include such specific rules in their regulations. They urge the FCA to rescind the interim rule. Rescission would restore the sunset provision and retroactively eliminate §§ 621.6, 621.7, 621.8, 621.9 and 621.10 (subpart C).

The FCC bases its concern on the length of time necessary to amend FCA regulations. The FCC warns that the presence of specific requirements in the regulations could cause the System's financial reporting process to conflict with GAAP because the FCA would not be able to change its regulations quickly enough to remain current with GAAP guidelines for the accounting and financial reporting of high-risk assets. The FCC also points out that if the Agency were to lack a quorum of its Board, as has occurred in the past, it would be impossible to amend the regulations to be consistent with changes as may be required by GAAP.

The FCA observes in response that the application of GAAP to specific areas of accounting and financial reporting is not always well defined. This has been especially true of high-risk asset accounting. GAAP has not consistently provided specific authoritative guidance in the area of problem loan accounting and reporting until recently. While other financial institution regulators have addressed this issue by instituting specific guidance in their call report instructions, the FCA is addressing them in the accounting regulations. There is little substantive difference between these two approaches. Both the Office of the Comptroller of the Currency's (OCC) Call Report instructions and the FCA's regulations are published in the Federal Register, and both give the public an opportunity to provide comments prior to implementation of the revised policy direction.

The FCA continues to believe that, in areas such as high-risk accounting, the promulgation of regulations covering subjects not fully addressed by GAAP can be an effective method of promoting consistent accounting and reporting by System institutions. Since its adoption, the final regulation has improved the internal consistency of System financial disclosures regarding high-risk assets and made System accounting and reporting for such assets more comparable to the practices of the rest of the financial services industry. If GAAP provides future guidance and direction that conflicts with FCA regulations, the FCA agrees that it is important to respond to the changes. The FCA believes that it can address any inconsistencies that may develop between its regulations and GAAP in a timely fashion.

In support of its contention that the detailed nature of FCA regulations might make it difficult for the FCA to keep up with evolving trends in regulatory accounting guidance, the FCC notes two apparent inconsistencies between FCA regulations and the approach taken by other federal bank and thrift regulators. While not commenting substantively on the provisions, the FCC suggests that more flexible accounting and financial reporting guidelines would facilitate keeping System financial reporting consistent with other financial institutions. As noted, the FCA agrees with the broad goal of accounting and reporting consistency between the System and other financial institutions. However, in certain circumstances, the unique needs of the System may require FCA guidance that may differ from the approach of other regulators without affecting broad comparability of System financial reporting. This is the case with respect to the two examples of accounting and reporting guidance noted by the FCC.

First, the FCC notes that § 621.9(a) requires all contractual principal and interest due on the loan to be paid and the loan to be current before returning a nonaccrual loan to accrual status. The FCC compares this to guidance by other financial institution regulators that would permit institutions to return past due loans to accrual status if they are ''reasonably assured of repayment within a reasonable time period.''[3]

The FCA believes that any nonaccrual loan must demonstrate performance in order to be reinstated to accrual status. An essential demonstration of performance is that the loan be brought current. Under the final regulation, this must occur *before* an institution can resume interest accrual on that asset. However, the regulation also states that ''[o]nce the ultimate collectibility of the recorded investment is no longer in doubt, payments received in cash on such loan may qualify for recognition as interest income,'' (i.e., cash basis accounting) if certain characteristics are met at the time the payment is received. Therefore, application of FCA's regulation results in an accounting treatment of income recognition on such assets similar to that allowed by the other financial institution regulators.

In a second example, the FCC states that the OCC allows for cash basis interest income recognition on nonaccrual loans with partial charge-offs before complete recovery of the charge-off. The FCC notes that this differs from the requirement in § 621.8 that interest income cannot be recognized on a nonaccrual loan with an unrecovered partial charge-off. The FCA believes that applying loan payments to recover partial charge-offs prior to recording interest income is a prudent and appropriate approach to eliminating doubt as to the loan's ultimate collectibility and is not inconsistent with GAAP. In addition, this requirement is mitigated by an exception in cases where the prior charge-off was taken as part of a formal restructuring of the loan. The FCA believes this approach is justified for this type of asset in light of the unique structure of the System and its concentration of credit in limited agricultural markets. Moreover, any differences in income recognition between the FCA and the OCC requirements are likely to be temporary if the loan continues to perform.

For the reasons stated in the interim rule release, supplemented by the above analysis and discussion, the FCA Board adopts the interim rule amending 12 CFR part 621, which was published at 59 FR 60886 on November 29, 1994, as final without change. The effective date of this rule remains December 15, 1994. The FCA will continue to follow closely any further developments under GAAP in the area of problem loan accounting and reporting and will adjust its requirements as necessary.

Dated: April 19, 1996.

Floyd F. Fithian,

*Secretary, Farm Credit Administration Board.*

[FR Doc. 96–10238 Filed 4–24–96; 8:45 am]

**BILLING CODE 6705–01–P**

[3] Joint Statement of the OCC, Federal Deposit Insurance Corporation, Federal Reserve Board, and Office of Thrift Supervision titled ''Revised Interagency Guidance on Returning Nonaccrual Loans to Accrual Status'' issued June 10, 1993.

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

### 14 CFR Part 39

**[Docket No. 95–SW–01–AD; Amendment 39–9577; AD 96–09–03]**

### Airworthiness Directives; Societe Nationale Industrielle Aerospatiale and Eurocopter France Model SA–365N, N1, and N2 Helicopters

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

**ACTION:** Final rule.

**SUMMARY:** This amendment adopts a new airworthiness directive (AD), applicable to Societe Nationale Industrielle Aerospatiale and Eurocopter France Model SA–365N, N1,

and N2 helicopters, that requires an inspection of the door jettison systems to determine if the handle shafts are locked to the jettison systems. If the inspection indicates the handle shafts are locked to the jettison systems, this AD requires installation of a snapwire on the jettison systems and a visual inspection of the door jettison handles to determine whether two spring pins are installed, and installation of a second spring pin, if necessary. If the initial inspection indicates that the handle shafts are not locked to the jettison systems, this AD requires replacement of the sheared spring pin with two spring pins. This amendment is prompted by a factory inspection performed by the manufacturer that revealed that the forward passenger door jettison handles may have been fitted with one spring pin instead of two spring pins at the door jettison handle attachment points. The actions specified by this AD are intended to prevent a loss of the doors in flight and subsequent damage to the horizontal stabilizer, main fin, or lateral fins.

**EFFECTIVE DATE:** May 30, 1996.

**ADDRESSES:** The service information referenced in this AD may be obtained from American Eurocopter Corporation, 2701 Forum Drive, Grand Prairie, Texas 75053–4005. This information may be examined at the FAA, Office of the Assistant Chief Counsel, 2601 Meacham Blvd., Room 663, Fort Worth, Texas.

**FOR FURTHER INFORMATION CONTACT:** Mr. Richard Monschke, Aerospace Engineer, Rotorcraft Standards Staff, FAA, Rotorcraft Directorate, 2601 Meacham Blvd., Fort Worth, Texas 76137, telephone (817) 222–5116, fax (817) 222–5961.

**SUPPLEMENTARY INFORMATION:** A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to Societe Nationale Industrielle Aerospatiale and Eurocopter France Model SA–365N, N1, and N2 helicopters was published in the Federal Register on November 2, 1995 (60 FR 55681). That action proposed to require, within 30 days after the effective date of the AD, an inspection of the door jettison systems to determine if the handle shafts were locked to the jettison systems. If the inspection indicated the handle shafts were locked to the jettison systems, that action proposed to require installation of a snapwire on the jettison systems and within 500 hours time-in-service, a visual inspection of the door jettison handles to determine whether two spring pins were installed, and installation of a second spring pin, if necessary. If the initial inspection indicated that the handle shafts were not locked to the jettison systems, the action proposed to require, before further flight, replacement of the sheared spring pin with two spring pins.

Interested persons have been afforded an opportunity to participate in the making of this amendment. No comments were received on the proposal or the FAA's determination of the cost to the public. The FAA has determined that air safety and the public interest require the adoption of the rule as proposed, except for various non-substantive editorial changes and deleting the incorporation by reference of the service bulletin. The FAA has determined that these changes will neither increase the economic burden on any operator nor increase the scope of the AD.

The FAA estimates that 27 helicopters of U.S. registry will be affected by this AD, that it will take approximately 8 work hours per helicopter to accomplish the actions, and that the average labor rate is $60 per work hour. Required parts will cost approximately $230 per helicopter. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be $19,170.

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.

For the reasons discussed above, I certify that this action (1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) 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. A final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from the Rules Docket at the location provided under the caption **ADDRESSES.**

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

## PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

**§ 39.13 [Amended]**

2. Section 39.13 is amended by adding a new airworthiness directive to read as follows:

AD 96–09–03 Societe Nationale Industrielle Aerospatiale and Eurocopter France (Eurocopter France): Amendment 39–9577. Docket No. 95–SW–01–AD.

Applicability: Model SA–365N, N1, and N2 helicopters, serial numbers (S/N) 6008, 6033, 6083, 6084, 6085, 6093, 6120 and higher that have not been modified in accordance with Avis De Modification (AMS) 365A07–56B15, certificated in any category.

Note 1: This AD applies to each helicopter identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For helicopters that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must use the authority provided in paragraph (b) to request approval from the FAA. This approval may address either no action, if the current configuration eliminates the unsafe condition, or different actions necessary to address the unsafe condition described in this AD. Such a request should include an assessment of the effect of the changed configuration on the unsafe condition addressed by this AD. In no case does the presence of any modification, alteration, or repair remove any helicopter from the applicability of this AD.

*Compliance:* Required as indicated, unless accomplished previously.

To prevent a loss of the doors in flight and subsequent damage to the horizontal stabilizer, main fin, or lateral fins, accomplish the following:

(a) Within 30 days after the effective date of this AD, for both the left and right forward passenger door jettison systems, cut the snapwire on the door jettison handle, and, without turning the handle completely, determine whether the handle is locked to the jettison mechanism.

(1) If the door jettison handle shaft is locked to the jettison system,

(i) Install the snapwire, part number (P/N) L23321, or annealed copper safety wire, black enameled, 0.3mm diameter, on each door jettison handle.

(ii) Within 500 hours time-in-service (TIS) after the effective date of this AD, accomplish the following in accordance with the applicable maintenance manual:

(A) Remove the doors and remove the trimming panels from the passenger door posts. Visually inspect each door to determine whether two spring pins are installed to fasten each jettison handle.

(B) If only one spring pin is installed, install a second spring pin.

(C) Reinstall the trimming panel.

(D) Reinstall the door.

(E) Install the snapwire as specified in paragraph (a)(1)(i) of this AD.

(2) If a door jettison handle shaft is not locked to the jettison system, before further flight, accomplish the following.

(i) Remove the door and the trimming panel.

(ii) Remove the sheared spring pin.

(iii) Replace the sheared spring pin with two spring pins.

(iv) Reinstall the door trimming panels.

(v) Reinstall the door.

(vi) Install the snapwire as described in paragraph (a)(1)(i) of this AD.

Note 2: Eurocopter Service Bulletin SA 365, No. 01.38, dated January 31, 1994, pertains to this AD.

(b) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used when approved by the Manager, Rotorcraft Standards Staff, FAA, Rotorcraft Directorate. Operators shall submit their requests through an FAA Principal Maintenance Inspector, who may concur or comment and then send it to the Manager, Rotorcraft Standards Staff.

Note 3: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Rotorcraft Standards Staff.

(c) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the helicopter to a location where the requirements of this AD can be accomplished.

(d) This amendment becomes effective on May 30, 1996.

Issued in Fort Worth, Texas, on April 18, 1996.

Eric Bries,

*Acting Manager, Rotorcraft Directorate, Aircraft Certification Service.*

[FR Doc. 96–10075 Filed 4–24–96; 8:45 am]

BILLING CODE 4910–13–U

---

## 14 CFR Part 39

**[Docket No. 96–NM–75–AD; Amendment 39–9581; AD 96–09–07]**

## Airworthiness Directives; Boeing Model 757 Series Airplanes Equipped With Moog Spoiler Actuators

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

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

**SUMMARY:** This amendment supersedes an existing airworthiness directive (AD) that is applicable to Boeing Model 757 series airplanes equipped with certain Abex spoiler actuator electro-hydraulic servo valves (EHSV) installed in certain spoiler actuators. The existing AD currently requires a one-time inspection of the spoiler actuator to determine if a suspect EHSV is incorrectly installed, and replacement of the EHSV, if necessary. That amendment was prompted by reports that a bias spring in the EHSV of certain spoiler actuators was found to be incorrectly installed. The actions specified by that AD are intended to prevent a significant control upset of the airplane as a result of problems associated with an incorrectly installed EHSV in the spoiler actuator assembly. This amendment adds additional suspect EHSV's that require inspection; it also corrects the actuator manufacturer's name and corrects the serial number of one EHSV.

**DATES:** Effective May 10, 1996.

Comments for inclusion in the Rules Docket must be received on or before June 24, 1996.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM–103, Attention: Rules Docket No. 96–NM–75–AD, 1601 Lind Avenue, SW., Renton, Washington 98055–4056.

Information concerning this AD action may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

**FOR FURTHER INFORMATION CONTACT:** Don Eiford, Aerospace Engineer, Systems and Equipment Branch, ANM–130S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington; telephone (206) 227–2788; fax (206) 227–1181.

**SUPPLEMENTARY INFORMATION:** On March 5, 1996, the FAA issued AD 96–06–01, amendment 39–9537 (61 FR 9607, March 11, 1996), which is applicable to Boeing Model 757 series airplanes equipped with certain electro hydraulic servo valves (EHSV) installed in certain spoiler actuators. That AD requires a one-time inspection of the EHSV on the spoiler actuator to determine if a suspect valve is incorrectly installed; if so, the EHSV must be replaced. That action was prompted by reports that a bias spring in the EHSV of certain spoiler actuators was found to be incorrectly installed.

If the jet pipe in the first stage of the EHSV is plugged, or if the differential pressure between the extend and retract ports pressurized by the jet pipe is inadequate, an incorrectly installed bias spring on the second stage spool would cause the spoiler to be driven into the ''deploy'' position. Such inadvertent spoiler deployment would result in the airplane experiencing a rolling moment. If the airplane is already banked or is at a low altitude, or if the crew does not respond rapidly enough to control the uncommanded roll, a significant control upset of the airplane could result. The actions required by AD 96–06–01 are intended to prevent the occurrence of such a control upset.

### New Data Since Issuance of AD 96–06–01

Since the issuance of that AD, the manufacturer has provided the FAA with data indicating that additional suspect EHSV's may be installed on the affected airplanes. These suspect EHSV's have serial numbers of 595, 563, and 909. If any these EHSV's are installed on an airplane, there is the potential for the occurrence of the same unsafe condition that was addressed by AD 96–06–01.

### Explanation of New AD

Since an unsafe condition has been identified that is likely to exist or develop on other airplanes of this same type design, this AD supersedes AD 96–06–01 to require a one-time inspection of the spoiler actuator to determine if a suspect EHSV is incorrectly installed, and replacement of the EHSV, if necessary. This AD requires the inspection for and removal of three additional suspect EHSV's.

Additionally, action is taken throughout this AD to specify the correct names of the manufacturers of the spoiler actuator and the EHSV. The subject spoiler actuators are manufactured by Moog; the subject EHSV's are manufactured by Abex.

Table 1 of this AD has been corrected to indicate that the order numbers are ''Abex'' order numbers, rather than ''Boeing'' order numbers.

Due to a typographical error, EHSV serial number ''559'' was incorrectly listed in Table 1 of AD 96–06–01 as serial number ''569.'' This AD corrects that error.

### Cost Impact

According to the records of the EHSV manufacturer, all of the affected EHSV's were shipped to be installed on Model 757 series airplanes that currently are operated by non-U.S. operators under foreign registry. None of the Model 757 series airplanes affected by this action are on the U.S. Register; therefore, they are not directly affected by this AD action. However, the FAA considers that this rule is necessary to ensure that the unsafe condition is addressed in the event that:

1. any of the subject airplanes are imported and placed on the U.S. Register in the future; or