Rules and Regulations

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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.
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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 907

[Navel Orange Reg. 504]

Navel Oranges Grown in Arizona and Designated Part of California; Limitation of Handling

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This regulation establishes the quantity of fresh California-Arizona navel oranges that may be shipped to market during the period January 9, 1981–January 15, 1981. Such action is needed to provide for orderly marketing of fresh navel oranges for this period due to the marketing situation confronting the orange industry.

EFFECTIVE DATE: January 9, 1981.

FOR FURTHER INFORMATION CONTACT: Malvin E. McGaha, 202–447–5975.

SUPPLEMENTARY INFORMATION: *Findings.* This regulation is issued under the marketing agreement, as amended, and Order No. 907, as amended (7 CFR Part 907), regulating the handling of navel oranges grown in Arizona and designated part of California. The agreement and order are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674). This action is based upon the recommendations and information submitted by the Navel Orange Administrative Committee and upon other available information. It is hereby found that this action will tend to effectuate the declared policy of the act.

This action is consistent with the marketing policy for 1980–81 which was designated significant under the procedures of Executive Order 12044. The marketing policy was recommended by the committee following discussion at a public meeting on October 14, 1980. A final impact analysis on the marketing policy is available from Malvin E. McGaha, Chief, Fruit Branch, F&V, AMS, USDA, Washington, D.C. 20250, telephone 202–447–5975.

The committee met again publicly on January 6, 1981 at Los Angeles, California, to consider the current and prospective conditions of supply and demand and recommended a quantity of navels deemed advisable to be handled during the specified week. The committee reports the demand for navel oranges is good on size 88's and larger and easier on smaller sizes.

It is further found that there is insufficient time between the date when information became available upon which this regulation is based and when the action must be taken to warrant a 60-day comment period as recommended in E.O. 12044, and that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rulemaking, and postpone the effective date until 30 days after publication in the **Federal Register** (5 U.S.C. 553). It is necessary to effectuate the declared purposes of the act to make these regulatory provisions effective as specified, and handlers have been apprised of such provisions and the effective time.

1. Section 907.804 is added as follows:

§ 907.804 Navel Orange Regulation 504.

Order. (a) The quantities of navel oranges grown in Arizona and California which may be handled during the period January 9, 1981, through January 15, 1981, are established as follows:

(1) District 1: 776,000 cartons;
(2) District 2: 54,509 cartons;
(3) District 3: unlimited cartons;
(4) District 4: 24,000 cartons;

(b) As used in this section, "handled," "District 1", "District 2", "District 3", "District 4", and "carton" mean the same as defined in the marketing order.

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

Dated: January 7, 1981

Charles R. Brader,

Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc. 81–959 Filed 1–7–81; 2:55 pm]

BILLING CODE 3410-02-M

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

8 CFR Part 292

Representation and Appearances: Clarifying Right to Representation

Correction

In FR Doc. 80–38648 appearing at page 81732 in the issue for Friday, December 12, 1980, make the following correction:

On page 81733, § 292.5(b), in the second column, in the second line, the words "tht nothing is" should have read "that nothing in".

BILLING CODE 1505-01-M

NUCLEAR REGULATORY COMMISSION

10 CFR Part 73

Physical Protection of Plants and Materials; Clarifying and Corrective Amendments

AGENCY: Nuclear Regulatory Commission.

ACTION: Clarifying and corrective amendments.

SUMMARY: The Nuclear Regulatory Commission is issuing certain clarifying and correcting amendments that refer to documents incorporated by reference in Part 73, Physical Protection of Plants and Materials. These amendments do not modify current practices or application of the regulations.

EFFECTIVE DATE: January 8, 1981.

FOR FURTHER INFORMATION CONTACT: Patricia D. Anderson, (301) 492–7297.

SUPPLEMENTARY INFORMATION: The Nuclear Regulatory Commission is amending two sections of 10 CFR Part 73, "Physical Protection of Plants and Materials" to clarify the citations to materials incorporated by reference into two sections within Part 73. The citations as corrected appear below.

PART 73—PHYSICAL PROTECTION OF MATERIALS

1. Section 73.26(l)(1) is revised to read as follows:

§ 73.26 [Amended]

* * * * *

(l) *Shipment by sea.* (1) Shipments shall be made only on container-ships. The strategic special nuclear material container(s) shall be loaded into exclusive use cargo containers conforming to American National Standards Institute (ANSI) Standard MH5.1—"Basic Requirements for Cargo Containers" (1971) or International Standards Organization (ISO) 1496, "General Cargo Containers" (1978) Locks and seals shall be inspected by the escorts whenever access is possible.

* * * * *

2. Part 73, Appendix B.I.B.1.b(2)(a) is revised to read as follows:

* * * * *

(2) Hearing: (a) Individuals shall have no hearing loss in the better ear greater than 30 decibels average at 500 Hz, 1,000 Hz, and 2,000 Hz, with no level greater than 40 decibels at any one frequency (by ISO 389 "Standard Reference Zero for the Calibration of Purtone Audiometer" (1975) or ANSI S3.6—1969 (R 1973) "Specifications for Audiometers")

* * * * *

Dated at Bethesda, Maryland this 29th day of December, 1980.

For the Nuclear Regulatory Commission.

William J. Dircks,

Executive Director for Operations.

[FR Doc. 81-527 Filed 1-7-81; 8:45 am]

BILLING CODE 7590-01-M

FEDERAL RESERVE SYSTEM

12 CFR Parts 208 and 225

[Regulations H and Y; Docket No. R-0338]

Amendment to Requirements for Updating Transfer Agent Registration Information

December 30, 1980.

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors of the Federal Reserve System has amended its Regulations H (12 CFR Part 208) and Y (12 CFR Part 225) to eliminate the requirement that registered transfer agents file amendments to their registration statement on Form TA-1 to reflect changes in previously filed information listing securities for which the institutions act as transfer agents. These amendments anticipate future action by the Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Securities and Exchange Commission to substantially reduce information required by Form TA-1. It is anticipated that the revised Form TA-1 will not require the detailed information concerning individual issues which is presently required and thus no amendment requirement will be necessary. The Board has determined that it is appropriate to eliminate the amendment requirement at this time in order to reduce the burden on those transfer agents that would otherwise be required to file an amendment by January 30, 1981.

EFFECTIVE DATE: January 7, 1981.

FOR FURTHER INFORMATION CONTACT: Donald R. Vinnedge, Manager, Trust Activities Program, (202) 452-2717, or Walter R. McEwen, Attorney, (202) 452-2521, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SUPPLEMENTARY INFORMATION: Regulation H (12 CFR 208.8(f)(2)) and Regulation Y (12 CFR 225.5(c)(2)) state in pertinent part that:

> Within thirty calendar days following the close of any calendar year * * * during which the information required by Item 7 of Form TA-1 becomes inaccurate, misleading or incomplete, the [registered transfer agent] shall file an amendment to Form TA-1 correcting the inaccurate, misleading or incomplete information.

The information required by Item 7 of Form TA-1 is shown on Schedule B of that form. Schedule B presently requires detailed information for each security issue serviced by the registrant as transfer agent, co-transfer agent, registrar, or co-registrar. This information consists of the name of the security, the type of security and class or series, the CUSIP number and the capacity in which the registrant acts on that issue. Schedule B also requires similar information for issues previously listed on Schedule B but no longer serviced by the registrant and for those situations in which the name of the issuer has changed or the capacity in which the registrant acts for the issuer has changed.

Staff of the Board, the SEC and the other Federal bank regulatory agencies have agreed that the information presently required on Schedule B is too detailed. Staff of the agencies are near agreement on a revised Form TA-1 which would require only aggregate statistical information. It is expected that in early 1981 the SEC and the Federal bank regulatory agencies will adopt a revised Form TA-1 that will substantially reduce the information presently required.

The Board has concluded that failure to revise 12 CFR 208.8(f)(2) and 12 CFR 225.5(c)(2) would result in an undue burden upon those State member bank transfer agents that would be required to file amended Form TA-1 at a time when the Board believes that the furnished information is unnecessary. Accordingly the Board is amending Regulation H and Y to eliminate the requirement to amend Form TA-1 within 30 calendar days of December 31 in order to update information presently required on Schedule B. Effective with this action, transfer agents may disregard the instruction on Form TA-1 that relates to the filing of this information (Instruction III-15).

The Board is also acting to amend Regulations H and Y by deleting 12 CFR 208.8(f)(4) and 12 CFR 25.5(c)(4) which were adopted in December, 1977 as temporary exemptive rules to permit registered transfer agents for which the Board is the appropriate regulatory agency to delay filing Schedule B which otherwise would have been due on January 30, 1978. The purpose of the extension was to provide registrants with sufficient time to accomodate their data processing systems to a new format required by a revision of Form TA-1. The purpose of the temporary exemptive rules has been met and the rules are presently unnecessary. Accordingly, the Board is acting to amend Regulations H and Y to delete the language of the temporary exemptive rules.

Because this action facilitates the reduction of a reporting burden, the Board for good cause finds that the notice and public procedure provisions of 5 U.S.C. 553 are unnecessary and that immediate implementation is in the public interest.

PART 208—MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

PART 225—BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

Pursuant to Section 17A of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1) and Sections 9 and 11 of the Federal Reserve Act (12 U.S.C. 321, 248), the Board hereby adopts the following amendments to Regulation H (12 CFR Part 208) and Regulation Y (12 CFR Part 225):

1. The second sentence in 12 CFR 208.8(f)(2) is deleted.

2. 12 CFR 208.8(f)(4) is deleted in its entirety.

3. The second sentence in 12 CFR 225.5(c)(2) is deleted.

4. 12 CFR 225.5(c)(4) is deleted in its entirety.

By order of the Board of Governors, December 30, 1980.

Theodore Allison,

Secretary of the Board.

[FR Doc. 81-589 Filed 1-7-81; 8:45 am]

BILLING CODE 6210-01-M

12 CFR Parts 211 and 265

Rules Regarding Delegation of Authority

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board has amended § 211.5(c)(2) of its Regulation K to allow the Board to waive the 60 days' prior notification period for those proposals that qualify for the Board's prior notification procedure but must be consummated in less than 60 days, and section 265.2(c) of its Rules Regarding Delegation of Authority to give the Director of the Division of Banking Supervision and Regulation authority to exercise this waiver.

EFFECTIVE DATE: December 30, 1980.

FOR FURTHER INFORMATION CONTACT: C. Keefe Hurley, Jr., Senior Counsel (202/452-3269), or James S. Keller, Senior Attorney (202/452-3582), Legal Division, Board of Governors of the Federal Reserve System.

SUPPLEMENTARY INFORMATION: Section 211.5(c)(2) of the Board's Regulation K (12 CFR 211.5(c)(2)) provides that certain investments may be made after the investor has given 60 days' prior written notice to the Board. In several instances, proposals that would otherwise qualify for this notification procedure have had to be processed pursuant to the specific consent procedures of § 211.5(c)(3) of Regulation K (12 CFR 211.5(c)(3)) because the investor had to be able to consummate the transaction on an expedited basis (e.g., a proposal to bid on a failing foreign bank).

Since the purpose of the prior notification process is to simplify procedures for both the investor and the Board, it seems inconsistent with the consent procedures of Regulation K that a proposal qualifying for the prior notification procedure and requiring expedited treatment must be processed under the specific consent procedure to allow consummation in less than 60 days. Accordingly, the Board has amended Regulation K to allow the Board to waive the 60 days' prior notification period in certain circumstances. The Board has also delegated to the Director of the Division of Banking Supervision and Regulation authority to waive this notification period on behalf of the Board.

The provisions of 5 U.S.C. 553 relating to notice and public participation are not followed in connection with adoption of these amendments because the Board finds for good cause that notice and public participation are unnecessary since the amendment to Regulation K relaxes a restriction previously imposed, while the amendment to the Rules of Delegation of Authority is procedural in nature and does not constitute a substantive rule subject to the requirements of that section.

PART 211—INTERNATIONAL BANKING OPERATIONS

(1) Pursuant to its authority under the Federal Reserve Act (12 U.S.C. 211 *et seq.*), the Board amends the first sentence of § 211.5(c)(2) of Regulation K (12 CFR 211.5(c)(2)) as follows:

§ 211.5 Investments in other organizations.

* * * * *

(c) Investments procedures. * * *

* * * * *

(2) Prior notification. An investment in a subsidiary * * * notice to the Board, unless the Board waives such period because it finds immediate action by the investor is required by the circumstances presented, if the total amount * * *.

PART 265—RULES REGARDING DELEGATION OF AUTHORITY

(2) Pursuant to its authority under section 11(k) of the Federal Reserve Act (12 U.S.C. 248(k)), the Board amends its Rules Regarding Delegation of Authority (12 CFR Part 265) by adding paragraph (c)(27) as follows:

§ 265.2 Specific functions delegated to Board employees and to the Federal Reserve Banks.

* * * * *

(c) The Director of the Division of Banking Supervision and Regulation (or, in the Director's absence, the Acting Director) is authorized:

* * * * *

(27) Under section 25 and 25(a) of the Federal Reserve Act and Part 211 of this chapter (Regulation K), to waive the 60 days' prior notice period for an investment that qualifies for the prior notification procedures set forth in § 211.5(c)(2) of Regulation K (12 CFR 211.5(c)(2)).

By order of the Board of Governors of the Federal Reserve System, December 30, 1980.

Theodore E. Allison,

Secretary of the Board.

[FR Doc. 81-694 Filed 1-7-81; 8:45 am]

BILLING CODE 6210-01-M

12 CFR Part 265

Rules Regarding Delegation of Authority

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: In acting upon applications and requests pursuant to the Board's Regulation K as revised on June 17, 1979, the Board has found that a number of administrative actions that currently must be taken by the Board are of a ministerial nature and could be more expeditiously handled by the Reserve Banks. Accordingly, the Board has delegated certain authority under Regulation K to the Director of the Division of Banking Supervision and Regulation and the Federal Reserve Banks.

EFFECTIVE DATE: December 30, 1980.

FOR FURTHER INFORMATION CONTACT: C. Keefe Hurley, Senior Counsel (202/452-3269), James S. Keller, Senior Attorney (202/452-3582), Legal Division, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SUPPLEMENTARY INFORMATION: Since passage of the Board's revised Regulation K (12 CFR Part 211) on June 14, 1979, the Board has acted upon numerous applications regarding the establishment of Edge Corporations and the foreign activities of U.S. investors. As a result of its experience with the revised regulation, the Board believes that a number of Board actions required by Regulation K should be delegated to the Reserve Banks in order to permit more expeditious action on matters that do not affect the Board's overall policy regarding Regulation K. Accordingly, the Board has determined that the following powers are to be delegated to the Reserve Banks and, in one instance, to the Director of the Division of Banking Supervision and Regulation:

1. *The issuance of a final permit to an Edge Corporation to commence business.* Under § 211.4(a)(2) of the Board's Regulation K, an Edge Corporation that has received a preliminary permit from the Board may elect officers and otherwise complete its organization, invest in obligations of the

United States Government and maintain deposits with banks, but it may not exercise any other powers until the Board has issued a final permit to commence business. The issuance of the final permit is generally routine once the Edge Corporation's president, treasurer and secretary and at least three directors certify that at least 25 per cent of the issued and subscribed stock specified in the articles of association has been paid in and that each shareholder has individually paid in at least 25 per cent of his stock subscription. Accordingly, the Board has delegated to the Reserve Banks the authority to issue the final permit to the Edge Corporation to commence business.

Section 211.4(a)(2) also states that "[n]o amendment to the articles of association [of an Edge Corporation] shall become effective until approved by the Board." A number of proposed amendments that are received by the Board could be more efficiently acted upon by the Reserve Banks. Accordingly, the Board has delegated to the Reserve Banks authority to take action on an Edge Corporation's request to amend its articles of association for the purposes of changing its name and permitting non-U.S. citizens to become directors or majority stockholders of the Edge Corporation.

2. *Extension of the time within which interests acquired in satisfaction of a debt previously contracted must be disposed of by a investor.* Pursuant to section 211.5(e) of the Board's Regulation K, shares or other evidences of ownership acquired to prevent a loss upon a debt previously contracted in good faith must be disposed of promptly, but in no event later than two years after their acquisition, unless the Board authorizes retention for a longer period. In a delegation of authority pursuant to the Bank Holding Company Act and the Board's Regulation Y, the Board has previously delegated to the Reserve Banks the authority to extend the time limit for disposing of interests in a nonbanking organization acquired by a bank holding company in satisfaction of a debt previously contracted. 12 CFR 265.2(f)(12). The Board has delegated to the Reserve Banks the authority to grant extensions of time for such acquisitions of interests in foreign companies.

3. *Extension of time for a bank holding company to accomplish a purchase of stock authorized by section 4(c)(13) of the Bank Holding Company Act and Regulation K.* The Board has previously delegated to the Reserve Banks the authority to extend the time within which an Edge or Agreement Corporation or a member bank may purchase stock that has been authorized by the Board pursuant to section 25 or 25(a) of the Federal Reserve Act if no material change has occurred in the general condition of the corporation or the member bank since such authorization. (12 CFR 265.2(f)(45)). Since a bank holding company may also be an "investor" under Regulation K, the Board believes it consistent to authorize the Reserve Banks to extend the time within which a bank holding company may accomplish a purchase of stock that has been authorized by the Board pursuant to section 4(c)(13) of the Bank Holding Company Act.

4. *Conversion of an Edge Corporation to a branch of an affiliated Edge Corporation.* Pursuant to Regulation K, an Edge Corporation may, with prior Board approval, establish branches in the United States. In acting on an application to establish a branch, the Board considers the financial condition and history of the Edge Corporation, the general character of its management, the convenience and needs of the community to be served with respect to international banking and financing services, and the effects of the establishment of the branch on competition. The establishment of an Edge Corporation branch through the conversion of an existing Edge Corporation does not usually raise issues under the above factors. The Board has delegated the approval of the establishment of such branches to the Reserve Banks.

5. *Requirement that an application for specific consent be filed with the Board.* Under Section 211.5(c)(2) of the Board's Regulation K, certain investments may be made after the investor has given 60 days' prior written notice to the Board. During the notification period the Board may disapprove the investment, suspend the period or require that an application be filed by the investor for the Board's specific consent. Certain investments qualifying for the prior notification procedure might nevertheless raise issues that clearly warrant the Board's attention. Accordingly, the Board has delegated to the Director of the Division of Banking Supervision and Regulation and the Reserve Banks the authority to require that an application be filed for the Board's specific consent.

6. *Investment by a U.S. investor in its first subsidiary, joint venture, and portfolio investment where general consent provisions are not exceeded.* Pursuant to section 211.5(c) of the Board's Regulation K, an investor must receive prior specific consent before making an investment in its first subsidiary, its first joint venture and its first portfolio investment, unless an affiliate has made such an investment. Where such an investment could be made under the general consent provisions of section 211.5(c)(1)(i) but for its being the initial investment of a particular class, the investment is unlikely to raise a significant issue. The Board has delegated the authority to approve such investments to the Reserve Banks.

The provisions of 5 U.S.C. 553 relating to notice, public participation and deferred effective date are not followed in connection with the adoption of these amendments because the changes involved are procedural in nature and do not constitute substantive rules subject to the requirements of that section.

Pursuant to its authority under the International Banking Act of 1978 (12 U.S.C. 3101 *et seq.*), the Federal Reserve Act (12 U.S.C. 226 *et seq.*) and the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841 *et seq.*), the Board amend its Rules Regarding Delegation of Authority (12 CFR Part 265) in § 265.2 by adding paragraphs (c)(28), (f)(18) (iv) and (v), (f) (50), (51) and (52), and by revising paragraphs (f) (27) and (45) to read as follows:

§ 265.2 Specific function delegated to Bank employees and to Federal Reserve Banks.

* * * * *

(c) The Director of the Division of Banking Supervision and Regulation (or, in the Director's absence, the Acting Director) is authorized:

* * * * *

(28) Pursuant to § 211.5(c)(2) of this Chapter (Regulation K), to require that an investor file an application for the Board's specific consent.

* * * * *

(f) *Each Federal Reserve Bank* is authorized as to a member bank or other indicated organization for which the Reserve Bank is responsible for receiving application or registration statements; as to its officers under paragraph (f)(23) of this section; and as to its own facilities under paragraph (f)(26) of this section:

* * * * *

(18) Under the provisions of the second paragraph of section 25(a) of the Federal Reserve Act (12 U.S.C. 612) and § 211.4(a)(2) of this chapter (Regulation K), to issue to an Edge Corporation a final permit to commence business and to approve amendments to the Articles of Association of any "Edge Corporation" to reflect the following:

* * * * *

(iv) Any change in the name of such corporation; and

(v) Deletion of the requirement that all directors and shareholders of such corporation must be U.S. citizens.

* * * * *

(27) Under § 211.5(e) of this chapter (Regulation K), to extend the time within which an investor must divest itself of interests in a foreign portfolio investment, joint venture or subsidiary acquired in satisfaction of a debt previously contracted.

* * * * *

(45) To extend the time within which an Edge or Agreement Corporation or a member bank or a bank holding company may accomplish a purchase of stock pursuant to section 25 or 25(a) of the Federal Reserve Act or section 4(c)(13) of the Bank Holding Company Act if no material change has occurred in the general condition of the corporation, the member bank or the bank holding company since such authorization.

* * * * *

(50) Pursuant to § 211.4(c)(2) of this Chapter (Regulation K), to approve an Edge Corporation application to establish a branch that represents the conversion of an Edge Corporation to a branch of another Edge Corporation with the same parent.

(51) Pursuant to § 211.5(c) of this Chapter (Regulation K), to grant prior specific consent to an investor for an investment in its first subsidiary, its first joint venture, and its first portfolio investment, where such investment does not exceed the general consent limitations of § 211.5(c)(1)(i) of this Chapter.

(52) Pursuant to § 211.5(c)(2) of this Chapter (Regulation K), to require that an investor file an application for the Board's specific consent.

By order of the Board of Governors of the Federal Reserve System, December 30, 1980.

Theodore E. Allison,

Secretary of the Board.

[FR Doc. 81-452 Filed 1-7-81; 8:45 am]

BILLING CODE 6210-01-M

FEDERAL HOME LOAN BANK BOARD

12 CFR Part 523

Liquidity of Member Banks

Dated: December 31, 1980.

AGENCY: Federal Home Loan Bank Board.

ACTION: Final regulation.

SUMMARY: These amendments implement recent statutory authority by permitting member institutions of the Federal Home Loan Bank System to invest in certain highly rated corporate debt obligations and commercial paper for the purpose of satisfying their liquidity requirements.

EFFECTIVE DATE: December 31, 1980.

FOR FURTHER INFORMATION CONTACT: David J. Bristol, Office of General Counsel, Federal Home Loan Bank Board, 1700 G Street, NW, Washington, D.C. 20552, telephone number 202-377-6461.

SUPPLEMENTARY INFORMATION: Section 325 of the Housing and Community Development Act of 1980 (Pub. L. 96-399, 94 Stat. 132 (1980)) provides that, subject to Federal Home Loan Bank Board approval, liquid assets held by Federal Home Loan Bank member institutions may include highly rated corporate debt obligations with a period of three years or less remaining until maturity and highly rated commercial paper with a period of 270 days or less remaining until maturity. In addition, the Act provides that the Board may approve as liquid assets unpledged deposits in the Savings Bank Trust Company, New York, New York.

Section 5A of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1425a), imposes upon the Board the responsibility of maintaining the liquidity of member institutions to ensure "sound mortgage credit and a more stable supply of such credit," and to enable institutions "to meet withdrawals or to pay obligations" in an emergency. In order to provide that a reliable reserve always exists for such purposes, the Board has limited liquidity investments to debt obligations that are both liquid and stable. The requirement that such an investment be liquid is to ensure that cash will be readily available to serve the purposes of Section 5A of the Act. The requirement of stability is necessary so that the liquidity reserve is not eroded by a decline in market value. On the basis of these standards, the Board has limited liquidity investments to assets that may be readily converted to cash, and that are subject to only limited changes in market value.

To implement the recent statutory changes, the Board is amending Part 523 of the regulations for the Federal Home Loan Bank System to allow member institutions to invest for liquidity purposes an amount not to exceed one percent of assets in the following instruments of one issuer: (1) non-convertable corporate debt obligations rated in one of the four highest ratings by the most recently published rating of such obligations by a nationally recognized investment rating service, and having a remaining period to maturity of three years or less; and (2) commercial paper rated in one of the two highest ratings by the most recently published rating of such paper by a nationally recognized investment rating service, and having a period remaining to maturity of 270 days or less. To preserve the liquidity and stability of these corporate instruments, the Board is requiring that eligible corporate debt obligations and commercial paper must be denominated in dollars, and that the issuers of such instruments must be domiciled in the United States. Further, since the presence of a provision in a corporate debt obligation allowing the conversion of such obligation to common stock would reduce the stability of the market value of such instruments, the Board believes it prudent to exclude from liquidity any corporate debt obligation containing a convertibility feature.

In adopting as appropriate the three-year maximum maturity for corporate debt obligations prescribed in this statute, the Board notes that such corporate obligations, while less liquid than U.S. Treasury obligations for which five-year maturities are authorized by this Part, are somewhat more liquid than local government securities for which only two-year maturities are authorized. Further, except for the three-year maximum maturity, the exclusion of convertible obligations, and the requirement that such instruments continue to be highly rated, the eligibility requirements that corporate debt obligations and commercial paper must satisfy for liquidity are substantially identical to the requirements for investment by Federal associations as set forth in new § 545.9-4 adopted by the Board on November 10, 1980 (Board Resolution No. 80-701; 45 FR 76104, published on November 18, 1980).

The Board is also amending paragraph (h) of § 523.10 to provide that corporate debt obligation and commerical paper qualifying under paragraph (g) having a period remaining to maturity of six months or less are eligible as short-term liquid assets. The six-month maturity requirement for these instruments was chosen because the Board believes that corporate debt obligations and commercial paper, like time deposits, bankers' acceptances, and state and local government issues, are less consistently liquid and stable than eligible United States Treasury and Federal agency securities for which maturities of up to one year are authorized by paragraph (h).

The Board is also amending Part 523 to allow member institutions to invest for liquidity purposes in time deposits in the Savings Bank Trust Company, New York, New York.

Since the Board believes that there is a current need to expand investment powers under the liquidity regulations to enable member institutions to cope with rapidly changing market conditions, and because these amendments directly implement a statutory mandate and relieve prior restriction, the Board finds that observance of the notice and comment provisions of 12 CFR 508.11 and 5 U.S.C. 553(b) and the 30-day delay of effective date provision of 12 CFR 508.14 and 5 U.S.C. 553(d) are unnecessary and contrary to the public interest.

Accordingly, the Board hereby amends Part 523 of Subchapter B, Chapter V of Title 12, *Code of Federal Regulations*, as set forth below.

1. Amend § 523.10(g) by amending subparagraph (1); removing the word "and" at the end of subparagraph (6) thereof; removing the period at the end of subparagraph (7) thereof, and replacing it with a semicolon; redesignating subparagraph (7) as subparagraph (8) and inserting new subparagraph (7) thereto; and amend § 523.10(h) by removing the word "and" at the end of subparagraph (5) thereof; removing the period at the end of subparagraph (6) thereof, and replacing it with a semicolon; redesignating subparagraph (6) as subparagraph (7); and inserting new subparagraph (6) thereto; to read as follows:

§ 523.10 Definitions for the purposes of this section and §§ 523.11 and 523.12.

* * * * *

(g) *Liquid assets.*

(1) Time deposits in a Bank, the Bank for Savings and Loan Associations, Chicago, Illinois, or the Savings Bank Trust Company, New York, New York;

* * * * *

(7) Corporate debt obligations and commercial paper denominated in dollars and issued by a corporation domiciled in the United States, if: (i) such corporate debt obligations (*a*) continue to be rated in one of the four highest grades by the most recently published rating of such obligations by a nationally recognized investment rating service, (*b*) will mature in 3 years or less, and (*c*) are not convertible to common stock;

(ii) Such commercial paper (*a*) continues to be rated in one of the two highest grades by the most recently published rating of such paper by a nationally recognized investment rating service, and (*b*) will mature within 270 days or less;

Provided, that an amount not in excess of 1 percent of such institution's assets invested in eligible corporate debt obligations or commercial paper of a single issuer shall be counted as a liquid asset;

* * * * *

(h) *Short-term liquid assets.*

* * * * *

(6) Corporate debt obligations and commercial paper specified in paragraph (g)(7) of this section which will mature in 6 months or less;

* * * * *

(Sec. 25, 94 Stat. 1649, Pub. L. 96–339; 12 U.S.C. 1437, Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1947 Supp.)

By the Federal Home Loan Bank Board.

J. J. Finn,
Secretary.

[FR Doc. 81-680 Filed 1-7-81; 8:45 am]

BILLING CODE 6720-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 80-EA-74; Amdt. 39-4016]

Airworthiness Directives; AVCO Lycoming O-235 Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment issues a new airworthiness directive, applicable to Lycoming O–235 type aircraft engines and requires repetitive inspections of the push rods P/N 73806 for loose ball ends, bulging, splitting, proper length, and proper tappet clearance. This results from findings of damaged push rods which have led to eventual failure of the rods resulting in rough engine operation and power loss.

EFFECTIVE DATE: January 13, 1981. Compliance is required as set forth in the AD.

ADDRESSES: AVCO Lycoming Service Bulletins may be acquired from the manufacturer at Williamsport, Pennsylvania 17701.

FOR FURTHER INFORMATION CONTACT: I. Mankuta, Propulsion Section, AEA–214, Engineering and Manufacturing Branch, Federal Building, J.F.K. International Airport, Jamaica, New York 11430; Tel. 212–995–2894.

SUPPLEMENTARY INFORMATION: There have been reports of improperly manufactured push rods, P/N 73806, installed in certain O–235 series aircraft engines. The deficiency has caused the rod to compress in service resulting in engine roughness and power loss. Lacking visible evidence of damage, the deficiency can also be determined by improper tappet clearance. As a result of an accident which had not been determined to result from the deficiency involving one of the engines, the FAA determined nevertheless to issue AD 80–25–02 which was transmitted to all known operators and owners of the engines by air mail letter under date of November 25, 1980. Since a situation still exists that requires the immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable, and good cause exists for making this amendment effective in less than 30 days.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, § 39.13 of Part 39 of the Federal Aviation Regulations, 14 CFR 39.13 is amended, by adding the following new Airworthiness Directive:

80–25–02 Avco Lycoming: Applies to O–235 series engines with Serial Numbers L–12500–15 thru L–20676–15 inclusive, all remanufactured O–235 series engines, regardless of serial number, shipped between December 10, 1976, and November 8, 1979, and all O–235 series engines regardless of serial number that had pushrods replaced between December 10, 1976, and November 24, 1980.

Model O–235 series engines are installed in but not limited to, Piper PA–38–112, Cessna 152, Gulfstream American AA1C, Beech 77, and Bellanca 7ECA aircraft.

This AD does not apply to O–235 series engines incorporating eight pushrods P/N 73806, identified by revision letter K or subsequent revision letter, or by code T–T, –85 or the symbol # as described in Lycoming Service Bulletin No. 453 or a subsequent approved revision.

Compliance with this AD is also required by the following engine serial numbers which were previously exempt by Emergency Airworthiness Directive 80–25–02 RI:

L–15619–15	L–19028–15
L–16333–15	L–19029–15
L–17291–15	L–19030–15
L–17644–15	L–19031–15
L–18054–15	L–19145–15
L–18055–15	L–19146–15
L–18073–15	L–19147–15
L–18074–15	L–19148–15
L–18141–15	L–19149–15
L–18142–15	L–19766–15
L–18207–15	L–19767–15
L–18208–15	L–19768–15
L–18502–15	L–19990–15
L–18503–15	L–19991–15
L–18601–15	L–19992–15
L–18948–15	L–19993–15
L–18949–15	L–19994–15
L–18950–15	L–19995–15
L–18951–15	L–19996–15

L-19997-15	L-20386-15
L-19999-15	L-20387-15
L-20155-15	L-20388-15
L-20156-15	L-20389-15
L-20157-15	L-20428-15
L-20158-15	L-20429-15
L-20172-15	L-20430-15
L-20173-15	L-20431-15
L-20174-15	L-20432-15
L-20175-15	L-20460-15
L-20176-15	L-20461-15
L-20242-15	L-20462-15
L-20243-15	L-20463-15
L-20244-15	L-20464-15
L-20245-15	L-20523-15
L-20246-15	L-20524-15
L-20323-15	L-20525-15
L-20324-15	L-20526-15
L-20325-15	L-20527-15
L-20326-15	L-20609-15
L-20327-15	L-20610-15
L-20384-15	L-20611-15
L-20385-15	L-20612-15

Compliance required as indicated:

In order to prevent failures of engine pushrods which can cause rough engine operation and power loss, accomplish the following:

1. Prior to further flight, remove all eight pushrods and inspect for loose ball ends and evidence of bulging and splitting of the pushrod tubing. Measure the length of the pushrod assembly. The overall length shall not be less than $11\frac{17}{32}$ inches. If all these conditions are satisfactory set valve clearances in accordance with Paragraph 8 of Lycoming Service Instructions Nos. 1388A dated January 25, 1980, and 1068A dated September 1, 1978. If any pushrod is found damaged or is less than the specified dimension noted above, replace with a serviceable part prior to further flight.

2. With 25 hours in service after the effective date of this AD and every 25 hours thereafter, measure and record valve tappet clearances in accordance with Lycoming Service Instructions 1388A and 1068A. If any valve clearance increases more than .015 inch since the last 25 hour inspection, remove the pushrod and inspect for damage and shortening in accordance with Item 1 above.

3. The 25 hour repetitive inspection described in Paragraph 2 above may be discontinued upon installation of P/N 73806 pushrods which have been identified by one of the codes specified in this AD.

4. A special flight permit may be issued in accordance with FAR 21.197 to fly the aircraft to a base where the above inspections may be accomplished.

5. Equivalent methods of compliance must be approved by the Chief, Engineering and Manufacturing Branch, FAA Eastern Region.

(Beech Aircraft Corp. Executive Airplane Service Communique No. 52 dated December 16, 1980, pertains to this subject)

This Amendment becomes effective Jan. 13, 1981, to all persons except those to whom it was made effective by airmail letters dated November 25, 1980, November 28, 1980, and December 3, 1980.

(Secs. 313(a), 601, and 603, Federal Aviation Act of 1958, as amended, 49 U.S.C. 1354(a), 1421, 1423, and 1431(b); sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c) and 14 CFR 11.89)

Note.—The Federal Aviation Administration has determined that this document involves a regulation which is not significant under Executive Order 12044 as implemented by Department of Transportation Regulatory Policies and Procedures (44 FR 11034, February 26, 1979). A copy of the final regulatory evaluation prepared for this action is contained in the regulatory docket. A copy of it may be obtained by contacting the person identified above under the caption "For Further Information Contact."

Issued in Jamaica, New York, on December 29, 1980.

Irving Mark,

Acting Director, Eastern Region.

[FR Doc. 81-695 Filed 1-7-81; 8:45 am]

BILLING CODE 4910-13-M

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14 CFR Part 39

[Docket No. 80-NW-63-AD; Amdt. 39-4013]

Airworthiness Directive; Lockheed-California Company Model L-1011 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness Directive (AD) which requires inspection to detect a possible loose rudder servo plate on Lockheed L-1011 series airplanes, and corrective action where necessary. This Airworthiness Directive is prompted by reports of a loose rudder servo retainer plate in service, which in one instance resulted in a jammed rudder during a training flight.

DATES: Effective date January 18, 1981. Compliance schedule—as prescribed in the body of the AD.

ADDRESSES: The applicable service information may be obtained from: Lockheed-California Company, Post Office Box 551, Burbank, California 91520, Attention: Commercial Support Contracts, Dept. 63-11, U-33, B-1.

Also, a copy of the service information may be reviewed at FAA Northwest Region, 9010 East Marginal Way South, Seattle, Washington 98108; or 15000 Aviation Blvd., Hawthorne, California 90261.

FOR FURTHER INFORMATION CONTACT: Harvey Chimerine, Aerospace Engineer, Airframe Branch, ANW-120L, Los Angeles Area Aircraft Certification Office, Federal Aviation Administration, Northwest Region, P.O. Box 92007, World Way Postal Center, Los Angeles, California 90009, telephone (213) 536-6359.

SUPPLEMENTARY INFORMATION: There have been reports of looseness of rudder retainer plate P/N 1559161-102 which, in one case, came loose and fell between bungee P/N 1604162-107 and servo valve brace assembly P/N 1519240-101, jamming the rudder on a Lockheed L-1011-385 series airplane. Since this condition is likely to exist or develop in other airplanes of the same type design, an Airworthiness Directive is being issued which requires inspection for looseness, rebonding, and retainer clip installation on rudder servo retainer plate P/N 1559161-101/-102 in a manner approved by the Chief, Los Angeles Area Aircraft Certification Office, FAA Northwest Region. Accomplishment of Lockheed L-1011 Service Bulletin 093-27-231 has been approved as a means of compliance with this Airworthiness Directive.

It is estimated that 70 aircraft will be affected by this Airworthiness Directive, that it will take approximately 2.6 manhours per aircraft to accomplish the required actions, and that the average labor cost per manhour will be $35. Based on these figures, the total cost impact of this AD is estimated to be $6,370.

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

Adoption of Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, § 39.13 of Part 39 of the Federal Aviation Regulations (14 CFR 39.13) is amended by adding the following new Airworthiness Directive:

Lockheed-California: Applies to all Model L-1011 series airplanes certificated in all categories. Compliance required as indicated unless already accomplished. To prevent possible rudder jamming, accomplish the following:

A. Inspect all aircraft within 300 hours time in service after the effective date of this Airworthiness Directive in accordance with the following:

(1) Visually inspect the rudder servo retainer plates, P/N 1559161-101/-102, in a manner approved by the Chief, Los Angeles Area Aircraft Certification Office, FAA Northwest Region.

Note.—Accomplishment of Lockheed L-1011 Service Bulletin 093-27-231, dated November 25, 1980, has been approved as a means of compliance with this requirement.

(2) If rudder servo plates, P/N 1559161-101/-102, are found loose, repair and install retainer clips in a manner approved by the Chief, Los Angeles Area Aircraft Certification Office, FAA Northwest Region.