

“Superior Seedless” and adding in their place the word “Sugraone.”

**§ 51.888 [Amended]**

5. In § 51.888, paragraph (a)(2) is amended by removing the date “February 28, 1992” and adding in its place the date “November 16, 1996”.

Dated: March 22, 1999.

**Robert C. Keeney,**

*Deputy Administrator, Fruit and Vegetable Programs.*

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**FEDERAL RESERVE SYSTEM**

**12 CFR Part 229**

[Regulation CC; Docket No. R-1027]

**Availability of Funds and Collection of Checks.**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors of the Federal Reserve System (the Board) recognizes that banks are currently dedicating their automation resources to addressing Year 2000 and leap year computer problems and may be challenged to make and test other programming changes, including those that may be required to comply with Regulation CC's merger transition provisions, without jeopardizing their Year 2000 or other programming efforts. Therefore, the Board is amending Regulation CC to allow banks that consummate a merger on or after July 1, 1998, and before March 1, 2000, greater time to implement software changes related to the merger.

**EFFECTIVE DATE:** April 1, 1999.

**FOR FURTHER INFORMATION CONTACT:** Jean Anderson, Staff Attorney, Legal Division (202/452-3707). For the hearing impaired only, Telecommunications Device for the Deaf (TDD), Diane Jenkins (202/452-3544).

**SUPPLEMENTARY INFORMATION:** On December 2, 1998, the Board proposed amending Regulation CC to allow banks that consummate merger transactions on or after July 1, 1998, and before June 1, 1999, greater time to implement software changes related to the merger. (63 FR 66499). The proposal did not affect applications under the Bank Merger Act or the Bank Holding Company Act. The Board proposed this amendment because it recognizes that banks are currently dedicating their automation resources to addressing Year 2000 and leap year computer problems

and may be challenged to make and test other programming changes, including those that may be required to comply with Regulation CC, without jeopardizing their Year 2000 or other programming efforts.

The Board received 15 comments on the proposed rule from the following types of institutions:

Banks/thrifts—3  
Trade associations—3  
Federal Reserve Banks—3  
Clearinghouses—3  
Bank holding companies—3

All of the commenters generally supported the Board's proposal and viewed it as aiding banks' efforts to focus programming resources on renovating and testing software systems to address Year 2000 rollover and leap year computer problems. Nine commenters urged the Board, however, to lengthen the proposed extension of the transition period, and generally recommended that a more liberal transition period be applicable to banks that consummate mergers in 2000.

These commenters stated that adopting an extension into the Year 2000 would enable banks to delay merger programming work so that they may focus greater resources on addressing the Year 2000 computer problem. In particular, it would enable merged banks that were Year 2000 compliant as separate entities to delay merging their systems until after key Year 2000 events (the century rollover and leap year), which would enable them to avoid reprogramming and retesting already Year 2000 compliant systems prior to spring 2000. Finally, one commenter noted that extending the period into the Year 2000 would help ensure that banks have sufficient resources to address unanticipated Year 2000 problems that may arise at the turn of the century.

For these reasons, the Board has decided to further extend the transition period. The final rule allows banks that consummate a merger on or after July 1, 1998, and before March 1, 2000, to be treated as separate banks until March 1, 2001. Beginning in March 2000, banks that merge will be subject to the normal one-year transition period.

**Final Regulatory Flexibility Analysis**

Two of the three requirements of a final regulatory flexibility analysis (5 U.S.C. 604), (1) a succinct statement of the need for and the objectives of the rule and (2) a summary of the issues raised by the public comments, the agency's assessment of the issues, and a statement of the changes made in the final rule in response to the comments,

are discussed above. The third requirement of a final regulatory flexibility analysis is a description of significant alternatives to the rule that would minimize the rule's economic impact on small entities and reasons why the alternatives were rejected.

The final rule will apply to all depository institutions regardless of size. The amendments are intended to provide relief to banks involved in mergers, including small institutions, by reducing required changes to their automation environment during the period surrounding the century rollover, and should not have a negative economic effect on small institutions. Because the amendments should not have a negative economic effect on small institutions there were no significant alternatives that would have minimized the economic impact on those institutions.

**List of Subjects in 12 CFR Part 229**

Banks, banking, Federal Reserve System, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Board proposes to amend Regulation CC, 12 CFR Part 229 as set forth below:

**PART 229—AVAILABILITY OF FUNDS AND COLLECTION OF CHECKS (REGULATION CC)**

1. The authority citation for part 229 continues to read as follows:

**Authority:** 12 U.S.C. 4001 *et seq.*

2. In § 229.19, paragraph (g) is redesignated as paragraph (g)(1), a heading is added for newly designated paragraph (g)(1), and a new paragraph (g)(2) would be added to read as follows:

**§ 229.19 Miscellaneous.**

\* \* \* \* \*

(g) *Effect of merger transaction.* (1) *In general.* \* \* \*

(2) *Merger transactions on or after July 1, 1998, and before March 1, 2000.* If banks have consummated a merger transaction on or after July 1, 1998, and before March 1, 2000, the merged banks may be considered separate banks until March 1, 2001.

3. Section 229.40 is redesignated as § 299.40 (a), a heading is added for newly designated paragraph (a), and a new paragraph (b) would be added to read as follows:

**§ 229.40 Effect of merger transaction.**

(a) *In general.* \* \* \*

(b) *Merger transactions on or after July 1, 1998, and before March 1, 2000.* If banks have consummated a merger transaction on or after July 1, 1998, and

before March 1, 2000, the merged banks may be considered separate banks until March 1, 2001.

By order of the Board of Governors of the Federal Reserve System, March 22, 1999.

**Jennifer J. Johnson,**

*Secretary of the Board.*

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 99-NM-39-AD; Amendment 39-11091; AD 99-07-06]

RIN 2120-AA64

#### Airworthiness Directives; Boeing Model 767 Series Airplanes

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

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

**SUMMARY:** This amendment adopts a new airworthiness directive (AD) that is applicable to certain Boeing Model 767 series airplanes. This action requires repetitive inspections to detect cracking or damage of the forward and aft lugs of the diagonal brace of the nacelle strut, and follow-on actions, if necessary. This action also provides optional terminating action for the repetitive inspections. This amendment is prompted by a report that a fractured diagonal brace lug was found during a routine maintenance inspection. The actions specified in this AD are intended to detect and correct cracking of the diagonal brace of the nacelle strut, which could result in failure of the diagonal brace, and consequent fatigue failure of a strut secondary load path and separation of the engine and strut.

**DATES:** Effective April 12, 1999.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of April 12, 1999.

Comments for inclusion in the Rules Docket must be received on or before May 26, 1999.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 99-NM-39-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

The service information referenced in this AD may be obtained from Boeing

Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124-2207. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** James G. Rehr, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Transport Airplane Directorate, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-2783; fax (425) 227-1181.

**SUPPLEMENTARY INFORMATION:** The FAA has received a report indicating that a fractured lug of the diagonal brace of the nacelle strut was found during a routine visual inspection of a Boeing Model 767 series airplane. The affected airplane had accumulated 36,247 flight hours and 17,677 flight cycles.

Such cracking has been attributed to migration of a bushing inside the lug bore. A migrated bushing could cause fretting damage to the lug bore, which could lead to the initiation of a crack. Subsequent propagation of that crack due to fatigue loading could result in complete fracture of the lug and consequent failure of the diagonal brace. Failure of the diagonal brace would place increased stress on the strut secondary load paths. Continued operation of the airplane with a failed diagonal brace could result in fatigue failure of a strut secondary load path. This condition, if not corrected, could result in separation of the engine and strut.

#### Explanation of Relevant Service Information

The FAA has reviewed and approved Boeing Alert Service Bulletin 767-54A0094, dated May 22, 1998, which describes procedures for repetitive detailed visual inspections to detect cracking or damage of the forward and aft lugs of the diagonal brace of the nacelle strut, and follow-on actions, if necessary. Follow-on actions include, if cracking or damage is detected, replacement of the existing one-piece diagonal brace with a new three-piece diagonal brace, which eliminates the need for the repetitive inspections, and additional inspections of the strut secondary load paths to detect damage. For airplanes on which no cracking or damage is detected, the alert service bulletin describes procedures for optional rework of the diagonal brace, which allows repetitive inspections to be deferred, provided that the one-piece diagonal brace is replaced with a three-

piece diagonal brace prior to the accumulation of 37,500 total flight cycles.

#### Explanation of the Requirements of the Rule

Since an unsafe condition has been identified that is likely to exist or develop on other airplanes of the same type design, this AD is being issued to detect and correct cracking of the diagonal brace of the nacelle strut, which could result in failure of the diagonal brace, and consequent failure of a secondary load path and loss of the engine and strut. This AD requires repetitive detailed visual inspections to detect cracking or damage of the forward and aft lugs of the diagonal brace of the nacelle strut, and follow-on actions, if necessary. If no cracking or damage is detected, this AD provides for optional rework of the diagonal brace, which would allow the repetitive inspection threshold to be increased from 1,000 or 3,000 flight cycles, as applicable, to 12,000 flight cycles. If any cracking or damage is detected, this AD requires replacement of the existing one-piece diagonal brace with a new three-piece diagonal brace, which constitutes terminating action for the repetitive inspections; additional inspections of the strut secondary load paths to detect damage; and corrective actions, if necessary. This AD also provides for an optional replacement of the one-piece diagonal brace with a new three-piece diagonal brace, which constitutes terminating action for the repetitive inspection requirements of this AD. The actions are required to be accomplished in accordance with the alert service bulletin described previously, except as discussed below.

#### Differences Between Alert Service Bulletin and This AD

Operators should note that the effectivity listing of the alert service bulletin is divided into four groups. However, Figure 1 of the alert service bulletin specifies procedures only for Groups 1, 2, and 3. The FAA has determined that airplanes in Group 4 are subject to the detailed visual inspection at the same threshold (12,000 total flight cycles), and the same corrective actions, if necessary, as airplanes in Groups 1 and 3.

Operators also should note that, if the optional rework of the diagonal brace is accomplished, this AD requires reinspection to detect cracking or damage of the diagonal brace lugs within 12,000 flight cycles. The alert service bulletin identifies the optional rework as "zero time rework"; however, the alert service bulletin does not