or to accept a new assignment to another commuting area (as defined in Part 351 of this chapter), and whose employing agency has determined that he/she will not be placed in another position in his/her competitive area—in this instance, an employee would be entitled to assistance under the Displaced Employee Program for positions *only* within his/her current commuting area;

(c) Was separated or furloughed because of a compensable injury sustained under the provisions of subchapter I of chapter 81 of title 5, United States Code; or,

(d) Has been retired under section 8337 of title 5, United States Code.

§ 330.302 Agency programs.

(a) Each agency has a primary obligation to assist, to the maximum extent practicable and in keeping with requirements set forth in (b) below, in the placement of its displaced employees. OPM's Displaced Employee Program acts only to supplement these efforts and is not intended to replace an agency's program or to relieve an agency of its responsibility to provide the maximum placement assistance possible.

(b) Each agency is required to operate a positive placement program for its own displaced employees. The program must, at a minimum, provide for establishment and maintenance of a reemployment priority list for the commuting area, as provided for in subpart B of Part 330 and subpart J of Part 351 of this chapter. Additionally, each agency is strongly encouraged to supplement this basic requirement with other forms of appropriate assistance. An agency's positive placement program should include, at a minimum, the following elements: (1) who is eligible for assistance, (2) the duration of eligibility, (3) the types of assistance provided, including counseling, job referral, and training, (4) referral procedures, including interagency referrals, and (5) consideration of the appropriateness of placing restrictions on filling vacancies by any means when qualified displaced persons are available.

§ 330.303 OPM program.

Subject to the guidelines published by OPM in the Federal Personnel Manual, a displaced employee is eligible for placement assistance under OPM's Displaced Employee Program.

§ 330.304 Priority referral.

(a) *When made.* OPM and agencies with delegated examining authority refer displaced employees for consideration in filling positions at GS-15 and below, or the equivalent, which (1) are expected to last more than 1 year, (2) are at or below the grade of the positions from which the employees were or will be displaced, and (3) are either vacant or filled by tenure group III employees as defined in part 351 of this chapter other than status quo employees (as defined in part 210 of this chapter). Referrals are based on the qualifications of displaced employees and on the duties of the positions.

(b) *Selections.* When an agency selects a referred displaced employee, it employs him/her by reinstatement, transfer, position change, or new appointment as appropriate.

§ 330.305 Restrictions.

(a) When a displaced employee receives priority referral under § 330.304(a) to a position for which he/she is qualified and available, the agency shall give him/her bona fide consideration for placement in the position. If there is no vacancy, but there is a position occupied by a tenure group III employee, other than a status quo employee, the agency shall establish a vacancy by separating a tenure group III employee under § 316.801 of this part.

(b) OPM or agencies with delegated examining authority will neither certify from a register of eligibles nor authorize appointment outside the register in the absence of eligibles to fill any position expected to last more than 1 year for which a displaced employee is eligible and available for priority referral.

§ 330.306 Duration of eligibility.

A tenure group I displaced employee is eligible for placement assistance under the Displaced Employee Program for 2 years, and a tenure group II employee for 1 year, from the date he/she was separated or from the date he/she entered the program, whichever is later. Eligibility is terminated earlier, however, (a) at the employee's written request; (b) upon his/her acceptance of a nontemporary appointment in either the competitive or excepted service; or, (c) upon his/her declination of employment in the competitive or excepted service under conditions (i.e., at any grade, salary level, in any geographic location, or with any work schedule) which he/she previously indicated as acceptable, unless OPM determines that in the interest of equity an exception is warranted.

(5 U.S.C. 3301, 3302; EO 10577, 3 CFR 1954-1958 Comp., p. 218)

[FR Doc. 81-32183 Filed 11-5-81; 8:45 am]

BILLING CODE 6325-01-M

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 910

[Lemon Reg. 330, Amdt. 1; Lemon Reg. 332]

Lemons Grown in California and Arizona; Limitation of Handling

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This action establishes the quantity of California-Arizona lemons that may be shipped to the fresh market during the period November 8-14, 1981, and increases the quantity of lemons that may be shipped during the period November 1-7, 1981. Such action is needed to provide for orderly marketing of fresh lemons for the periods specified due to the marketing situation confronting the lemon industry.

DATES: The regulation becomes effective November 8, 1981, and the amendment is effective for the period November 1-7 1981.

FOR FURTHER INFORMATION CONTACT: William J. Doyle, 202-447-5975.

SUPPLEMENTARY INFORMATION:

Finding

This rule has been reviewed under Secretary's Memorandum 1512-1 and Executive Order 12291 and has been designated a "non-major" rule. This regulation and amendment are issued under the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910), regulating the handling of lemons grown in California and Arizona. The agreement and order are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). The action is based upon the recommendations and information submitted by the Lemon 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 1981-82. The marketing policy was recommended by the committee following discussion at a public meeting on July 7, 1981. A regulatory impact analysis on the marketing policy is available from William J. Doyle, Acting Chief, Fruit Branch, F&V, AMS, USDA, Washington, D.C. 20250, telephone 202-447-5975.

The committee met again publicly on November 3, 1981, at Los Angeles, California, to consider the current and prospective conditions of supply and demand and recommended a quantity of lemons deemed advisable to be handled during the specified weeks. The committee reports the demand for lemons has improved.

It is further found 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), because of insufficient time between the date when information become available upon which this regulation and amendment are based and the effective date necessary to effectuate the declared policy of the act. Interested persons were given an opportunity to submit information and views on the regulation at an open meeting, and the amendment relieves restrictions on the handling of lemons. 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 times.

Information collection requirements (reporting or recordkeeping) under this part are subject to clearance by the Office of Management and Budget and are in the process of review. These information requirements shall not become effective until such time as clearance by the OMB has been obtained.

1. Section 910.632 is added as follows:

§ 910.632 Lemon Regulation 332.

The quantity of lemons grown in California and Arizona which may be handled during the period November 8, 1981, through November 14, 1981, is established at 225,000 cartons.

2. Section 910.630 Lemon Regulations 330 (46 FR 53647) is revised to read as follows:

§ 910.630 Lemon Regulation 330.

The quantity of lemons grown in California and Arizona which may be handled during the period November 1, 1981, through November 7, 1981, is established at 235,000 cartons.

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

Dated: November 5, 1981.

D. S. Kuryloski,

Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc. 81-32495 Filed 11-5-81; 1:15 pm]

BILLING CODE 3410-02-M

Food and Nutrition Service

7 CFR Parts 271, 272, 275, and 277

[Amendment No. 169]

Food Stamp Program—Sanction/Incentive Systems

Correction

In FR Doc. 81–2555, appearing at page 7257, in the issue for Friday, January 23, 1981, please make the following correction:

On page 7264, in the first column, in the third paragraph (§ 275.25(c)(2)(ii)), in the fourth line, the words "of the national standard" should have read "or the national standard".

BILLING CODE 1505-01-M

NUCLEAR REGULATORY COMMISSION

10 CFR Part 2

Use of Administrative Law Judges in Antitrust Proceedings

AGENCY: Nuclear Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Commission is amending its regulations to provide specifically for the appointment of Administative Law Judges to rule on requests for hearing and/or petitions to intervene and to preside in proceedings to consider the antitrust aspects of construction permit and license applications for nuclear power reactors and other production and utilization facilities. The Commission believes that the new hearing procedures will reduce the cost of conducting administrative antitrust proceedings and result in a more efficient use of personnel resources.

EFFECTIVE DATE: November 6, 1981.

FOR FURTHER INFORMATION CONTACT: B. Paul Cotter, Jr., Chief Administrative Judge, Atomic Safety and Licensing Board Panel, Washington, D.C. 20555, Telephone: (301) 492–7814.

SUPPLEMENTARY INFORMATION: Pursuant to Section 105 of the Atomic Energy Act of 1954, as amended, the Commission must ensure that licenses it grants for nuclear power reactors and other production and utilization facilities do not create or maintain a situation inconsistent with the antitrust laws. Section 105 contemplates that a hearing on the antitrust aspects of a license application for a production or utilization facility, including a nuclear power reactor, may be necessary.

Pursuant to Section 105 of the Act, the Commission may hold antitrust proceedings when it finds that the public interest requires a hearing to consider the antitrust aspects of an application. A notice of hearing is issued pursuant to 10 CFR 2.104 of the Commission's rules of practice which specifies the kind of information which must be included in the notice. However, § 2.104(d) does not require the notice to state who will conduct the hearing on antitrust matters.

Frequently, antitrust proceedings result from requests for hearing filed by interested persons. The appointment of a presiding officer to rule on such requests and to conduct any subsequent proceedings is governed by 10 CFR 2.105(e) of the Commission's Rules. This provision now states that the Commission itself or a three-member atomic safety and licensing board appointed pursuant to section 191 of the Act will perform these functions.

The Commission believes that many antitrust proceedings can be conducted as well by a single Administrative Law Judge as by a three-member board. Because antitrust hearings are usually lengthy, substantial savings in personnel would result if a single hearing officer rather than a three-member board is assigned to conduct them. In its recent review of the hearing process, the Commission determined that the assignment of Administrative Law Judges to antitrust proceedings would free substantial resources of the Atomic Safety and Licensing Board Panel. Members of the Panel who thus become available can be assigned to operating license proceedings for nuclear power reactors which the Commission must complete without delay. See the Commission's Statement of Policy on the Conduct of Licensing Proceedings of May 20, 1981, 46 FR 28533, May 27, 1981. Consequently, the Commission is amending 10 CFR 2.104(d) and 2.105(e) and portions of section X of Appendix A to 10 CFR Part 2 to provide that antitrust matters may be assigned to an Administrative Law Judge instead of a three-member board.

Because the amendments relate solely to matters of internal agency procedure and do not change any substantive practice, notice of proposed rulemaking and public procedure thereon are not required by 5 U.S.C. 553, and, for the same reason, the Commission has found that good cause exists for making the amendments effective upon publication in the **Federal Register.**

Regulatory Flexibility Act Statement

This final rule is not subject to the provisions of the Regulatory Flexibility

Act, Pub. L. 96-354, 94 Stat. 1164. The Commission has determined pursuant to 5 U.S.C. 553 that a notice of proposed rulemaking need not be issued and that the rule may be promulgated in final form and become effective on the date of publication in the **Federal Register.**

Paperwork Reduction Act Statement

The provisions of the Paperwork Reduction Act of 1980, Pub. L. 96-511, 94 Stat. 2812, are not applicable to this final rule because the final rule does not contain any new or amended requirements for recordkeeping, reporting, plans or procedures, applications, or any other type of information collection.

PART 2—RULES OF PRACTICE FOR DOMESTIC LICENSING PROCEEDINGS

For the reasons set out in the preamble and pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, as amended, and 5 U.S.C. 552 and 553, the following amendments to Title 10, Chapter 1, Code of Federal Regulations, Part 2, are published as a document subject to codification.

1. The authority citation for 10 CFR Part 2 is revised to read as follows:

Authority:—Secs. 161p and 181, Pub. L. 83-703, 68 Stat. 950 and 953 (42 U.S.C. 2201(p) and 2231); sec. 191, as amended, Pub. L. 87-615, 76 Stat. 409 (42 U.S.C. 2241); sec. 201, as amended, Pub. L. 93-438, 88 Stat. 242 (42 U.S.C. 5841); 5 U.S.C. 552, unless otherwise noted. Sections 2.200-2.206 also issued under sec. 186, Pub. L. 83-703, 68 Stat. 955 (42 U.S.C. 2236) and sec. 206, Pub. L. 93-438, 88 Stat. 1246 (42 U.S.C. 5846).

Sections 2.800-2.808 also issued under 5 U.S.C. 553. Section 2.809 also issued under 5 U.S.C. 553 and sec. 29, as amended, Pub. L. 85-256, 71 Stat. 579, and Pub. L. 95-209, 91 Stat. 1483 (42 U.S.C. 2039).

2. Section 2.104(d) is revised to read as follows:

§ 2.104 Notice of hearing.

* * * * *

(d) In an application for a construction permit or an operating license for a facility on which a hearing is required by the Act or this chapter, or in which the Commission finds that a hearing is required in the public interest to consider the antitrust aspects of the application, the notice of hearing will, unless the Commission determines otherwise, state:

(1) A time of the hearing, which will be as soon as practicable after the receipt of the Attorney General's advice and compliance with sections 105 and 189a of the Act and this part;[4]

(2) The presiding officer for the hearing who shall be either an administrative law judge or an atomic safety and licensing board established by the Commission or by the Chief Administrative Judge of the Atomic Safety and Licensing Board Panel;

(3) That the presiding officer will consider and decide whether the activities under the proposed license would create or maintain a situation inconsistent with the antitrust laws described in section 105a of the Act; and

(4) That matters of radiological health and safety and common defense and security, and matters raised under the National Environmental Policy Act of 1969, will be considered at another hearing for which a notice will be published pursuant to paragraphs (a) and (b) of this section, unless otherwise authorized by the Commission.

* * * * *

3. Section 2.105(e) is revised to read as follows:

§ 2.105 Notice of proposed action.

* * * * *

(e)(1) If no request for a hearing or petition for leave to intervene is filed within the time prescribed in the notice, the Director of Nuclear Reactor Regulation or the Director of Nuclear Material Safety and Safeguards, as appropriate, may take the proposed action, inform the appropriate State and local officials, and publish in the **Federal Register** a notice of issuance of the license or other action.

(2) If a request for a hearing or a petition for leave to intervene is filed within the time prescribed in the notice, the presiding officer who shall be an Atomic Safety and Licensing Board established by the Commission or by the Chief Administrative Judge of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition, and the Secretary or the presiding officer will issue a notice of hearing or an appropriate order. The presiding officer designated to rule on a request or petition concerning the antitrust aspects of an application may be either an Administrative Law Judge or an Atomic Safety and Licensing Board.

* * * * *

4. In Appendix A to 10 CFR Part 2, section X is amended by revising paragraphs (f), (h), (i) and (j) to read as follows:

Appendix A—Statement of General Policy and Procedure: Conduct of Proceedings for the Issuance of Construction Permits and Operating Licenses for Production and Utilization Facilities for Which a Hearing is Required Under Section 189A of the Atomic Energy Act of 1954, as Amended*

* * * * *

X. Proceedings for the Consideration of Antitrust Aspect of Facility License Applications

* * * * *

(f) Hearings on antitrust aspects will be conducted by a presiding officer, either an Administrative Law Judge or an atomic safety and licensing board comprised of three members, one of whom will be qualified in the conduct of administrative proceedings and two of whom will have such technical or other qualifications as the Commission deems appropriate to the issues to be decided.

* * * * *

(h) At the hearing, the presiding officer will give due consideration to the advice received from the Attorney General and to evidence pertaining to antitrust aspects received at the hearing.

(i) The presiding officer will, in the initial decision, make a finding as to whether the activities under the proposed license would create or maintain a situation inconsistent with the antitrust laws as specified in section 105a of the Act. If the presiding officer finds that such a situation would be created or maintained, it will consider, in determining whether the permit or license should be issued or continued, such other factors as it deems necessary to protect the public interest, including the need for power in the affected area. The certainty of contravening the antitrust laws or the policies clearly underlying these laws is not intended to be implicit in this standard; nor is mere possibility of inconsistency. The finding will be based on reasonable probability of contravention of the antitrust laws or the policies clearly underlying these laws. The presiding officer will conclude whether, in its judgment, it is reasonably probable that the activities under the license would, when the license is issued or thereafter, be inconsistent with any of the antitrust laws or the policies clearly underlying these laws.

(j) On the basis of the findings in the proceeding on the antitrust aspect of the application, the presiding officer may (i) authorize the issuance of the permit or license after favorable consideration of matters of radiological health and safety and common defense and security, and matters raised under the National Environmental Policy Act of 1969, at the hearing described in

[4] As permitted by subsection 105c of the Act, with respect to proceedings in which an application for a construction permit was filed prior to December 19, 1970, and proceedings in which a written request for antitrust review of an application for an operating license to be issued under section 104b has been made by a person who intervened or sought by timely written notice to the Commission to intervene in the construction permit proceeding for the facility to obtain a determination of antitrust considerations or to advance a jurisdictional basis for such determination within 25 days after the date of publication in the **Federal Register** or notice of filing of the application for an operating license or December 19, 1970, whichever is later, the Commission may issue a construction permit or operating license which contains the conditions specified in § 50.55b of this chapter before the antitrust aspects of the application are finally resolved.

sections I–VIII of this appendix; (ii) authorize the continuation of a permit or license already issued; (iii) direct the denial of the application for the permit or license, or the rescission of a permit or license already issued; or (iv) authorize the issuance of a permit or license subject to appropriate conditions, and subject to favorable consideration of matters of radiological health and safety and common defense matters raised under the National Environmental Policy Act of 1969 at the hearing described in sections I–VIII of this appendix.

Dated at Washington, D.C., this 3rd day of November 1981.

For the Nuclear Regulatory Commission.

Samuel J. Chilk,

Secretary to the Commission.

[FR Doc. 81-32255 Filed 11-5-81; 8:45 am]

BILLING CODE 7590-01-M

10 CFR Parts 30 and 150

Removal of Certain Information Collection Requirements for Tritium

AGENCY: Nuclear Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Nuclear Regulatory Commission is amending its regulations to remove two requirements for control and accounting procedures for tritium and two requirements for reporting transfers or receipts of tritium. The procedures and reports are no longer needed by the Commission to monitor inventory quantities of tritium at various locations in the U.S.

EFFECTIVE DATE: November 6, 1981.

FOR FURTHER INFORMATION CONTACT: James J. Henry, Office of Nuclear Regulatory Research, Nuclear Regulatory Commission, Washington, D.C. 20555, Telephone (301) 443–5981.

SUPPLEMENTARY INFORMATION: The Commission is removing from its regulations the following recordkeeping and reporting requirements:

(a) 10 CFR 30.54, Control and accounting procedures for tritium.

(b) 10 CFR 30.55(a), Tritium reports.

(c) 10 CFR 150.18, Control and accounting procedures for tritium.

(d) 10 CFR 150.19(a), Submission to Commission of tritium reports.

Since the beginning of fiscal year 1976, more than 99 percent of tritium shipped has been transferred by Government-owned, contractor-operated national laboratories. Although Commission regulations require reports of transfers or receipts of large quantities of tritium be submitted to the Department of Energy, the Commission does not monitor, utilize, or evaluate the reports. Finally, current information collection guidelines do not consider the collecting of data by one Federal agency for other Federal agencies to be sufficient reason for imposing an information collection requirement on the public.

Accordingly, the Commission has determined that the recordkeeping and reporting requirements set forth above are no longer needed to monitor inventory quantities of tritium at various locations in the U.S.

The Commission is also revising the center heading immediately preceding 10 CFR 30.51 to reflect the removal of the control and accounting procedures for tritium.

On November 30, 1980, the General Accounting Office's clearance of the information collection requirements in 10 CFR Part 30 expired. In the course of seeking a new expiration date for the clearance, the Commission informed GAO that it was not seeking clearance for 10 CFR 30.54 and 30.55(a) and would remove these requirements by means of rulemaking.

The Commission is now taking this rulemaking action along with removal of 10 CFR 150.18 and 150.19(a) which are conforming regulations containing recordkeeping and reporting requirements for Agreement State licensees authorized to possess, transfer, and receive large quantities of tritium.

Because the amendments set forth below relate to minor matters and are intended to provide relief from, rather than to impose, restrictions under regulations currently in effect, the Commission has found that good cause exists for omitting general notice of proposed rulemaking and public procedure thereon as unnecessary and for making the rule effective upon publication without the customary 30-day waiting period.

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, as amended, and sections 552 and 553 of title 5 of the United States Code, the following amendments to Title 10, Chapter I, Code of Federal Regulations, Parts 30 and 150 are published as a document subject to codification.

PART 30—RULES OF GENERAL APPLICABILITY TO DOMESTIC LICENSING OF BYPRODUCT MATERIAL

1. The authority citation for Part 30 is revised to read as follows:

Authority: Secs. 81, 82, 161, 182, 183, 68 Stat. 935, 948, 953, 954, as amended (42 U.S.C. 2111, 2112, 2201, 2232, 2233); secs. 202, 206, 88 Stat. 1244, 1246 (42 U.S.C. 5842 and 5846), unless otherwise noted.

Section 30.34(b) also issued under sec. 184, 68 Stat. 954, as amended (42 U.S.C. 2234). For the purposes of sec. 223, 68 Stat. 958, as amended (42 U.S.C. 2273), § 30.34(c) issued under sec. 161b., 68 Stat. 948 (42 U.S.C. 2201(b)) and §§ 30.51 and 30.52 issued under sec. 161o., 68 Stat. 950, as amended (42 U.S.C. 2201(o)).

2. Part 30 is amended by revising the center heading immediately preceding § 30.51 to read as follows:

Records, Inspections, Tests, and Reports

§ 30.54 [Removed]

3. Part 30 is amended by removing § 30.54.

§ 30.55 [Amended]

4. In § 30.55, paragraph (a) is removed and reserved.

PART 150—EXEMPTIONS AND CONTINUED REGULATORY AUTHORITY IN AGREEMENT STATES AND IN OFFSHORE WATERS UNDER SECTION 274

5. The authority citation for Part 150 is revised to read as follows:

Authority: Sec. 161b., 68 Stat. 948, sec. 274, 73 Stat. 688 (42 U.S.C. 2201(b), 2021); sec. 201(f), Pub. L. 93–438, 88 Stat. 1243 (42 U.S.C. 5841). Section 150.17a also issued under sec. 122, 68 Stat. 939 (42 U.S.C. 2152). For purposes of sec. 223, 68 Stat. 958, as amended (42 U.S.C. 2273), § 150.17a issued under sec. 161b., 68 Stat. 950 (42 U.S.C. 2201(b)).

§ 150.18 [Removed]

6. Part 150 is amended by removing § 150.18.

§ 150.19 [Amended]

7. In § 150.19, paragraph (a) is removed and reserved.

Dated at Bethesda, Md., this 28th day of October, 1981.

For the Nuclear Regulatory Commission.

William J. Dircks,

Executive Director for Operations.

[FR Doc. 81-32276 Filed 11-5-81; 8:45 am]

BILLING CODE 7590-01-M

FARM CREDIT ADMINISTRATION

12 CFR Parts 614 and 615

Loan Policies and Operations; Funding and Fiscal Affairs

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: The Farm Credit Administration, by its Federal Farm Credit Board, adopts and publishes new and amended regulations to implement authorities conferred on institutions of the Farm Credit System by the Farm

Credit Act Amendments of 1980 (Pub. L. 96–592) relating to: (1) the lending authorities of Federal intermediate credit banks; (2) the loan terms and conditions of the banks for cooperatives; (3) the lending limits of the banks for cooperatives; (4) the development of debt maturity guidelines, priorities, and objectives for Farm Credit System banks; (5) the authority for banks for cooperatives to invest in foreign business entities; (6) the authority for banks for cooperatives to pay patronage refunds in participation certificates; and (7) the authority for banks for cooperatives to contribute more than 25 percent of earnings to allocated surplus.

EFFECTIVE DATE: December 7, 1981.

FOR FURTHER INFORMATION CONTACT: Larry H. Bacon, Deputy Governor, Office of Administration, 490 L'Enfant Plaza, SW, Washington, DC 20578 (202–755–2181).

SUPPLEMENTARY INFORMATION: On August 6, 1981, the Farm Credit Administration noticed and published for public comment proposed new and amended regulations to 12 CFR Parts 614 and 615 (46 FR 40028–40031). The new regulation is § 615.5143 and the amended regulations are §§ 614.4100, 614.4210, 614.4354, 615.5103, 614.5330, and 615.5370. For the purposes of this supplementary information, certain terms are designated as follows: Farm Credit Administration (FCA); Federal Farm Credit Board (Federal Board); Farm Credit System (System); Federal Intermediate Credit Bank (FICB); Bank for Cooperatives (BC); Farm Credit Act of 1971, as amended, 12 U.S.C. 2001, *et seq.* (Act).

Fourteen parties commented on the proposed regulations. These included 12 System banks, one trade association, and one Federal banking agency. The Federal Board considered each of the comments received and adopted final regulations in the course of its October 1981 meeting.

12 CFR 614.4100 is amended to define the eligibility requirements for institutions wanting to have their loans discounted or purchased by FICBs. The regulation also establishes the basis on which such activities of the FICB are to be conducted. All commentators were in favor of the proposed regulation.

12 CFR 614.4210 is amended to reflect the expanded authorities of BCs under section 3.7(b) of the Act. The regulation sets out the terms and conditions of term loans authorized under § 614.4120 by BCs to finance certain export or import transactions of eligible foreign or domestic parties. One commentator concurred with the proposal while five commentators suggested that loans by BCs to finance international trade be denominated in a currency that would eliminate foreign exchange risk upon repayment. In addition, the commentators stated that such an approach would eliminate the foreign risk for the borrower. FCA studied the suggestion and agreed that this approach may help minimize or eliminate foreign exchange risk. The suggestion was incorporated under § 614.4210(c)(1).

12 CFR 614.4354 is amended to accommodate the new types of international trade financing and leveraged lease financing authorized under a number of provisions of Title III of the Act. The regulation also establishes the lending limits of the BCs for various transactions. Four of the five commentators endorsed the proposal. One commentator suggested limiting all third-party loans by BCs to 10 percent of net worth and limiting direct leases to eligible cooperatives to 25 percent of net worth. The Federal Board rejected the suggestion as too restrictive.

12 CFR 615.5103 is amended to require the finance committee of each group of System banks to develop debt maturity guidelines, priorities, and objectives to help guide the System's Fiscal Agency in the marketing of System securities. Eleven commentators endorsed the proposal. One commentator suggested that priorities and objectives of the debt marketing programs of the Fiscal Agency continue to provide flexibility for individual System banks to stay within their debt maturity policies. The language contained in the proposal and the final regulation reflects the suggestion.

12 CFR 615.5143 is a new regulation authorizing BCs to invest in foreign business entities for the purpose of providing credit information and servicing for members in connection with international activities. All parties commenting on the proposal were in favor of the new regulation.

12 CFR 615.5330 authorizes the BCs to pay patronage refunds in participation certificates as well as in stock or cash. The amended regulation also eliminates the 1½-percent allowance for loan losses, which is a requirement contrary to generally accepted accounting principles. One commentator suggested that the regulation should be withdrawn because: (1) the approval mechanism contained in the regulation is inconsistent with those required of other System institutions; (2) the 1½-percent requirement is a reasonable minimum allowance for loan losses; and (3) the requirement could be a point of negotiation with the Internal Revenue Service in the future. The Federal Board did not accept the suggestion because it considers the requirement as having little, if any, effect on bank dealings with the Internal Revenue Service. In addition, the amended regulation does not prohibit a BC from maintaining an allowance for loan losses at any level that it believes reasonable. Different loan loss allowance requirements among System institutions are justifiable based on different treatment under the Act.

Finally, an amendment to 12 CFR 615.5370 authorizes the BCs to apply more than 25 percent of net earnings as determined by the bank board after payment of operating expenses, to restore or maintain an allocated surplus account. No comments were received on the proposal.

For the reasons set out in the preamble, Parts 614 and 615 of Chapter VI, Title 12 of the *Code of Federal Regulations* is amended as shown.

PART 614—LOAN POLICIES AND OPERATIONS

1. Section 614.4100 is amended by revising paragraphs (a) and (b) to read as follows:

§ 614.4100 Federal intermediate credit banks.

(a) The banks are authorized to make loans and extend other similar financial assistance to and discount for production credit associations, with their endorsement or guaranty, any note, draft, and other obligation presented by such association. In addition, the banks may participate in loans to eligible borrowers with such associations or other Federal intermediate credit banks.

(b) The banks are authorized to make loans and extend other similar financial assistance to, discount for, and purchase with recourse from any national bank, State bank, trust company, agricultural credit corporation, incorporated livestock loan company, savings institution, credit union, or any association of agricultural producers engaged in the making of loans to farmers and ranchers, and any corporation engaged in the making of loans to producers or harvesters of aquatic products, notes, drafts, and other obligations for loans which have been made for eligible purposes in accordance with provisions of subpart P of Part 614 of these regulations. All such financial instruments shall bear the endorsement or guaranty of the originating lender.

* * * * *

2. Section 614.4210 is amended by revising paragraph (b) and adding new paragraph (c) to read as follows:

§ 614.4210 Banks for cooperatives.

(a) * * *

(b) The document(s) evidencing a loan approval by a bank shall set out the terms and conditions under which a loan is approved. A loan agreement shall be executed between the borrower and the bank.

(c) Term loans authorized under § 614.4120 to finance a foreign or domestic party with respect to export or import transactions with an eligible cooperative and to finance such transactions of a foreign or domestic party in which an eligible cooperative has at least a minimum ownership interest shall be subject to the following conditions:

(1) The loan shall be denominated in a currency to eliminate foreign exchange risk on repayment.

(2) The borrower's obligation shall be guaranteed or insured against default under such policies as are available in the United States and other countries. Exceptions may be made where the prospective borrower has had a longstanding successful business relationship with an eligible cooperative borrower or an eligible cooperative which is not a borrower if the prospective borrower has a high credit rating as determined by the bank.

(3) For a borrower in which an eligible cooperative has a majority ownership interest, financing may be extended for the full value of the transaction; otherwise, financing may be extended only to approximate the percentage of ownership.

(4) Unless otherwise designated by the Farm Credit Administration, each loan shall be submitted to it for prior approval.

* * * * *

Section 614.4354 is amended by revising paragraphs (a)(1)(i) through (v) and by adding paragraphs (a)(1)(vi) through (xi), and revising (a)(2), (a)(3), (a)(4); (b); (c)(1) and (2); (d)(1) and (d)(3); and (e) introductory text to read as follows:

§ 614.4354 Banks for cooperatives.

(a) * * *

(1) * * *

(i) Term loans to eligible cooperatives: 25 percent.

(ii) Term loans to foreign and domestic parties: 10 percent.

(iii) Lease loans qualifying under § 614.4120 and applying to the lessee: 25 percent.

(iv) Standby letters of credit qualifying under § 614.4810: 35 percent.

(v) Guarantees qualifying under § 614.4800: 35 percent.

(vi) Seasonal loans exclusive of seasonal loans qualifying under § 614.4260(c): 35 percent.

(vii) Foreign trade receivables qualifying under § 614.4700: 50 percent.

(viii) Bankers acceptances held qualifying under § 614.4710 and seasonal loans qualifying under § 614.4260(c): 50 percent.

(ix) Export and import letters of credit qualifying under § 614.4720: 50 percent.

(x) The sum of term and seasonal loans exclusive of seasonal loans qualifying under § 614.4260(c): 35 percent.

(xi) The sum of (i) through (ix): 50 percent.

(2) Loans to an eligible borrower secured by notes of individuals or business entities which are current and carry a full recourse endorsement or unconditional guarantee by the borrower, if the bank determines the financial condition, repayment capacity, and other factors of the original maker reasonably justify the credit granted by the endorser, qualify for the basic lending limits provided in paragraph (a)(1) which may be applied for each original notemaker, provided the following listed documents fully support such a determination and are in the files of the bank:

(i) * * *

(ii) * * *

(iii) * * *

(3) Net worth for the calculation of lending limits at June 30 shall exclude 20 percent of the bank's undistributed earnings and shall not include any portion of Central Bank for Cooperatives' undistributed earnings.

(4) Loans made within the established lending limits that become excessive because of a subsequent decrease in the bank's net worth shall be reduced to the lending limits in an orderly manner over a reasonable period, in accordance with a plan submitted to the Farm Credit Administration.

(b) Total system. Loans outstanding at any one time to any one borrower from one or more district banks and the Central Bank for Cooperatives, exclusive of participations sold to institution(s) other than banks for cooperatives, shall not exceed the percentages specified in paragraph (a)(1) applied to the combined net worth of 13 banks for cooperatives as determined by the Farm Credit Administration. Loans made within previously established limits that become excessive because of changes in lending limits prescribed herein may be held and liquidated in accordance with terms individually specified by the Farm Credit Administration.

(c) * * *

(1) Direct loans outstanding at any one time to any one borrower as defined by these regulations, exclusive of participations sold to others, shall not exceed the lending limit percentages prescribed in paragraph (a)(1) of this section for district banks.

(2) Participations in loans at any one time to any one borrower as defined by these regulations, exclusive of participations resold to institutions other than banks for cooperatives, shall not exceed amounts greater than the lending limit described in paragraph (b) of this section less amounts held by the district banks.

(d) * * *

(1) Determine its balance sheet net worth total as of the preceding June 30 or December 31, whichever is more recent, or at any interim date determined by the Farm Credit Administration as a result of material changes in the bank's net worth.

(2) * * *

(3) Apply the lending limit percentages outlined in paragraph (a)((1) of this section.

(4) * * *

(e) For purposes of this section, the term "one borrower" means a cooperative organization or foreign or domestic party, together with any other organization which is controlled by a common directorate or management or in which the primary organization owns more than 50 percent of the net worth or voting stock, provided that a bank for cooperatives may determine to consider such other organization as a separate borrower under certain circumstances subject to the approval of the Farm Credit Administration. Any determination to consider related organizations as separate borrowers shall be based primarily on the conclusion that one organization separately considered would be financially viable in the event of the demise of the other. Particular consideration should be given to, but not limited to, the following items:

* * * * *

PART 615—FUNDING AND FISCAL AFFAIRS, LOAN POLICIES AND OPERATIONS, AND FUNDING OPERATIONS

4. Section 615.5103 is revised to read as follows:

§ 615.5103 Debt maturity program.

The three Finance Committees directly or through their subcommittees shall develop and maintain Systemwide debt maturity guidelines based on individual bank maturity policies and requirements of the market, and shall plan and set funding priorities and objectives for each banking system and for the 37 Farm Credit banks to be provided to the Fiscal Agency. These guidelines, priorities, and objectives shall be designed to ensure that the debt marketing responsibilities of the Fiscal Agency will continue to provide flexibility for the banks and are fiscally sound. These guidelines, priorities, and objectives shall be subject to the approval of the Farm Credit Administration.

5. Section 615.5143 is added to read as follows:

§ 615.5143 Banks for cooperatives.

As may be authorized by the banks for cooperatives' boards of directors and approved by the Farm Credit Administration, ownership investment may be made in foreign business entities solely for the purpose of obtaining credit information and other services needed to facilitate transactions which may be financed under section 3.7(b) of the Farm Credit Act Amendments of 1980. Such an investment shall not exceed the level required to access credit and other services of the entity and shall not be made for earnings purposes. The business entity shall be deemed to be principally engaged in providing credit information to and performing such servicing functions for its members where such activities constitute a materially important line of business to its members. Also, investments must be made by a bank for cooperatives for its own account and not on behalf of its members. The bank for cooperatives shall use only those services provided by the business entity as necessary to facilitate transactions authorized by section 3.7(b) of the Farm Credit Act Amendments of 1980.

6. Section 615.5330 is amended by revising paragraphs (a) and (c) to read as follows:

§ 615.5330 Banks for cooperatives.

(a) For the purpose of this section, "surplus" means the net accumulation of net savings which has not been appropriated by the board of directors for a specific purpose and has not been distributed as a patronage dividend in the form of Class C stock, participation certificates, or cash. Amounts of surplus may be allocated to patrons or unallocated. Amounts of surplus not allocated shall not be distributed as patronage refunds. Each bank shall maintain in surplus an amount not less than 25 percent of all capital stock and participation certificates outstanding unless otherwise approved by the Farm Credit Administration.

(b) * * *

(c) Allowance for loan losses. Each bank shall maintain an allowance for loan losses account sufficient to fairly present the realizable value of loans and loan-related assets on the bank's balance sheet. In determining the adequacy of the allowance for loan losses account, the banks should consider, at a minimum, the estimated potential losses in loans or loan-related assets, historical loan loss experience, the specialized agricultural enterprises being financed, the current economic environment, and the current phase of the industry's business cycle.

7. Section 615.5370 is amended by revising paragraph (a) as follows:

§ 615.5370 Banks for cooperatives' earnings.

(a) Whenever at the end of any fiscal year a bank shall have no outstanding capital stock held by the Governor, the net savings shall first be applied to the restoration of the amount of the impairment, if any, of capital stock, as determined by the bank board. Any remaining net savings or losses shall be distributed as authorized by the bank board. Twenty-five percent of such remaining net savings, or such other percentage as determined by the bank board, derived from business done with or for patrons may be used to maintain an allocated surplus account. Not more than 10 percent of the net savings derived from business done with or for patrons, plus the total amount of any net earnings derived from nonpatronage (including nonmember) sources, may be used to create or maintain an unallocated surplus or unallocated reserve account. The amount so determined shall be first reduced by related income taxes. For purposes of this regulation, all net savings shall be deemed to be from patronage sources unless otherwise determined by the bank. Cash patronage refunds shall not exceed 25 percent of the total amount of net savings allocated or paid to patrons except with Farm Credit Administration approval. Patronage refunds not paid in cash or allocated in surplus shall be paid in capital stock and participation certificates as determined by the bank board. A net loss in any fiscal year shall be absorbed on the basis determined by the bank board. Any costs or expenses attributable to a prior year shall not be charged to reserves, surplus, or patronage allocations without the approval of the Farm Credit Administration.

* * * * *

(Secs. 5.9, 5.12, 5.18, Pub. L. 92-181, 85 Stat. 619, 620, 621, 12 U.S.C. 2243, 2246 and 2252)

Kenneth J. Auberger,

Acting Governor.

[FR Doc. 81-32182 Filed 11-5-81; 8:45 am]

BILLING CODE 6705-01-M

---

12 CFR Part 615

Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: The Farm Credit Administration (FCA), by its Federal Farm Credit Board, adopts and publishes new and amended regulations to 12 CFR Part 615. Amended § 615.5210 provides criteria for long-range financial planning by banks of the Farm Credit System. New § 615.5215 provides an alternative to FCA approval of individual bank transactions and establishes the criteria for an alternate approval process which allows FCA to approve of bank transactions on an annual basis.

EFFECTIVE DATE: This final rule will be effective December 7, 1981.

FOR FURTHER INFORMATION CONTACT: Larry H. Bacon, Deputy Governor, Office of Administration, 490 L'Enfant Plaza, S.W., Washington, DC 20578, (202-755-2181).

SUPPLEMENTARY INFORMATION: On June 23, 1981, the Farm Credit Administration noticed and published for public comment an amendment to 12 CFR 615.5210—Annual Budgets and Projections—and a new 12 CFR 615.5215—Approval Requirements (46 FR 32450). No comments were received from the public on the proposals. The Federal Farm Credit Board adopted the final regulations in the course of its October 1981 meeting.

PART 615—FUNDING AND FISCAL AFFAIRS, LOAN POLICIES AND OPERATIONS, AND FUNDING OPERATIONS

For reasons set out in the preamble, Part 615 of Chapter VI, Title 12 of the *Code of Federal Regulations* is amended as shown.

Subpart H—Net Worth Objectives

* * * * *

1. Section 615.5210 is revised to read as follows: