

- c. Power Factor at Monthly Peak, _____%—Rating: _____
- d. Ratio of Individual Substation Peak kW to kVA, _____—Rating: _____
12. Voltage Conditions
- a. Voltage Surveys—Rating: _____
- b. Substation Transformer Output Voltage Spread—Rating: _____
13. Load Studies and Planning
- a. Long Range Engineering Plan—Rating: _____
- b. Construction Work Plan—Rating: _____
- c. Sectionalizing Study—Rating: _____
- d. Load Data for Engineering Studies—Rating: _____
- e. Load Forecasting Data—Rating: _____

PART IV—OPERATION AND MAINTENANCE BUDGETS

For Previous 2 Years:

Normal Operation—Actual \$ _____

Normal Maintenance—Actual \$ _____

Total—Actual \$ _____

For Present Year:

Normal Operation—Budget \$ _____

Normal Maintenance—Budget \$ _____

Total—Budget \$ _____

For Future 3 Years:

Normal Operation—Budget \$ _____

Normal Maintenance—Budget \$ _____

Additional (Deferred) Maintenance—Budget \$ _____

Total—Budget \$ _____

14. Budgeting:

Adequacy of Budgets For Needed Work—Rating: _____

15. Date Discussed with Board of Directors _____

Remarks: _____

EXPLANATORY NOTES

Item No. _____ Comments _____

Rated by _____ Title _____

Date _____

Reviewed by _____ Manager _____ Date _____

Reviewed by _____ RUS GFR _____

Date _____

Dated: January 14, 1998.

Jill Long Thompson,

Under Secretary, Rural Development.

[FR Doc. 98-1661 Filed 1-22-98; 8:45 am]

BILLING CODE 3510-15-P

FEDERAL HOUSING FINANCE BOARD

12 CFR Parts 900, 932 and 933

[No. 97-83]

RIN 3069-AA66

Membership Eligibility

AGENCY: Federal Housing Finance Board.

ACTION: Final rule.

SUMMARY: The Federal Housing Finance Board (Finance Board) is amending the definition of the term "State" in its Membership Regulation to include the

U.S. Territory of American Samoa (American Samoa) and the U.S. Commonwealth of the Northern Mariana Islands (the Northern Mariana Islands). Institutions organized under the laws of American Samoa and the Northern Mariana Islands, therefore, will be eligible to apply for Federal Home Loan Bank (Bank) membership. In accordance with these changes, the Finance Board also is clarifying in its regulations that the Seattle Bank District includes American Samoa and the Northern Mariana Islands. In addition, the Finance Board is designating Hawaii as the State in which members with a principal place of business in American Samoa, the Northern Mariana Islands, or Guam, shall be deemed to be located for purposes of election of Bank directors.

DATES: The final rule is effective on February 23, 1998.

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

SUPPLEMENTARY INFORMATION:

I. Statutory and Regulatory Background

A. Membership Eligibility Requirement—Definition of "State"

Under the Federal Home Loan Bank Act (Act), the Finance Board is responsible for the supervision and regulation of the 12 Banks, which provide advances and other financial services to their member institutions. See 12 U.S.C. 1422a(a). Institutions may become members of a Bank if they meet certain membership eligibility and minimum stock purchase criteria set forth in the Act and the Finance Board's implementing Membership Regulation. See *id.* sections 1424, 1426, 1430(e)(3); 12 CFR part 933.

Specifically, under the Act and the Membership Regulation, applicants for Bank membership must satisfy, among other requirements, the requirement that they are "duly organized under the laws of any State or of the United States." See 12 U.S.C. 1424(a)(1)(A); 12 CFR 933.6(a)(1), 933.7. Section 2(3) of the Act defines the term "State" as follows:

The term "State" includes the District of Columbia, Guam, Puerto Rico, and the Virgin Islands of the United States.

See 12 U.S.C. 1422(3). Guam and the U.S. Virgin Islands are U.S. Territories, while Puerto Rico is a U.S. Commonwealth.

Section 933.1(cc) of the Finance Board's Membership Regulation implements the statutory definition by defining the term "State" as follows:

State means a State, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands of the United States.

See 12 CFR 933.1(cc). The regulatory definition does not specifically include any other U.S. Territories, Commonwealths or Dependencies within the meaning of "State." Therefore, financial institutions organized under the laws of such other jurisdictions currently are not eligible for Bank membership under the regulation, unless other specific laws or agreements executed by the United States and these jurisdictions make the Act applicable to such jurisdictions.

On September 24, 1997, the Finance Board published a proposed rule to amend the definition of the term "State" in § 933.1(c) of the Membership Regulation to include American Samoa and the Northern Mariana Islands. See 62 FR 49943 (Sept. 24, 1997). The Finance Board received six comment letters on the proposed rule. Commenters included: one Bank; a representative of a Guamanian housing counseling/advocacy organization who serves on the Bank's Advisory Council; the Congressional representative for American Samoa; the Governor of American Samoa; an American Samoan commercial bank that is a member of the Federal Reserve System with deposits insured by the Federal Deposit Insurance Corporation; and a Northern Mariana Islands public housing corporation.

In the proposed rule, the Finance Board stated that it believes that the term "State" under the Membership Regulation should be defined comprehensively to include all other U.S. Territories, Commonwealths and Dependencies that share a political status similar to that of the specified entities in the statute, *i.e.*, Guam, the U.S. Virgin Islands, and Puerto Rico. In addition, if any specific laws or agreements executed by the United States and particular jurisdictions make the Act applicable to such jurisdictions, then the regulatory definition of the term "State" should be amended to include those jurisdictions, consistent with the laws or agreements.

Accordingly, as described in the proposed rule, the Finance Board undertook a broad analysis of existing and former U.S. Territories, Commonwealths and Dependencies to determine whether any of the jurisdictions satisfy the above requirements. The research revealed that only American Samoa and the Northern Mariana Islands meet the requirements, as further discussed below. In order to ensure that all eligible jurisdictions were included in the

revised definition of "State" for membership purposes, the Finance Board requested commenters to identify any other jurisdictions not included in proposed § 933.1(cc) that have U.S. Territory, Commonwealth, or Dependency status, or that have laws or agreements with the United States that make the Act applicable to such jurisdictions. No other jurisdictions were identified by the commenters as meeting any of these criteria.

B. Designation of Member's State Location for Purposes of Election of Bank Directors

The Act sets forth specific procedures for the election of directors by the members to the boards of the Banks. See 12 U.S.C. 1427; 12 CFR 932. Each elective directorship is designated by the Finance Board as representing the members located in a particular State. See 12 U.S.C. 1427(b). If the principal place of business of a member is located in a "State" as defined in section 7(e) of the Act, the Finance Board must designate such State as the State in which the member is located for director election purposes. See *id.* section 1427(c). Section 7(e) defines "State," for purposes of section 7, as "the States of the Union, the District of Columbia, and the Commonwealth of Puerto Rico." See *id.* section 1427(e). For members whose principal place of business is not located in a "State" as defined in section 7(e), the Finance Board is required to designate a State in which such members shall be deemed to be located for director election purposes. See *id.* section 1427(c).

American Samoa and the Northern Mariana Islands are not included in the section 7(e) definition of "State." Accordingly, the Finance Board is required to designate a "State" where members with a principal place of business located in American Samoa or the Northern Mariana Islands shall be deemed to be located. The proposed rule amended § 932.11(b) of the Finance Board's regulations to designate Hawaii as that State.

II. Analysis of the Final Rule

A. American Samoa—Section 933.1(cc)

American Samoa is a Territory of the United States that is administered by the U.S. Department of Interior, and which has enacted its own banking laws. See 48 U.S.C. 1661; Executive Order No. 10264, 16 FR 6419 (June 29, 1951); Title 28, American Samoa Code Ann. (Book 1988). As a U.S. Territory, American Samoa has a political status similar to that of the U.S. Territories of Guam and the U.S. Virgin Islands,

which are included as "States" under the Act and the current Membership Regulation. See 12 U.S.C. 1422(3); 12 CFR 933.1(cc).¹

Five commenters specifically supported the proposed amendment of the term "State" in § 933.1(c) to include American Samoa. One commenter noted that the condition of much of the private housing in American Samoa is deplorable, household incomes are extremely low, and very little new construction or rehabilitation of housing is occurring. The commenter stated that there is a need for home loans at affordable interest rates in this remote, rural area, and that the Bank System was intended to address such problems. Another commenter stated that by becoming a member of the Seattle Bank, the commenter would gain access to a wide array of competitively priced wholesale funding, as well as community lending programs designed to help meet the low- and moderate-income housing and economic development needs of American Samoa.

For the reasons discussed above, the final rule adopts the proposed amendment without change.

B. The Northern Mariana Islands—Section 933.1(cc)

The Northern Mariana Islands is a former U.S.-administered Trust Territory that is now a Commonwealth of the United States. As a U.S. Commonwealth, the Northern Mariana Islands has a political status similar to that of the Commonwealth of Puerto Rico, which is included as a "State" under the Act and the current Membership Regulation. See *id.* Moreover, specific provisions of the Covenant Agreement executed by the United States and the Northern Mariana Islands make the Act applicable to the Northern Mariana Islands. See "Covenant To Establish A Commonwealth Of The Northern Mariana Islands In Political Union With The United States Of America," sections 502(a)(1), 502(a)(2) (1986); "The Second Interim Report of the Northern Mariana Islands Commission on Federal Laws to the Congress of the United States," at 278-79 (Aug. 1985); Presidential Proclamation No. 5207, 49 FR 24365 (June 7, 1984) (set forth at 48 U.S.C. 1681 note).

Four commenters specifically supported the proposed amendment of the term "State" in § 933.1(cc) to include the Northern Mariana Islands.

¹ There do not appear to be any laws or contractual provisions in the cession agreements executed by the United States and American Samoa making the Act applicable to American Samoa.

One commenter noted that the Northern Mariana Islands Government and financial institutions operating in the Northern Mariana Islands have limited financial resources available for affordable housing and community development projects. The commenter stated that the proposed amendment would expand opportunities for access to funding assistance for such projects in the Northern Mariana Islands.

For the reasons discussed above, the final rule adopts the proposed amendment without change.

C. Other Pacific Islands

As discussed in the SUPPLEMENTARY INFORMATION section of the proposed rule, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau were once U.S.-administered Trust Territories in the Pacific, but now have the status of independent, self-governing foreign nations. Nor do there appear to be any laws or contractual provisions in the Compacts of Free Association executed by the United States and these nations, respectively, that make the Act applicable to these nations. Other existing U.S. Pacific Island Territories generally are either uninhabited or contain tiny, nonpermanent military populations closed to the public. No other jurisdictions were identified by the commenters as having U.S. Territory, Commonwealth, or Dependency status, or having laws or agreements with the United States making the Act applicable to such jurisdictions. Accordingly, the Act would not be applicable to the nations and Territories discussed above, and these jurisdictions are not included in § 933.1(cc) of the final rule.

D. Inclusion of American Samoa and the Northern Mariana Islands in the Seattle Bank District—Appendix to Subpart A of Part 900

The Appendix to Subpart A of Part 900 of the Finance Board's regulations lists the States which comprise each of the 12 Bank Districts, with a reference to "Pacific Islands" included under Federal Home Loan Bank District 12 (the Seattle Bank District). See Appendix to Subpart A of Part 900—Federal Home Loan Banks. Consistent with the amendments discussed above, the final rule amends the Appendix by replacing the reference to the "Pacific Islands" under the Seattle Bank District with specific references to American Samoa and the Northern Mariana Islands.

E. Designation of State Location for Members With Principal Place of Business in American Samoa, the Northern Mariana Islands, or Guam—Section 932.11(b)

For the reasons discussed above, the proposed amendment of § 932.11(b) provided that members with a principal place of business located in American Samoa or the Northern Mariana Islands shall be deemed to be located in Hawaii for purposes of election of Bank directors. One commenter specifically supported this designation. The final rule adopts the proposed amendment without change. The final rule also adopts, without change, the proposed amendment codifying the Finance Board's existing designation of Hawaii as the State where members with a principal place of business in Guam are deemed to be located for director election purposes.

III. Regulatory Flexibility Act

The final rule implements statutory requirements binding on all Banks and on all applicants for Bank membership, regardless of their size. The Finance Board is not at liberty to make adjustments to those requirements to accommodate small entities. The final rule does not impose any additional regulatory requirements that will have a disproportionate impact on small entities. Therefore, in accordance with section 605(b) of the Regulatory Flexibility Act, see 5 U.S.C. 605(b), the Finance Board hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities.

IV. Paperwork Reduction Act

The final rule does not contain any collections of information pursuant to the Paperwork Reduction Act of 1995. See 44 U.S.C. 3501 *et seq.* Consequently, the Finance Board has not submitted any information to the Office of Management and Budget for review.

List of Subjects

12 CFR Part 900

Organizations and functions (Government agencies).

12 CFR Part 932

Conflicts of interest, Federal home loan banks.

12 CFR Part 933

Credit, Federal home loan banks, Reporting and recordkeeping requirements.

Accordingly, the Finance Board hereby amends title 12, chapter IX, parts

900, 932 and 933, *Code of Federal Regulations*, as follows:

PART 900—DESCRIPTION OF ORGANIZATION AND FUNCTIONS

1. The authority citation for part 900 is revised to read as follows:

Authority: 5 U.S.C. 552; 12 U.S.C. 1422b(a), 1423.

2. The appendix to subpart A of part 900 is designated as appendix A to subpart A of part 900, the appendix heading is revised, and the parenthetical under Federal Home Loan Bank District 12 is revised to read as follows:

Appendix A to Subpart A of Part 900—Federal Home Loan Banks

* * * * *

FEDERAL HOME LOAN BANK DISTRICT 12 (Alaska, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Hawaii, Idaho, Montana, Oregon, Utah, Washington, Wyoming)

* * * * *

PART 932—ORGANIZATION OF THE BANKS

3. The authority citation for part 932 is revised to read as follows:

Authority: 12 U.S.C. 1422, 1422a, 1422b, 1423, 1426, 1427, 1432; 42 U.S.C. 8101 *et seq.*

4. Section 932.11 is amended by revising paragraph (b) to read as follows:

§ 932.11 Location of member.

* * * * *

(b) For purposes of this part, members with a principal place of business located in the Virgin Islands of the United States shall be deemed to be located in Puerto Rico, and members with a principal place of business located in American Samoa, the Commonwealth of the Northern Mariana Islands, or Guam, shall be deemed to be located in Hawaii.

PART 933—MEMBERS OF THE BANKS

5. The authority citation for part 933 is revised to read as follows:

Authority: 12 U.S.C. 1422, 1422a, 1422b, 1423, 1424, 1426, 1430, 1442.

6. Section 933.1 is amended by revising paragraph (cc) to read as follows:

§ 933.1 Definitions.

* * * * *

(cc) *State* includes a State of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the District of Columbia, Guam,

Puerto Rico, or the Virgin Islands of the United States.

* * * * *

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

Dated: December 17, 1997.

Bruce A. Morrison,
Chairman.

[FR Doc. 98-1639 Filed 1-22-98; 8:45 am]

BILLING CODE 6725-01-U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 97-CE-150-AD; Amendment 39-10287; AD 98-01-01]

RIN 2120-AA64

Airworthiness Directives; Cessna Aircraft Company Models 172R and 182S Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This document publishes in the **Federal Register** an amendment adopting Airworthiness Directive (AD) 98-01-01, which was sent previously to all known U.S. owners and operators of certain Cessna Aircraft Company (Cessna) Models 172R and 182S airplanes. This AD requires fabricating and installing placards to prohibit operation in instrument flight rules (IFR) conditions and use of the alternate static air source; inspecting the alternate static air source valve to assure that the alternate static air source port is not restricted by the identification placard and to assure that the valve body does not separate from the valve flange; and reworking or replacing as necessary. The AD was the result of reports of improper installation of the identification placard on the alternate static air source. The actions specified by this AD are intended to prevent erroneous indications from the altimeter, airspeed, and vertical speed indicators, which could cause the pilot to react to incorrect flight information and possibly result in loss of control of the airplane.

DATES: Effective February 2, 1998, to all persons except those to whom it was made immediately effective by priority letter AD 98-01-01, issued December 22, 1997, which contained the requirements of this amendment.

The incorporation by reference of certain publications listed in the regulations is approved by the Director