR Part 934

Federal home loan banks, Securities, Surety bonds.

Accordingly, the Board of Directors of the Finance Board hereby amends part 934, subchapter B of chapter IX, title 12, of the Code of Federal Regulations, as follows:

PART 934—OPERATIONS OF THE BANKS

1. The authority citation for part 934 is revised to read as follows:

Authority: 12 U.S.C. 1422a, 1422b, 1432, 1442.

2. Section 934.6 is revised to read as follows:

§ 934.6 Budget preparation and reporting requirements.

(a) *Adoption of annual Bank budgets.* (1) Each Bank's board of directors shall be responsible for the adoption of an annual operating expense budget and a capital expenditures budget for the Bank, and any subsequent amendments thereto, consistent with the requirements of the Act, this section, other regulations and policies of the Board, and with the Bank's responsibility to protect both its members and the public interest by keeping its costs to an efficient and effective minimum.

(2) Pursuant to the requirement of section 12(a) of the Act (12 U.S.C. 1432(a)), a Bank must obtain prior approval of the Board before purchasing or erecting, or leasing for a term of more than 10 years, a building to house the Bank.

(3) A Bank's board of directors may not delegate the authority to approve the Bank's annual budgets, or any

subsequent amendments thereto, to Bank officers or other Bank employees.

(4) A Bank's annual budgets shall be prepared based upon an interest rate scenario as determined by the Bank.

(5) A Bank may not exceed its total annual operating expense budget or its total annual capital expenditures budget without prior approval by the Bank's board of directors of an amendment to such budget.

(b) *Budget reports.* Each Bank shall submit to the Board, by January 31 of each year, in a format and as further prescribed by the Board, such Bank budgets and other financial information as the Board shall require, including the following:

- (1) Balance sheet projections;
- (2) Income statement projections, including operating expense budget data and staffing levels;
- (3) Capital expenditures budget data;
- (4) Management discussion of expected financial performance;
- (5) Strategic or business plan;
- (6) Interest rate assumptions; and
- (7) A copy of the FHLBank's board of directors resolution adopting the FHLBank's annual operating expense budget and capital expenditures budget.

(c) *Report on amendments to total annual budgets.* A Bank shall submit promptly to the Board a copy of the Bank's board of directors resolution adopting any amendment increasing a Bank's total annual operating expense budget or total annual capital expenditures budget above originally approved budget limits.

(d) *Mid-year reforecasting report.* Each Bank shall submit to the Board, by July 31 of each year, in a format and as further prescribed by the Board, a report containing a balance sheet and income statement setting forth reforecasted projections for the year relative to the budget projections for that year as originally approved or amended, including a management discussion explaining any significant changes in the reforecasted projections from the budget projections as originally approved or amended.

(e) *Annual actual performance results report.* Each Bank shall submit to the Board, by January 31 of each year, in a format and as further prescribed by the Board, a report containing a balance sheet and income statement setting forth the actual performance results for the prior year relative to the budget projections for that year as originally approved or amended, including a management discussion explaining any significant changes in the actual performance results from the budget projections as originally approved or amended.

Dated: October 9, 1996.

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

Bruce A. Morrison,
Chairman.

[FR Doc. 96-27817 Filed 10-29-96; 8:45 am]

BILLING CODE 6725-01-U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. 96-ACE-16]

Amendment to Class E Airspace, Hays, KS

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Direct final rule; request for comments.

SUMMARY: This action amends the Class E airspace area at Hays Municipal Airport, Hays, KS. The Federal Aviation Administration has developed a Standard Instrument Approach Procedure (SIAP) based on the Global Positioning System (GPS) which has made this change necessary. The effect of this rule is to provide additional controlled airspace for aircraft executing the new SIAP at Hays Municipal Airport.

DATES: *Effective date:* March 27, 1997.

Comment date: Comments must be received on or before December 30, 1996.

ADDRESSES: Send comments regarding the rule in triplicate to: Manager, Operations Branch, Air Traffic Division, ACE-530, Federal Aviation Administration, Docket Number 96-ACE-16, 601 East 12th St., Kansas City, MO 64106.

The official docket may be examined in the Office of the Assistant Chief Counsel for the Central Region at the same address between 9:00 a.m. and 3:00 p.m., Monday through Friday, except federal holidays.

An informal docket may also be examined during normal business hours in the Air Traffic Division at the same address listed above.

FOR FURTHER INFORMATION CONTACT: Kathy Randolph, Air Traffic Division, Operations Branch, ACE-530C, Federal Aviation Administration, 601 East 12th Street, Kansas City, MO 64106, telephone (816) 426-3408.

SUPPLEMENTARY INFORMATION: The FAA has developed a Standard Instrument Approach Procedure (SIAP) utilizing the Global Positioning System (GPS) at Hays Municipal Airport, Hays, KS. The

amendment to Class E airspace at Hays, KS, will provide additional controlled airspace to segregate aircraft operating under Visual Flight Rules (VFR) from aircraft operating under Instrument Flight Rules (IFR) procedures while arriving or departing the airport. The area will be depicted on appropriate aeronautical charts thereby enabling pilots to either circumnavigate the area, continue to operate under VFR to and from the airport, or otherwise comply with IFR procedures. Class E airspace areas extending from 700 feet or more above the surface of the earth are published in paragraph 6005 of FAA Order 7400.9D, dated September 4, 1996, and effective September 16, 1996, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designation listed in this document will be published subsequently in the order.

The Direct Final Rule Procedure

The FAA anticipates that this regulation will not result in adverse or negative comment and, therefore, is issuing it as a direct final rule. Previous actions of this nature have not been controversial and have not resulted in adverse comments or objections. The amendment will enhance safety for all flight operations by designating an area where VFR pilots may anticipate the presence of IFR aircraft at lower altitudes, especially during inclement weather conditions. A greater degree of safety is achieved by depicting the area on aeronautical charts. Unless a written adverse or negative comment, or a written notice of intent to submit an adverse or negative comment is received within the comment period, the regulation will become effective on the date specified above. After the close of the comment period, the FAA will publish a document in the Federal Register indicating that no adverse or negative comments were received, confirming the date on which the final rule will become effective. If the FAA does receive an adverse or negative comment within the comment period, or written notice of intent to submit such a comment, a document withdrawing the direct final rule will be published in the Federal Register, and a notice of proposed rulemaking may be published with a new comment period.

Comments Invited

Although this action is in the form of a final rule and was not preceded by a notice of proposed rulemaking, 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 or withdrawn in light of the comments received. Factual information that supports the comment's ideas and suggestions is extremely helpful in evaluating the effectiveness of this 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 action will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this rule must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 96-ACE-16." The postcard will be date stamped and returned to the commenter.

Agency Findings

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 noncontroversial and unlikely to result in adverse or negative comments. For the reasons discussed in the preamble, I certify that this regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under Department of Transportation (DOT) Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.