

substantive response in a notice-and-comment process. For example, in a substantive response:

(a) The comment causes the NRC staff to reevaluate (or reconsider) its position or conduct additional analysis;

(b) The comment raises an issue serious enough to warrant a substantive response to clarify or complete the record; or

(c) The comment raises a relevant issue that was not previously addressed or considered by the NRC staff.

(2) The comment proposes a change or an addition to the rule, and it is apparent that the rule would be ineffective or unacceptable without incorporation of the change or addition.

(3) The comment causes the NRC staff to make a change (other than editorial) to the CoC or TS.

List of Subjects in 10 CFR Part 72

Administrative practice and procedure, Criminal penalties, Manpower training programs, Nuclear materials, Occupational safety and health, Penalties, Radiation protection, Reporting and recordkeeping requirements, Security measures, Spent fuel, Whistleblowing.

For the reasons set out in the preamble and under the authority of the Atomic Energy Act of 1954, as amended; the Energy Reorganization Act of 1974, as amended; and 5 U.S.C. 553; the NRC is proposing to adopt the following amendments to 10 CFR part 72.

PART 72—LICENSING REQUIREMENTS FOR THE INDEPENDENT STORAGE OF SPENT NUCLEAR FUEL, HIGH-LEVEL RADIOACTIVE WASTE, AND REACTOR-RELATED GREATER THAN CLASS C WASTE

1. The authority citation for part 72 continues to read as follows:

Authority: Secs. 51, 53, 57, 62, 63, 65, 69, 81, 161, 182, 183, 184, 186, 187, 189, 68 Stat. 929, 930, 932, 933, 934, 935, 948, 953, 954, 955, as amended, sec. 234, 83 Stat. 444, as amended (42 U.S.C. 2071, 2073, 2077, 2092, 2093, 2095, 2099, 2111, 2201, 2232, 2233, 2234, 2236, 2237, 2238, 2282); sec. 274, Pub. L. 86–373, 73 Stat. 688, as amended (42 U.S.C. 2021); sec. 201, as amended, 202, 206, 88 Stat. 1242, as amended, 1244, 1246 (42 U.S.C. 5841, 5842, 5846); Pub. L. 95–601, sec. 10, 92 Stat. 2951 as amended by Pub. L. 102–486, sec. 7902, 106 Stat. 3123 (42 U.S.C. 5851); sec. 102, Pub. L. 91–190, 83 Stat. 853 (42 U.S.C. 4332); secs. 131, 132, 133, 135, 137, 141, Pub. L. 97–425, 96 Stat. 2229, 2230, 2232, 2241, sec. 148, Pub. L. 100–203, 101 Stat. 1330–235 (42 U.S.C. 10151, 10152, 10153, 10155, 10157, 10161, 10168); sec. 1704, 112 Stat. 2750 (44 U.S.C. 3504 note); sec. 651(e), Pub. L. 109–58, 119 Stat. 806–810 (42 U.S.C. 2014, 2021, 2021b, 2111).

Section 72.44(g) also issued under secs. 142(b) and 148(c), (d), Pub. L. 100–203, 101 Stat. 1330–232, 1330–236 (42 U.S.C. 10162(b), 10168(c), (d)). Section 72.46 also issued under sec. 189, 68 Stat. 955 (42 U.S.C. 2239); sec. 134, Pub. L. 97–425, 96 Stat. 2230 (42 U.S.C. 10154). Section 72.96(d) also issued under sec. 145(g), Pub. L. 100–203, 101 Stat. 1330–235 (42 U.S.C. 10165(g)). Subpart J also issued under secs. 2(2), 2(15), 2(19), 117(a), 141(h), Pub. L. 97–425, 96 Stat. 2202, 2203, 2204, 2222, 2224 (42 U.S.C. 10101, 10137(a), 10161(h)). Subparts K and L are also issued under sec. 133, 98 Stat. 2230 (42 U.S.C. 10153) and sec. 218(a), 96 Stat. 2252 (42 U.S.C. 10198).

2. In § 72.214, Certificate of Compliance 1026 is revised to read as follows:

§ 72.214 List of approved spent fuel storage casks.

* * * * *

Certificate Number: 1026.
Initial Certificate Effective Date: February 15, 2001.
Amendment Number 1 Effective Date: May 14, 2001.
Amendment Number 2 Effective Date: January 28, 2002.
Amendment Number 3 Effective Date: May 7, 2003.
Amendment Number 4 Effective Date: July 3, 2006.
SAR Submitted by: BNG Fuel Solutions Corporation.
SAR Title: Final Safety Analysis Report for the FuelSolutions™ Spent Fuel Management System.
Docket Number: 72–1026.
Certificate Expiration Date: February 15, 2021.
Model Number: WSNF–220, WSNF–221, and WSNF–223 systems; W–150 storage cask; W–100 transfer cask; and the W–21 and W–74 canisters.
* * * * *

Dated at Rockville, Maryland, this 3rd day of April, 2006.

For the Nuclear Regulatory Commission.

Luis A. Reyes,

Executive Director for Operations.

[FR Doc. E6–5705 Filed 4–17–06; 8:45 am]

BILLING CODE 7590–01–P

FEDERAL HOUSING FINANCE BOARD

12 CFR Part 915

[No. 2006–04]

RIN 3069–AB31

Federal Home Loan Bank Director Elections

AGENCY: Federal Housing Finance Board.

ACTION: Proposed rule.

SUMMARY: The Federal Housing Finance Board (Finance Board) is proposing to amend its rules to assist each Federal Home Loan Bank (Bank) in having a board of directors whose members possess the range of skills and experience best suited to administer the affairs of the Bank. The proposed rule is intended to enhance the corporate governance of each Bank by more closely aligning the experience and skills of individual directors with the expertise the Bank has identified as appropriate to enhance the board of directors in providing overall board management of the Bank.

DATES: The Finance Board will accept written comments on the proposed rule on or before June 2, 2006.

Comments: Submit comments by any of the following methods: E-mail: comments@fhfb.gov.

Fax: 202–408–2580.

Mail/Hand Delivery: Federal Housing Finance Board, 1625 Eye Street NW, Washington DC 20006, ATTENTION: Public Comments.

Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments. If you submit your comment to the Federal eRulemaking Portal, please also send it by e-mail to the Finance Board at comments@fhfb.gov to ensure timely receipt by the agency. Include the following information in the subject line of your submission: Federal Housing Finance Board. Proposed Rule: Federal Home Loan Bank Director Elections. RIN Number 3069–AB31. Docket Number 2006–04.

We will post all public comments we receive without change, including any personal information you provide, such as your name and address, on the Finance Board Web site at <http://www.fhfb.gov/Default.aspx?Page=93&Top=93>.

FOR FURTHER INFORMATION CONTACT: John P. Kennedy, General Counsel, kennedyj@fhfb.gov or 202–408–2983; or Thomas P. Jennings, Senior Attorney Advisor, Office of General Counsel, jenningsst@fhfb.gov or 202–408–2553.

You can send regular mail to the Federal Housing Finance Board, 1625 Eye Street NW., Washington, DC 20006.

SUPPLEMENTARY INFORMATION:

I. Statutory and Regulatory Background

Congress has delegated to the Finance Board broad authority to fulfill its statutory mandates. Section 2B of the Federal Home Loan Bank Act (Bank Act) states that the Finance Board has the power “[t]o supervise the Federal Home Loan Banks and to promulgate and enforce such regulations and orders as

are necessary from time to time to carry out the provisions of this chapter [i.e., Chapter 11 of Title 12, *codified* at 12 U.S.C. 1421–1449].” 12 U.S.C. 1422b(a)(1).

Historically, until the enactment of the Federal Home Loan Bank System Modernization Act of 1999 (Modernization Act),¹ the Bank Act necessitated that the Finance Board be involved in the corporate governance practices of the Banks, typically by requiring Finance Board approval of a host of Bank practices. As a result of the enactment of the Modernization Act, the Finance Board devolved the last vestiges of corporate governance responsibilities, leaving those responsibilities with the Banks and their boards of directors.² Shortly thereafter, the Finance Board adopted a new part 917 (12 CFR part 917), which sets forth the powers and responsibilities of both the directors and senior management of the Banks.³

The primary mandate to the Finance Board is to “ensure that the Federal Home Loan Banks operate in a financially safe and sound manner.” 12 U.S.C. 1422a(a)(3)(A). Within this broad authority, Congress also specifically authorized the Finance Board to “prescribe such rules and regulations as it may deem necessary or appropriate for the nomination and election of directors of Federal home loan banks * * *” 12 U.S.C. 1427(d).

II. Issues Addressed

The Finance Board believes that the board of directors of a Bank is one of the most important elements in maintaining the safety and soundness of the Bank. Carrying out the duties and responsibilities of directors, as more fully set forth in part 917, is a critical part of the running of a safe and sound Bank. Having well qualified and active directors is essential to enable the Bank to adopt appropriate policies and to oversee the proper execution of the day-to-day operational duties of management and other Bank personnel. In order to do so effectively, members of the board of directors of a Bank need to have the skills and experience necessary

to understand the business of the Bank. Directors who have the appropriate skills generally are less hesitant to take an active role in adopting and overseeing the implementation of corporate practices and procedures designed to ensure the long-term success of a Bank. One way the Finance Board can help ensure the safety and soundness of the Banks is to use its regulatory authority to enable the Banks to establish a process whereby capable and skilled persons may be nominated and elected to their boards of directors, so that each Bank’s board of directors will possess the aggregate skills needed to provide strong oversight.

In general, the election process begins with a notice from the Finance Board to each Bank informing the Bank of the number of elective directorships. *See* 12 CFR 915.3(c). Thereafter, each Bank determines the number of votes that each member may cast. *See* 12 CFR 915.5. Then each Bank provides its members with a written notice of election and receives nominations for elective directorships from members that are entitled to vote. *See* 12 CFR 915.6. Nominees who meet the eligibility requirements set forth in § 915.7 are included on ballots prepared for each state for which an elective directorship is to be filled, and each Bank mails the ballots to eligible voting members within that state. *See* 12 CFR 915.8. The proposed rule would allow, but not require, more Bank involvement in the election process.

Section 915.9 sets forth certain prohibitions on actions to influence director elections. These prohibitions, for the most part, are carryovers from when the Federal Home Loan Bank Board regulated the Banks, before the Modernization Act and the devolvement of corporate governance responsibilities to the Banks. The proposed rule would revise the prohibitions to correspond more closely with the changed responsibilities of the Finance Board and the Banks.

The Finance Board is proposing this rule to allow the Banks to play a more active role in the process of nominating and electing persons to its board of directors, with the goal of having the best qualified board of directors possible. The end result should be improved corporate governance of all the Banks.

III. Proposed Rule Amendments

Member involvement in the election process starts when the members receive a written notice from their Bank pursuant to § 915.6. The Finance Board proposes to add a new paragraph, § 915.6(a)(3), to allow each Bank to

include with that notice a brief statement describing the skills and experience that the Bank has identified, pursuant to new § 915.9(a), as most likely to add strength to its board of directors. Under present § 915.6, the Banks have no specific authorization to inform the members about what it perceives to be its needs at the board of directors level. In the absence of specific information about the needs of its Bank, a member has little basis on which to make a nomination which will match the needs of the Bank.

Sending a brief statement to the members of what the Bank perceives to be its needs at the board level should enable the members to nominate candidates that they perceive as having qualities that match the Bank’s needs. A Bank would be allowed to send such a statement only if, on or before the written election notice has been sent to the members, the Bank’s board of directors has made a determination, pursuant to proposed new § 915.9(a), of the needs of the Bank at the board of directors level. Members would continue to be free to nominate persons as they see fit. No nominee otherwise eligible for election would be excluded from a ballot based on whether or not the Bank perceives the nominee to have any of the skills or experience that the Bank has included in the brief statement sent with the written notice. The Finance Board seeks comments on whether providing such information at the nomination stage of the election process, as opposed to some other time, will best serve the interests of the Banks and their members.

The Finance Board proposes to modify § 915.8(a)(1) to allow each Bank, as part of the information on each ballot about each nominee, to describe briefly that nominee’s skills and experience. The Finance Board believes that voting members, by having a description of the skills and experience of the nominees, will be better informed when those members face voting decisions. At present, the Banks have no specific authorization to include on the ballots any information about a nominee’s qualifications. Some Banks and members have expressed a desire to have such information at the time of voting, and the Finance Board believes that this is an appropriate means of providing such information to the members. The Finance Board seeks comments on whether it is appropriate to require each Bank to provide information about the skills and experience needed by the Bank and, if so, whether some other means or place for providing the information would be more appropriate.

¹ The Modernization Act is Title VI of the Gramm-Leach-Bliley Act, Pub. L. 106–102, 133 Stat. 1338 (Nov. 12, 1999).

² *See* Resolution No. 2000–09, published at 65 FR 13663 (March 14, 2000) (available electronically in the Finance Board’s FOIA Reading Room under “Resolutions”: <http://www.fhfb.gov/Default.aspx?Page=59&ListYear=2000&ListCategory=9#9|2000>).

³ *See* Resolution No. 2000–14, published at 65 FR 25274 (May 1, 2000) (available electronically in the Finance Board’s FOIA Reading Room under “Resolutions”: <http://www.fhfb.gov/Default.aspx?Page=59&ListYear=2000&ListCategory=9#9|2000>).

The Finance Board also proposes to add a new § 915.8(b) to allow each Bank to include with each ballot a brief statement describing the skills and experience that the Bank has identified pursuant to new § 915.9(a). This statement may or may not be the same statement provided pursuant to § 915.6(a)(3). The Finance Board believes that sending a statement with the ballots will provide valuable information to a Bank's voting members at a time when the members are most in need of information in order to make voting decisions. The Banks would be authorized, but not required, to send such a statement at this time. Members would be free to consider the information in their decision-making process, as they see fit.

The Finance Board is proposing to revise § 915.9 substantially. The Finance Board is proposing to add a new § 915.9(a) to allow each Bank, if it so chooses, to conduct an annual assessment of the skills and experience which, if present in new directors, would enhance the capabilities of the board of directors. If, in the assessment process, particular skills or experiences are identified, each Bank may, as part of its announcement of elections, notify its members of the identified skills and experience. The Finance Board is proposing to include skills or experience in the areas of financial management and/or financial accounting, hedging, risk management, capital markets, disclosures required of issuers of securities, and housing finance as examples of what a Bank might determine to be appropriate skills or experience to add to its board of directors. A Bank would be allowed to identify these or other skills or experience, or it could decide not to identify any skills or experience, as it sees fit.

The existing prohibition in § 915.9(a) against taking action to influence votes would become § 915.9(c) and would be revised to make the prohibition no longer applicable to directors, officers, attorneys, employees, and agents of the Finance Board. Initially, the Finance Board took an active part in the election process. Effective December 30, 1998, with the adoption of final revisions to part 932 (now part 915), the Finance Board transferred the administration of elections to the Banks. As a result, restrictions on actions of Finance Board directors, officers, attorneys, employees, and agents no longer serve the purpose that they once did.

Section 915.9(b) would be revised to make this paragraph consistent with the other changes to § 915.9. The prohibitions with respect to incumbent

Bank directors would not change substantially. Incumbent Bank directors may act in their individual capacities to support any person for a position as an elective director. Whether or not the Bank, through its board of directors, has taken any of the actions authorized by these proposed rules, an incumbent Bank director may not indicate that he or she is representing the views of the Bank or its board of directors. The specific prohibition on an incumbent Bank director representing the views of the Finance Board and directors, officers, attorneys, employees, or agents of the Finance Board or of the Bank would be deleted, but an incumbent Bank director would be subject to the prohibitions on director actions to influence votes, as set forth in proposed § 915.9(c), other than those actions allowed under § 915.9(a) and (b).

The Finance Board also is proposing to remove any reference to prohibitions on a member's actions by deleting the provisions of § 915.9(a)(2) from new § 915.9(c). If this prohibition were to remain in § 915.9(c) as revised, its only effect would be to prevent a member from suggesting that any Bank director, officer, attorney, employee, or agent supports a particular individual for an elective office. Because, under proposed § 915.9(b), a Bank director could support a particular candidate in his or her individual capacity, prohibiting a member from suggesting that a Bank director supports a particular candidate serves no useful purpose. Because Bank officers, attorneys, employees, and agents are prohibited from supporting particular individuals for elective office, the Finance Board believes that prohibiting a member from suggesting that Bank officials support particular individuals is unnecessary. Moreover, the Finance Board does not want these rules to be perceived as discouraging members from participating actively in the election process.

The collective effect of these changes should be to enable each Bank to focus on its needs at the board of directors level and to communicate those needs to the members that are entitled to nominate and vote on directors. The penultimate result should be identifying nominees whose skills and experience are more closely aligned to the needs of the Bank. The ultimate result should be the election of directors with the best skills and experience to manage the affairs of the Bank.

The Finance Board seeks comments on any aspect of the proposed rule. Specific considerations include whether the Banks should be required to take any of the actions that are authorized but not required by the proposed rule,

and whether the Banks should be allowed to do more in the election process than authorized by the proposed rule.

IV. Paperwork Reduction Act

The proposed rule would have no substantive effect on any collection of information covered by the Paperwork Reduction Act of 1995 (PRA). See 44 U.S.C. 3501 *et seq.* Therefore, the Finance Board has not submitted this proposal to the Office of Management and Budget for review.

V. Regulatory Flexibility Act

The proposed rule would apply only to the Banks, which do not come within the meaning of "small entities" as defined in the Regulatory Flexibility Act (RFA). See 5 U.S.C. 601(6). Thus, in accordance with section 605(b) of the RFA, 5 U.S.C. 605(b), the Finance Board hereby certifies that the proposed rule, if promulgated as a final rule, will not have a significant economic impact on a substantial number of small entities.

List of Subjects in 12 CFR Part 915

Banks, Banking, Conflict of interests, Elections, Federal home loan banks, Reporting and recordkeeping requirements.

For the reasons stated in the preamble, the Finance Board proposes to amend 12 CFR part 915 as follows:

PART 915—BANK DIRECTOR ELIGIBILITY, APPOINTMENT, AND ELECTIONS

1. The authority citation for part 915 continues to read as follows:

Authority: 12 U.S.C. 1422a(a)(3), 1422b(a), 1426, 1427, and 1432.

2. Amend § 915.6, by redesignating paragraphs (a)(3) and (a)(4) as paragraphs (a)(4) and (a)(5), respectively, adding a new paragraph (a)(3), and revising redesignated paragraph (a)(4) to read as follows:

§ 915.6 Elective director nominations.

(a) * * *

(3) At the election of the Bank, if, on or before the date the Bank provides the written notice, the Bank has determined, pursuant to § 915.9, which skills and experience are most likely to add strength to the board of directors, a brief statement describing such skills and experience;

(4) An attachment indicating the name, location, and FHFID number of every member in the member's voting state, and the number of votes each such member may cast for each directorship to be filled in the election, as

determined in accordance with § 915.5; and

* * * * *

3. Amend § 915.8, by revising paragraph (a)(1), redesignating paragraphs (b), (c), (d), and (e) as paragraphs (c), (d), (e), and (f), respectively, and adding a new paragraph (b) to read as follows:

§ 915.8 Election process.

(a) * * *

(1) An alphabetical listing of the names of each nominee for the member's voting state, the name, location, and FHFB ID number of the member each nominee serves, the nominee's title or position with the member, the number of elective directorships to be filled by members in that voting state in the election, and, at the election of the Bank, a brief description of the nominee's skills and experience;

* * * * *

(b) *Statement on skills and experience.* A Bank may prepare and mail with each ballot a brief statement describing the elective director skills and experience the Bank has determined are most likely to add strength to the board of directors, if the Bank has made such a determination pursuant to § 915.9.

* * * * *

4. Revise § 915.9 to read as follows:

§ 915.9 Actions impacting director elections.

(a) *Banks.* Each Bank, acting through its board of directors, may conduct an annual assessment of the skills and experience possessed by the members of its board of directors as a whole and may determine whether the capabilities of the board would be enhanced through the addition of persons with particular skills and experience. If the board of directors determines that the Bank could benefit by the addition to the board of directors of persons with particular qualifications, such as in financial management/accounting, hedging, risk management, capital markets, securities disclosure requirements, or housing finance, it may identify those qualifications and so inform the members as part of the announcement of elections.

(b) *Incumbent Bank directors.* A Bank director acting in his or her personal capacity may support the nomination or election of any person for an elective directorship, provided that no Bank director purports to represent the views of the Bank or its board of directors in doing so.

(c) *Prohibition.* Except as provided in paragraphs (a) and (b) of this section, no

director, officer, attorney, employee, or agent of a Bank may:

(1) Communicate in any manner that a director, officer, attorney, employee, or agent of a Bank, directly or indirectly, supports the nomination or election of a particular person for an elective directorship; or

(2) Take any other action to influence votes for a directorship.

Dated: April 12, 2006.

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

Ronald A. Rosenfeld,
Chairman.

[FR Doc. 06-3690 Filed 4-17-06; 8:45 am]

BILLING CODE 6725-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No. FAA-2006-24496; Directorate Identifier 2005-NM-141-AD]

14 CFR Part 39

RIN 2120-AA64

Airworthiness Directives; Boeing Model 737-100, -200, -200C, -300, -400, and -500 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for certain Boeing Model 737-100, -200, -200C, -300, -400, and -500 series airplanes. This proposed AD would require repetitive inspections to detect cracks in the vertical beam webs of the body station (BS) 178 bulkhead, and corrective actions if necessary. This proposed AD also would require a terminating modification for the repetitive inspections. This proposed AD results from reports of numerous cracks in the vertical beam webs. We are proposing this AD to prevent fatigue cracks in certain vertical beam webs, which could result in loss of structural integrity of the BS 178 bulkhead, and consequently could impair the operation of the control cables for the elevators, speed brakes, and landing gear, or could cause the loss of cabin pressure.

DATES: We must receive comments on this proposed AD by June 2, 2006.

ADDRESSES: Use one of the following addresses to submit comments on this proposed AD.

• DOT Docket Web site: Go to <http://dms.dot.gov> and follow the

instructions for sending your comments electronically.

• Government-wide rulemaking Web site: Go to <http://www.regulations.gov> and follow the instructions for sending your comments electronically.

• Mail: Docket Management Facility, U.S. Department of Transportation, 400 Seventh Street SW., Nassif Building, room PL-401, Washington, DC 20590.

• Fax: (202) 493-2251.

• Hand Delivery: Room PL-401 on the plaza level of the Nassif Building, 400 Seventh Street SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Contact Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington 98124-2207, for the service information identified in this proposed AD.

FOR FURTHER INFORMATION CONTACT:

Howard Hall, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 917-6430; fax (425) 917-6590.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to submit any relevant written data, views, or arguments regarding this proposed AD. Send your comments to an address listed in the **ADDRESSES** section. Include the docket number "FAA-2006-24496; Directorate Identifier 2005-NM-141-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of the proposed AD. We will consider all comments received by the closing date and may amend the proposed AD in light of those comments.

We will post all comments we receive, without change, to <http://dms.dot.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact with FAA personnel concerning this proposed AD. Using the search function of that web site, anyone can find and read the comments in any of our dockets, including the name of the individual who sent the comment (or signed the comment on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477-78), or you may visit <http://dms.dot.gov>.

Examining the Docket

You may examine the AD docket on the Internet at <http://dms.dot.gov>, or in