REGISTER (5 U.S.C. 553) in that (1) the requirements of section 608e-1 of the act make this amendment mandatory, (2) compliance with this amendment will not require any special preparation by importers which cannot be completed by the effective date, and (3) the amendment relieves restrictions.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated December 10, 1970, to become effective December 16, 1970.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 70-16822; Filed, Dec. 14, 1970; 8:51 a.m.]

Chapter XIV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER C—EXPORT PROGRAMS

[Amdt. 1]

PART 1481—RICE

Subpart—Rice Export Program (GR-369) Revision IV

MISCELLANEOUS AMENDMENTS

The terms and conditions of the Rice Export Program (GR-369) Revision IV (35 F.R. 7880 and 35 F.R. 8472) are hereby amended as follows:

1. In § 1481.105, paragraph (k) is amended by adding the following sentence:

§ 1481.105 Definition of terms.

* * * * *

(k) * * * Export carrier also means a lash barge loaded with rice for which a through on-board bill of lading is issued for shipment to an eligible country and the loaded lash barge is subsequently lifted aboard an ocean vessel. The exculpatory provisions of paragraph (h) of this section and § 1481.115(d) shall apply to any rice lost, damaged, or destroyed after loading aboard the lash barge to the same extent as loading aboard an ocean going vessel.

* * * * *

§ 1481.112 [Amended]

2. In § 1481.112, paragraph (b) is amended by substituting for the words "in any form or product into the United States or Puerto Rico of rice previously exported by him," the words "into the United States or Puerto Rico of milled rice or brown rice (including milled rice produced from exported brown rice) previously exported by him."

3. In § 1481.113, paragraph (d) is amended to read as follows:

§ 1481.113 Rice exported prior to submission of offer acceptable to CCC.

* * * * *

(d) The submission of Form CCC-409, "Application for Rice Export Payment," for an export payment on rice exported prior to submission of an offer constitutes the exporter's agreement that if the rice is exported or transshipped to other than an eligible country as milled rice or brown rice (including milled rice produced from exported brown rice), or if the rice (including milled rice produced from exported brown rice) is reentered into the United States or Puerto Rico, he shall be liable to CCC as provided in § 1481.115(d).

§ 1481.115 [Amended]

4. In § 1481.115, paragraph (d) is amended by deleting the words "in any form or product," wherever they appear, and substituting therefor in the first sentence thereof the words "as milled rice or as brown rice (including milled rice produced from exported brown rice)" and by deleting the entire second sentence.

§ 1481.132 [Amended]

5. In § 1481.132, paragraph (c) is amended by substituting for the words "in any form or product into the United States or Puerto Rico of rice" the words "into the United States or Puerto Rico of milled rice or brown rice (including milled rice produced from exported brown rice)."

§ 1481.136 [Amended]

6. In § 1481.136, paragraph (b) is amended by adding after the words "prior to" the words "filing the notice of."

7. In § 1481.138, the second sentence of paragraph (a)(1) is amended to read as follows:

§ 1481.138 Contract amendments.

(a)(1) * * * The exporter shall not export, transship or cause the rice (including milled rice produced from exported brown rice) to be transshipped to any other country without the written approval of CCC.

* * * * *

§ 1481.139 [Amended]

8. In § 1481.139, paragraph (f) is amended by substituting for the words "in any form or product," wherever they appear, the words "as milled rice or as brown rice (including milled rice produced from exported brown rice)."

9. In § 1481.153, paragraph (a)(2)(i) is revised, paragraph (b) is amended by the addition of two new sentences, paragraph (c)(1) and (2) are revised, paragraph (d)(2) is amended by deleting the second sentence, and paragraph (e) is amended to change the first sentences of subparagraphs (1) and (4) and all of subparagraphs (2) and (3), to read as follows:

§ 1481.153 Evidence of export.

* * * * *

(a) *Bills of lading.* * * *

(2) * * *

(i) The identification of the ocean vessel or the lash barge,

* * * * *

(b) * * * If export is by lash barge, an authenticated copy of the applicable shipper's export declaration or an acceptable statement from the vessel's agent showing the lash barge was loaded to the lash vessel named in the on-board lash bill of lading or substitute lash vessel. The shipper's export declaration or the statement from the agent of the vessel must be furnished within a 60-day period beginning on the date of the on-board lash bill of lading unless otherwise approved in writing by CCC.

(c) *Official weight certificates.* (1) Except as otherwise provided in this paragraph (c), for rice exported in bulk by ocean vessel or lash barge, a copy of an official weight certificate issued on the basis of weights obtained at the time of loading the rice to the ocean vessel or lash barge showing (i) the weight of the rice, (ii) date and place of issuance, (iii) identification of the ocean vessel or lash barge, and (iv) description of the hold or tank of the ocean vessel or the lash barge in which the rice was stowed.

(2) For an export of bulk rice which was transferred directly from a railcar or truck to an ocean vessel or lash barge, a copy of an official weight certificate issued on the basis of heavy and light weights of the railcar or truck obtained at the place of export showing (i) the heavy and light weights of the railcar or truck, or the net weight of the rice, (ii) the date and place of issuance, and (iii) identification of the railcar or truck, may be furnished in lieu of the certificate required in subparagraph (1) of this paragraph. The exporter must also furnish an acceptable statement from an inspector that the inspector witnessed the transfer of the rice from the railcar or truck to the ocean vessel or lash barge. The statement must identify each railcar or truck.

* * * * *

(e) *Official inspection certificates.* (1) For rice exported in bags, bales, or cases, a copy of an official inspection certificate showing (i) the information necessary to determine the export payment per hundredweight under the applicable provisions of § 1481.102(d) and (ii) the quantity of rice to which the certificate relates. * * *

(2) Except as provided in subparagraph (3) of this paragraph, for milled rice or brown rice exported in bulk by ocean vessel or lash barge, a copy of an official inspection certificate issued on the basis of an inspection made at the time and place of loading the rice to the ocean vessel or lash barge showing (i) the information necessary to determine the export payment per hundredweight under the applicable provisions of § 1481.102(d), (ii) the quantity of rice to which the certificate relates, (iii) date and place of issuance and (iv) identification of the ocean vessel or lash barge.

(3) For milled rice or brown rice exported in bulk, bags, bales, or cases in marine-type containerized vans by ocean vessel, a copy of an official inspection certificate issued on the basis of an inspection made at the port of export or at the time of loading the rice for shipment to port showing (i) the information necessary to determine the export payment per hundredweight under the applicable provisions of § 1481.102(d), (ii)

the quantity of rice to which the certificate relates, (iii) date and place of issuance, (iv) identification of the van, (v) the seal numbers of the van and (vi) a statement by the inspector or an independent party (port authorities, agent of the vessel, etc.) that he witnessed the loading of the rice to the van and the sealing of the van.

(4) For milled rice or brown rice exported in bulk by railcar or truck, a copy of an official inspection certificate showing (i) the information necessary to determine the export payment per hundredweight under the applicable provisions of § 1481.102(d), (ii) the quantity of rice to which the certificate relates, (iii) date and place of issuance and (iv) identification of the railcar or truck. * * *

* * * * *

(Sec. 5, 62 Stat. 1072, sec. 407, 63 Stat. 1055, as amended, sec. 201(a), 70 Stat. 188; 15 U.S.C. 714c, 7 U.S.C. 1427, 1851)

Effective date. This amendment shall become effective on the date of its publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on December 4, 1970.

CLIFFORD G. PULVERMACHER,
Vice President, Commodity Credit Corporation, and General Sales Manager, Export Marketing Service.

[F.R. Doc. 70-16819; Filed, Dec. 14, 1970; 8:50 a.m.]

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Reg. D]

PART 204—RESERVES OF MEMBER BANKS

Currency and Coin

1. Effective January 7, 1971, § 204.116 is added to read as follows:

§ 204.116 Currency or coin held principally for its numismatic or bullion value.

(a) The Board of Governors has considered the status under Regulation D for purposes of reserve computations of currency and coins held by member banks principally for their numismatic or bullion value.

(b) It appears that a number of banks have been counting as part of their reserve requirements silver coins which the banks have acquired and segregated from coins available to meet customers' demands. In some cases, the coins are held by the bank for its own account with the expectation of earning a premium over face value because of the greater numismatic or bullion value of the coins. In other cases, the coins are held by the bank for the account of its customers, under a written or oral agreement, whereby the customer retains the right to, or an option on, such coins.

(c) When a member bank acquires currency or coin that it has the full and unrestricted right to use at any time to meet depositors' claims, such currency or coin may be counted as reserves for purposes of satisfying the bank's reserve requirements. The fact that a bank may choose to segregate part of such currency or coin does not of itself disqualify the currency or coin from counting as reserves.

(d) A bank does not have "the full and unrestricted right" within the meaning of the preceding paragraph if the bank is prevented, legally or practically, by virtue of customer agreements, undertakings, or arrangements, from using the currency or coin at any time to meet customer's demands. Such customer agreements, undertakings, or arrangements may relate to the specific currency or coins transferred to the bank or to currency or coin that the bank is or may be obligated to acquire to replace the specific currency or coins so transferred.

(e) Examples of agreements, undertakings, or arrangements between a bank and its customer that have come to the Board's attention under which the bank does not have the full and unrestricted right to use silver coins at any time to meet customers' demands are:

(1) The bank holds the coins subject to a repurchase agreement or an option by the customer or his assignee (a borrowing by the bank of the coins).

(2) Coins are deposited by the customer and the bank promises to resell to the customer a similar amount of coins (in effect a borrowing by the bank of the coins).

(3) The coins deposited by the customer are to be segregated and returned to the customer upon his request or after a certain period of time (a bailment).

(4) The bank issues a certificate of deposit, the consideration for which is coins, and the bank simultaneously enters into an agreement to redeem the certificate by payment of the coins, either the identical coins deposited by the customer or similar coins (a special deposit).

(5) Coins are transferred to the bank as collateral for a loan.

(f) An agreement between the bank and its customer that the currency or coin is to be regarded as "owned" by the bank for purposes of reserve requirements is not determinative. Whether currency or coin may be counted as reserves depends on the underlying nature of the transaction in the light of the principle and examples set forth herein.

(g) This interpretation is not intended to affect the legality of agreements, undertakings, or arrangements between the bank and its customers regarding currency or coin.

(Interprets and applies 12 U.S.C. 461.)

2. On June 3, 1970, the Board published for comment a proposed amendment to Regulation D to prevent member banks from counting as part of their required reserves any coin they hold principally for its bullion or numismatic value (FEDERAL REGISTER of June 9, 1970, 35 F.R. 8892). That proposal is withdrawn.

By order of the Board of Governors, December 8, 1970.

[SEAL] KENNETH A. KENYON,
Deputy Secretary.

[F.R. Doc. 70-16775; Filed, Dec. 14, 1970; 8:47 a.m.]

[No. 70-496]

Chapter V—Federal Home Loan Bank Board

SUBCHAPTER C—FEDERAL SAVINGS AND LOAN SYSTEM

PART 545—OPERATIONS

Purchase of GNMA-Guaranteed Securities

DECEMBER 8, 1970.

Resolved that the Federal Home Loan Bank Board considers it advisable to amend § 545.9 of the rules and regulations for the Federal Savings and Loan System (12 CFR 545.9) for the purpose of authorizing Federal savings and loan associations to purchase securities guaranteed by the Government National Mortgage Association pursuant to section 306(g) of the National Housing Act, as amended. Accordingly, the Federal Home Loan Bank Board hereby amends such § 545.9 by adding a new paragraph (c), immediately after paragraph (b) thereof, and by redesignating the succeeding two paragraphs, to read as follows, effective December 15, 1970:

§ 545.9 Securities and other investments.

A Federal association may invest in the following:

* * * * *

(c) Any securities guaranteed by the Government National Mortgage Association pursuant to section 306(g) of the National Housing Act, as amended;

(d) Any general obligations (without regard to investment-service rating) of any political subdivision of a State (including the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States) if the association's home office or a branch office is located in such political subdivision: *Provided*, That investments in such obligations may not be made in an aggregate amount exceeding 1 percent of the association's assets; and

(e) The stock of a Federal Home Loan Bank or the Federal National Mortgage Association.

Resolved further that, since affording notice and public procedure on the above amendment would delay it from becoming effective for a period of time and since it is in the public interest that such amendment become effective as soon as possible, the Board hereby finds that notice and public procedure thereon are contrary to the public interest under the

provisions of 12 CFR 508.11 and 5 U.S.C. 553(b); and, for the same reason, the Board finds that publication of such amendment for the 30-day period specified in 12 CFR 508.14 and 5 U.S.C. 553(d) prior to the effective date thereof is contrary to the public interest; and the Board hereby provides that such amendment shall become effective as hereinbefore set forth.

(Sec. 5, 48 Stat. 132, as amended; 12 U.S.C. 1464; Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR, 1943–1948 Comp., p. 1071)

By the Federal Home Loan Bank Board.

[SEAL] JACK CARTER, *Secretary.*

[F.R. Doc. 70-16824; Filed, Dec. 14, 1970; 8:51 a.m.]

Title 18—CONSERVATION OF POWER AND WATER RESOURCES

Chapter I—Federal Power Commission

[Docket No. R-398; Order 415]

IMPLEMENTATION OF NATIONAL ENVIRONMENTAL POLICY ACT

DECEMBER 4, 1970.

On September 17, 1970, the Commission issued a notice of proposed policy statement and rule making (35 F.R. 14848, September 24, 1970),[1] wherein it proposed to amend Parts 4 and 5 of the regulations under the Federal Power Act and Subchapter E of the regulations under the Natural Gas Act as well as add §§ 2.80–2.83 to Part 2 of its general rules, in order to implement the requirements of section 102(2)(C) of the National Environmental Policy Act, 83 Stat. 852, 853.

Eighteen responses were filed in this proceeding suggesting a variety of modifications and amendments in the proposed rules. All suggestions were carefully studied and several were adopted as indicated hereinafter.

The rules adopted set forth the policy and procedural guidelines that we will follow in exercising our responsibilities under the National Environmental Policy Act of 1969 with regard to the licensing of hydroelectric facilities under Part I of the Federal Power Act and the issuance of certificates of public convenience and necessity under section 7(c) of the Natural Gas Act. Rather than formalizing specific rules to deal with our legislative environmental responsibilities at this time, we have decided to defer action in this area pending experience with the legislative procedures of the Council on Environmental Quality's Interim Guidelines and the Office of Management and Budget's Bulletin 71-3. We will, of course, continue to meet our responsibilities in the legislative environmental area as now prescribed by law.

None of the parties filing in this proceeding have questioned the propriety of the Commission adopting a policy and rules in compliance with the National Environmental Policy Act. Most of the critical comments were directed at various details of the procedural steps we proposed, such as, for example, the timing of filing environmental statements and responses thereto and the proper distribution of statements and comments filed with the Commission. A number of the comments were adopted. However, no beneficial purpose would be served, by a complete enumeration of the comments received and the action taken in response to them.

Comments dealing with the basic substantive principles of the proposed rules and requests for significant changes were filed in some cases. We do believe these points deserve special discussion.

The environmental criteria to be evaluated in the preparation of detailed environmental statements as prescribed in section 102(2)(C) of the National Environmental Policy Act, 83 Stat. 852, 853, have been repeated in §§ 2.80 and 157.14(a) of the rules we are adopting today. Since these are the specific criteria we are required to evaluate in the preparation of detailed environmental statements to accompany our major actions having environmental significance we believe it is proper to require applicants and environmental interveners in Commission proceedings to address themselves to these same considerations. We have, however, in response to some of the comments filed in this proceeding, revised § 2.80 as proposed to provide examples of the kinds of values and considerations that should be evaluated in the context of the five specific criteria we have incorporated from the National Environmental Policy Act. It should be emphasized that these examples are merely illustrative, and not an exhaustive listing of factors that should be considered in the preparation of detailed environmental statements.

The addition of these considerations also serves the useful purpose of further clarifying the scope and nature of a detailed environmental statement. The requirement of this kind of analysis in cases having environmental significance is in the public interest in that it helps assure the fullest possible examination of environmental values and assists us in complying with the statutory standards of the National Environmental Policy Act and our enabling legislation.

The Commission's mandate under the Federal Power Act to fully evaluate environmental considerations is articulated in Scenic Hudson Preservation Conference v. Federal Power Commission, 354 F. 2d 608, (CA2, 1965), cert. denied sub nom Consolidated Edison v. Scenic Hudson Preservation Conference, 384 U.S. 941, and Udall v. Federal Power Commission, 387 U.S. 428 (1967). In Scenic Hudson the Second Circuit ruled that "[t]he Commission must see to it that the record is complete. The Commission has an affirmative duty to inquire into and consider all relevant facts." 354 F. 2d at 620. The requirements imposed by the rules we have adopted represent the kind of affirmative action we must take to assure a complete record. As the Supreme Court said in the Udall case, the Commission must satisfy the test that the proposed project is in the public interest. "And that determination can be made only after an exploration of all issues relevant to the 'public interest' * * *" 387 U.S. at 450. We believe these rules will enable us to explore all such relevant issues.

The Commission fully recognizes and accepts its responsibilities under the comprehensive planning mandate of section 10(a) of the Federal Power Act, 16 U.S.C. 803(a), and the standards of section 102(2)(C) of the National Environmental Policy Act, 83 Stat. 853. The regulations we are adopting in this proceeding in no way diminish the burden placed on the Commission by those statutory provisions. Nor do these regulations in any way nullify the Commission's obligation to render decisions based on the fullest possible evaluation of all pertinent information. They also do not negate our duty and that of our staff to take all reasonable and relevant efforts to insure that our decisions are based on a complete record. Rather, the regulations adopted today help assure that all practicable avenues of information and evidence will be explored and developed prior to our determination of the merits of cases falling within the purview of these regulations.

In order to correct the misunderstanding of some who submitted comments, we have clarified our intent in §§ 2.81(c) and 2.82(c). We have deleted the requirement that environmental interveners submit detailed environmental statements pursuant to § 2.80, although we preserve their right to do so. The rules now make it clear that environmental interveners are required to file with the Commission at a time to be specified an explanation of the environmental position they are advancing including therein a discussion of that position in the context of the factors from the National Environmental Policy Act specified in § 2.80. We believe this requirement is in the public interest in that it helps assure exposure and consideration of all relevant issues by insuring that all environmental issues will be raised before the initial decision. Absent an affirmative duty on all parties to raise issues and supply evidence in support thereof during the evidentiary phase of a hearing, the Commission cannot be certain that a complete record is before them. To relieve some parties from this duty would be to encourage dilatory tactics.

We have, in response to comments filed by the Council on Environmental Quality on November 30, 1970, charged the procedures outlined in §§ 2.81(b) and 2.82(b) to include preliminary staff analysis of the detailed environmental statements supplied by applicants. Should this analysis of the statement reveal any deficiencies as to the sufficiency of its form, the staff will request the necessary revisions before the statement is made available to governmental agencies for comment. In this way, we can help assure that all relevant environmental factors will become part of the record at the earliest opportunity and subject to evidentiary proceedings

[1] On Sept. 29, 1970, an amendment was issued (35 F.R. 16324, Oct. 17, 1970).