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FEDERAL RESERVE SYSTEM

12 CFR Part 201

[Regulation A]

Extensions of Credit by Federal Reserve Banks

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) has adopted final amendments to its Regulation A to reflect the Board's approval of a reduction in the primary credit rate at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically decreased by formula as a result of the Board's primary credit rate action.

DATES: The amendments to part 201 (Regulation A) are effective March 26, 2008. The rate changes for primary and secondary credit were effective on the dates specified in 12 CFR 201.51, as amended.

FOR FURTHER INFORMATION CONTACT: Jennifer J. Johnson, Secretary of the Board (202/452-3259); for users of Telecommunication Devices for the Deaf (TDD) only, contact 202/263-4869.

SUPPLEMENTARY INFORMATION: The Federal Reserve Banks make primary and secondary credit available to depository institutions as a backup source of funding on a short-term basis, usually overnight. The primary and secondary credit rates are the interest rates that the twelve Federal Reserve Banks charge for extensions of credit under these programs. In accordance with the Federal Reserve Act, the primary and secondary credit rates are established by the boards of directors of the Federal Reserve Banks, subject to the review and determination of the Board.

On the dates listed below, the Board approved requests by eight Reserve Banks to reduce by 25 basis points the primary credit rate in effect at those Federal Reserve Banks, thereby decreasing from 3.50 percent to 3.25 percent the rate that each of those Reserve Banks charged for extensions of primary credit. As a result of the Board's action on the primary credit rate, the rate that each of those Reserve Banks charged for extensions of secondary credit automatically decreased from 4.00 percent to 3.75 percent under the secondary credit rate formula. The rate changes for primary and secondary credit were effective on the dates specified in the following tables.

Primary credit under 12 CFR 201.4(a)

Federal Reserve Bank	Rate	Effective
Boston	3.25	March 17, 2008.
New York	3.25	March 16, 2008.
Cleveland	3.25	March 17, 2008.
Richmond	3.25	March 17, 2008.
Chicago	3.25	March 17, 2008.
Minneapolis	3.25	March 17, 2008.
Kansas City	3.25	March 17, 2008.
San Francisco ...	3.25	March 17, 2008.

Secondary credit under 12 CFR 201.4(b)

Federal Reserve Bank	Rate	Effective
Boston	3.75	March 17, 2008.
New York	3.75	March 16, 2008.
Cleveland	3.75	March 17, 2008.
Richmond	3.75	March 17, 2008.
Chicago	3.75	March 17, 2008.
Minneapolis	3.75	March 17, 2008.
Kansas City	3.75	March 17, 2008.
San Francisco ...	3.75	March 17, 2008.

The Board's action narrowed the spread between the primary credit rate and the Federal Open Market Committee's target federal funds rate to 25 basis points. As indicated in the Board's press release announcing this action, the changes to the primary credit discount window facility were intended to bolster market liquidity and promote orderly market functioning. In addition, the press release stated that the Board had approved an increase in the maximum maturity of primary credit loans to 90 days from 30 days.

Subsequently, the Board approved requests by each of the twelve Federal Reserve Banks to decrease the primary credit rate in effect at each of the

Reserve Banks to 2.50 percent. As a result of the Board's action on the primary credit rate, the rate that each Reserve Bank charges for extensions of secondary credit automatically decreased to 3.00 percent under the secondary credit rate formula. The final amendments to Regulation A reflect these rate changes.

The decrease in the primary credit rate was associated with a similar decrease in the target for the federal funds rate (from 3.00 percent to 2.25 percent) approved by the Federal Open Market Committee (Committee) and announced at the same time. A press release announcing these actions noted that:

Recent information indicates that the outlook for economic activity has weakened further. Growth in consumer spending has slowed and labor markets have softened. Financial markets remain under considerable stress, and the tightening of credit conditions and the deepening of the housing contraction are likely to weigh on economic growth over the next few quarters.

Inflation has been elevated, and some indicators of inflation expectations have risen. The Committee expects inflation to moderate in coming quarters, reflecting a projected leveling-out of energy and other commodity prices and an easing of pressures on resource utilization. Still, uncertainty about the inflation outlook has increased. It will be necessary to continue to monitor inflation developments carefully.

Today's policy action, combined with those taken earlier, including measures to foster market liquidity, should help to promote moderate growth over time and to mitigate the risks to economic activity. However, downside risks to growth remain. The Committee will act in a timely manner as needed to promote sustainable economic growth and price stability.

Regulatory Flexibility Act Certification

Pursuant to the Regulatory Flexibility Act (5 U.S.C. 605(b)), the Board certifies that the new primary and secondary credit rates will not have a significantly adverse economic impact on a substantial number of small entities because the final rule does not impose any additional requirements on entities affected by the regulation.

Administrative Procedure Act

The Board did not follow the provisions of 5 U.S.C. 553(b) relating to notice and public participation in connection with the adoption of these amendments because the Board for good cause determined that delaying

implementation of the new primary and secondary credit rates in order to allow notice and public comment would be unnecessary and contrary to the public interest in fostering price stability and sustainable economic growth. For these same reasons, the Board also has not provided 30 days prior notice of the effective date of the rule under section 553(d).

List of Subjects in 12 CFR Part 201

Banks, Banking, Federal Reserve System, Reporting and recordkeeping.

Authority and Issuance

■ For the reasons set forth in the preamble, the Board is amending 12 CFR Chapter II as follows:

PART 201—EXTENSIONS OF CREDIT BY FEDERAL RESERVE BANKS (REGULATION A)

■ 1. The authority citation for part 201 continues to read as follows:

Authority: 12 U.S.C. 248(i)–(j), 343 *et seq.*, 347a, 347b, 347c, 348 *et seq.*, 357, 374, 374a, and 461.

■ 2. In § 201.51, paragraphs (a) and (b) are revised to read as follows:

§ 201.51 Interest rates applicable to credit extended by a Federal Reserve Bank.¹

(a) *Primary credit.* The interest rates for primary credit provided to depository institutions under § 201.4(a) are:

Federal Reserve Bank	Rate	Effective
Boston	2.50	March 18, 2008.
New York	2.50	March 18, 2008.
Philadelphia	2.50	March 20, 2008.
Cleveland	2.50	March 18, 2008.
Richmond	2.50	March 19, 2008.
Atlanta	2.50	March 19, 2008.
Chicago	2.50	March 18, 2008.
St. Louis	2.50	March 19, 2008.
Minneapolis	2.50	March 19, 2008.
Kansas City	2.50	March 18, 2008.
Dallas	2.50	March 18, 2008.
San Francisco ...	2.50	March 18, 2008.

(b) *Secondary credit.* The interest rates for secondary credit provided to depository institutions under 201.4(b) are:

Federal Reserve Bank	Rate	Effective
Boston	3.00	March 18, 2008.
New York	3.00	March 18, 2008.
Philadelphia	3.00	March 20, 2008.

¹ The primary, secondary, and seasonal credit rates described in this section apply to both advances and discounts made under the primary, secondary, and seasonal credit programs, respectively.

Federal Reserve Bank	Rate	Effective
Cleveland	3.00	March 18, 2008.
Richmond	3.00	March 19, 2008.
Atlanta	3.00	March 19, 2008.
Chicago	3.00	March 18, 2008.
St. Louis	3.00	March 19, 2008.
Minneapolis	3.00	March 19, 2008.
Kansas City	3.00	March 18, 2008.
Dallas	3.00	March 18, 2008.
San Francisco ...	3.00	March 18, 2008.

* * * * *

By order of the Board of Governors of the Federal Reserve System, March 21, 2008.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. E8–6107 Filed 3–25–08; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2008–0340; Directorate Identifier 2008–CE–020–AD; Amendment 39–15440; AD 2008–06–28]

RIN 2120–AA64

Airworthiness Directives; Avidyne Corporation Primary Flight Displays (Part Numbers 700–00006–000, –001, –002, –003, and –100)

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; request for comments.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for certain Avidyne Corporation (Avidyne) Primary Flight Displays (PFDs) (Part Numbers (P/Ns) 700–00006–000, –001, –002, –003, and –100) that are installed on airplanes. This AD requires a check of the maintenance records and inspection of the PFD (if necessary) to determine if an affected serial number PFD is installed. If an affected serial number PFD is installed, this AD requires you to incorporate information that limits operation when certain conditions for the PFD or backup instruments exist. This AD results from several field reports of PFDs displaying incorrect altitude and airspeed information. We are issuing this AD to prevent certain conditions from existing when PFDs display incorrect attitude, altitude, and airspeed information. This could result in airspeed/altitude mismanagement or spatial disorientation of the pilot with consequent loss of airplane control, inadequate traffic separation, or controlled flight into terrain.

DATES: This AD becomes effective on April 10, 2008.

We must receive any comments on this AD by May 27, 2008.

ADDRESSES: Use one of the following addresses to comment on this AD.

- **Federal eRulemaking Portal:** Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.

- **Fax:** (202) 493–2251.

- **Mail:** U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590.

- **Hand Delivery:** U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

To get the service information identified in this AD, contact Avidyne Corporation, 55 Old Bedford Road, Lincoln, MA 01773; telephone: (781) 402–7400; fax: (781) 402–7599.

To view the comments to this AD, go to <http://www.regulations.gov>. The docket number is FAA–2008–0340; Directorate Identifier 2008–CE–020–AD.

FOR FURTHER INFORMATION CONTACT:

Solomon Hecht, Aerospace Engineer, Boston Aircraft Certification Office, 12 New England Executive Park, Burlington, MA 01803; telephone: (781) 238–7159; fax: (781) 238–7170.

SUPPLEMENTARY INFORMATION:

Discussion

We received several field reports of PFDs displaying incorrect altitude and airspeed information. These occurrences included incorrect display of information at system startup, including one or more of the following:

- Altitude significantly in error when compared to field elevation with local barometric correction setting entered on PFD.

- Altitude significantly in error when compared to backup altimeter with identical barometric correction settings.

- Non-zero airspeed (inconsistent with high winds or propwash from a nearby airplane) indicated at system startup.

- Altitude or airspeed indications that vary noticeably after startup under static conditions.

- Erroneous airspeed indications in combination with erroneous attitude indications.

- A steady or intermittent “red X” in place of the airspeed indicator, altimeter, vertical speed indicator, or attitude indicator.

The conditions described above occur because of a manufacturing process