

computed on the basis of daily average balances of deposits and Eurocurrency liabilities during a 14-day period ending every second Monday (the computation period). Reserve requirements are computed by applying the ratios prescribed in § 204.9 to the classes of deposits and Eurocurrency liabilities of the institution. In determining the reserve balance that is required to be maintained with the Federal Reserve, the average daily vault cash held during the computation period is deducted from the amount of the institution's required reserves.

(2) The reserve balance that is required to be maintained with the Federal Reserve shall be maintained during a 14-day period (the "maintenance period") that begins on the third Thursday following the end of a given computation period.

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By order of the Board of Governors of the Federal Reserve System, March 24, 1998.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 98-8190 Filed 3-27-98; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

13 CFR Part 123

Disaster Loan Program

AGENCY: Small Business Administration (SBA).

ACTION: Final rule.

SUMMARY: Under this rule, an SBA disaster loan borrower can request an increase in a disaster loan within two years after the loan was approved. The increase must be used to cover eligible damages resulting from events that occurred after the loan was approved and were beyond the borrower's control. Under the rule, the SBA Associate Administrator for Disaster Assistance can waive the two year limit because of extraordinary circumstances.

DATES: This rule is effective March 30, 1998.

FOR FURTHER INFORMATION CONTACT: Bernard Kulik, 202/205-6734.

SUPPLEMENTARY INFORMATION: SBA makes thousands of physical and economic injury disaster loans to repair or replace damaged property or to help a business recover from economic injury. Borrowers must use such loans only to help them recover from the effects of a specific disaster. Borrowers may request increases in their loans after the initial disaster loans were made and, where appropriate, SBA will

approve the request. On November 25, 1997, SBA published a notice of proposed rulemaking (62 FR 62707), to define the circumstances under which a borrower could request an increase and to limit the time period for the request to two years. The SBA Associate Administrator for Disaster Assistance (AA/DA) has the authority to waive the two year limit for extraordinary and unforeseeable circumstances. SBA received no comments from the public on the proposed rule. The final rule is identical to the proposed rule.

Under the rule, a borrower of a disaster loan (whether physical or economic injury) can request an increase in the loan amount if the eligible cost of repair or replacement of damages increases because of events occurring after the loan approval that were beyond the borrower's control. For example, a borrower can request an increase of a physical disaster loan before the repair, renovation or reconstruction is completed if hidden damage is discovered or if official building codes changed since SBA approved the physical disaster loan. With respect to economic injury disaster loans, borrowers can request increases in working capital if they cannot resume business activity as quickly as planned because of events beyond their control. These examples, while not all inclusive, support a borrower's request for an increase in the amount of a disaster loan. These kinds of events usually will be apparent within two years after SBA approves a disaster loan. However, in extraordinary circumstances, the rule permits the AA/DA to waive the two year limitation.

Compliance With Executive Orders 12612, 12778, and 12866, the Regulatory Flexibility Act (5 U.S.C. 601, et seq.), and the Paperwork Reduction Act (44 U.S.C. Ch. 35)

SBA certifies that this rule does not constitute a significant rule within the meaning of Executive Order 12866 and does not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601 et seq. It is not likely to have an annual economic effect of \$100 million or more on the economy, result in a major increase in costs or prices, or have a significant adverse effect on competition or the United States economy.

For purposes of the Paperwork Reduction Act, 44 U.S.C. Ch. 35, SBA certifies that this rule contains no new reporting or recordkeeping requirements.

For purposes of Executive Order 12612, SBA certifies that this proposed

rule has no federalism implications warranting the preparation of a Federalism Assessment.

For purposes of Executive Order 12778, SBA certifies that this rule is drafted, to the extent practicable, in accordance with the standards set forth in section 2 of that Order.

(Catalog of Federal Domestic Assistance Programs, No. 59.012 and 59.008)

List of Subjects in 13 CFR Part 123

Disaster assistance, Loan programs—business, Small businesses.

Accordingly, pursuant to the authority contained in section 5(b)(6) of the Small Business Act (15 U.S.C. 634(b)(6)), SBA amends part 123, chapter I, title 13, Code of Federal Regulations, as follows:

PART 123—DISASTER LOAN ASSISTANCE

1. The authority citation for part 123 continues to read as follows:

Authority: 15 U.S.C. 634(b)(6), 636(b), 636(c) and 636(f); Pub. L. 102-395, 106 Stat. 1828, 1864; and Pub. L. 103-75, 107 Stat. 739.

2. Sections 123.18, 123.19 and 123.20 are added to read as follows:

§ 123.18 Can I request an increase in the amount of a physical disaster loan?

SBA will consider your request for an increase in your loan if you can show that the eligible cost of repair or replacement of damages increased because of events occurring after the loan approval that were beyond your control. An eligible cost is one which is related to the disaster for which SBA issued the original loan. For example, if you discover hidden damage within a reasonable time after SBA approved your original disaster loan and before repair, renovation, or reconstruction is complete, you may request an increase. Or, if applicable building code requirements were changed since SBA approved your original loan, you may request an increase in your loan amount.

123.19 May I request an increase in the amount of an economic injury loan?

SBA will consider your request for an increase in the loan amount if you can show that the increase is essential for your business to continue and is based on events occurring after SBA approved your original loan which were beyond your control. For example, delays may have occurred beyond your control which prevent you from resuming your normal business activity in a reasonable time frame. Your request for an increase in the loan amount must be related to the disaster for which the SBA

economic injury disaster loan was originally made.

§ 123.20 How long do I have to request an increase in the amount of a physical disaster loan or an economic injury loan?

You should request a loan increase as soon as possible after you discover the need for the increase, but not later than two years after SBA approved your physical disaster or economic injury loan. After two years, the SBA Associate Administrator for Disaster Assistance (AA/DA) may waive this limitation after finding extraordinary and unforeseeable circumstances.

Dated: March 20, 1998.

Aida Alvarez,

Administrator.

[FR Doc. 98-8245 Filed 3-27-98; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 98-ANE-16-AD; Amendment 39-10420; AD 98-07-02]

RIN 2120-AA64

Airworthiness Directives; CFM International CFM56-2, -3, -3B, and -3C Series Turbofan Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This amendment adopts a new airworthiness directive (AD) that is applicable to CFM International CFM56-2, -3, -3B, and -3C series turbofan engines. This action requires the removal from service of certain No. 3 bearing rear stationary air/oil seals, replacement with serviceable parts, and the installation of retention bushings. This action also requires the removal from service of high pressure compressor rotor (HPCR) stage 1-2 spools that have contacted the outer cone of the seal. This amendment is prompted by several reports of outer cone separation of the No. 3 bearing rear stationary air/oil seal. The actions specified in this AD are intended to prevent rubs between the outer cone of the No. 3 bearing rear stationary air/oil seal and the HPCR stage 1-2 spool, which could result in a potential uncontained failure of the HPCR stage 1-2 spool, and damage to the aircraft.

DATES: Effective March 30, 1998.

The incorporation by reference of certain publications listed in the

regulations is approved by the Director of the Federal Register as of March 30, 1998.

Comments for inclusion in the Rules Docket must be received on or before May 29, 1998.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), New England Region, Office of the Regional Counsel, Attention: Rules Docket No. 98-ANE-16-AD, 12 New England Executive Park, Burlington, MA 01803-5299. Comments may also be sent via the Internet using the following address: "9-ad-engineprop@faa.dot.gov". Comments sent via the Internet must contain the docket number in the subject line.

The service information referenced in this AD may be obtained from CFM International, Technical Publications Department, 1 Neumann Way, Cincinnati, OH 45215; telephone (513) 552-2981, fax (513) 552-2816. This information may be examined at the FAA, New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT:

Robert Ganley, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone (781) 238-7138; fax (781) 238-7199.

SUPPLEMENTARY INFORMATION: The Federal Aviation Administration (FAA) has received 26 reports where the inner and outer cones of the No. 3 bearing rear stationary air/oil seal have separated on CFM International CFM56-2, -3, -3B, and -3C series turbofan engines. The seal consists of two composite cones which are bonded together with an adhesive. Investigation revealed that the adhesive used on certain seals have less bonding capability than required. When the seal debonds, the outer cone moves aft and allows oil to migrate into the high pressure compressor rotor (HPCR) flowpath, which may result in oil fumes in the cabin. As the seal continues to move aft, the outer cone contacts the bore of the stage 1 disk of the HPCR stage 1-2 spool. New retention bushings exist, that when installed, will preclude a separated seal from contacting the HPCR stage 1-2 spool. This condition, if not corrected, could result in rubs between the outer cone of the No. 3 bearing rear stationary air/oil seal and the HPCR stage 1-2 spool, which could result in a potential uncontained failure of the HPCR stage 1-2 spool, and damage to the aircraft.

The FAA has reviewed and approved the technical contents of CFM International CFM56-2 Service Bulletin (SB) No. 72-825 and CFM56-3/-3B/-3C SB No. 72-856, both dated January 23, 1998, that describes procedures for removal from service of certain HPCR stage 1-2 spools from engines that have documented rubs on the stage 1 disk bore due to contact with the outer cone of the No. 3 bearing rear stationary air/oil seal. In addition, the FAA has reviewed and approved the technical contents of CFM International CFM56-2 SB No. 72-823, dated August 12, 1997, and CFM56-3/-3B/-3C SB No. 72-855, Revision 1, dated February 9, 1998, that describes procedures for installation of the No. 3 bearing rear stationary air/oil seal retention bushings.

Since an unsafe condition has been identified that is likely to exist or develop on other engines of the same type design, this AD is being issued to prevent rubs between the outer cone of the No. 3 bearing rear stationary air/oil seal and the HPCR stage 1-2 spool, which could result in a potential uncontained failure of the HPCR stage 1-2 spool. This AD requires the removal from service, within 15 days after the effective date of this AD, of certain No. 3 bearing rear stationary air/oil seals, replacement with serviceable parts, and the installation of retention bushings. This AD also requires the removal from service of HPCR stage 1-2 spools that have contacted the outer cone of the seal at the next engine shop visit after the effective date of this AD, or prior to accumulating 2,000 cycles in service (CIS) since the engine shop visit that first confirmed the rub event. The 2,000 CIS interval was established based on an extensive test program on the CFM56-5 series engine. The compliance end-date was determined based upon risk assessment and parts availability. The actions are required to be accomplished in accordance with the SBs described previously.

Since a situation exists that requires the immediate adoption of this regulation, it is found that notice and opportunity for prior public comment hereon are impracticable, and that good cause exists for making this amendment effective in less than 30 days.

Comments Invited

Although this action is in the form of a final rule that involves requirements affecting flight safety and, thus, was not preceded by notice and an opportunity for public comment, comments are invited on this rule. Interested persons are invited to comment on this rule by submitting such written data, views, or