Sterilization of run-off water is required only where this is a plausible route for dissemination of viable microorganisms containing recombinant DNA. Soil, plant parts, and unwanted plant materials shall be sterilized before disposal. Plant materials which have to be removed from the greenhouse or cabinet for further research shall be maintained under good laboratory practices as applied to plants. Plants can be transported locally, e.g., between laboratory, growth chamber, and greenhouse, at physically separated locations provided: (1) Plants are in a vegetative condition, i.e., no reproductive organs or structures (e.g., pollen, flowers, seeds) are present; (2) plants are kept in an enclosed area or container (i.e., waterproof, insect-restrictive); and (3) plants are essentially "hand-couriered" between locations.

VII. Request to Field Test Genetically Engineered Pseudomonas

Advanced Genetics Sciences, Inc., of Greenwich, Connecticut, requests permission to field test genetically engineered *Pseudomonas* strains.

Dated: December 23, 1983.

Bernard Talbot,

Acting Director, National Institute of Allergy and Infectious Diseases, National Institutes of Health.

OMB's "Mandatory Information Requirements for Federal Assistance Program Announcements" (45 FR 39592) requires a statement concerning the official government programs contained in the *Catalog of Federal Domestic Assistance.* Normally NIH lists in its announcements the number and title of affected individual programs for the guidance of the public. Because the guidance in this notice covers not only virtually every NIH program but also essentially every federal research program in which DNA recombinant molecule techiques could be used, it has been determined to be not cost effective or in the public interest to attempt to list these programs. Such a list would likely require several additional pages. In addition, NIH could not be certain that every federal program would be included as many federal agencies, as well as private organizations, both national and international, have elected to follow the NIH Guidelines. In lieu of the individual program listing, NIH invites readers to direct questions to the information address above about whether individual programs listed in the *Catalog of Federal Domestic Assistance* are affected.

[FR Doc. 84-5 Filed 1-4-84; 8:45 am]

BILLING CODE 4140-01-M

federal register

Thursday
January 5, 1984

Part III

Department of Defense

Department of the Air Force

Privacy Act of 1974; Deletions, Amendments and Republication of Systems of Records Notices

DEPARTMENT OF DEFENSE

Department of the Air Force

Privacy Act of 1974; Deletions, Amendments and Republication of Systems of Records Notices

AGENCY: Department of the Air Force (DAF), DOD.

ACTION: Deletions, amendments and republication of systems notices.

SUMMARY: The Department of the Air Force is systematically republishing all its notices for systems of records subject to the Privacy Act of 1974. Each system notice is being rejustified, rewritten and renumbered in the interest of accuracy, simplicity, and clarity.

This notice deletes 27 notices and amends 126 others. The deleted systems are listed below. The changes to the systems notices that are to be amended are set forth below and are followed in their entirety by the amended notices. This represents the third and final submission in this republication project.

DATES: All deletions are effective January 5, 1984. All other changes will be effective February 6, 1984.

ADDRESS: Send comments to Mr. Jon Updike, HQ USAF/DAQD(S), The Pentagon, Washington, DC 20301. Telephone: (202) 694–3431.

FOR FURTHER INFORMATION CONTACT: Mr. Updike at the address and telephone number listed above.

SUPPLEMENTARY INFORMATION: The two previous notices in this project were published by the Department of the Air Force in the **Federal Register** at FR Doc. 82–30348 (47 FR 50004), November 4, 1982 and FR Doc. 83–1956 (48 FR 4106), January 28, 1983. System notices effected by this notice also appeared in the **Federal Register:**

FR Doc. 81–897 (46 FR 6443), January 21, 1981

FR DOC. 82–675 (47 FR 2544), January 18, 1982

FR Doc. 82–2886 (47 FR 5295), February 4, 1982

FR Doc. 82–4481 (47 FR 7478), February 19, 1982

FR Doc. 82–9886 (47 FR 14936), April 7, 1982

FR Doc. 82–10593 (47 FR 16827), April 20, 1982

The three notices in this project taken together represent a complete republication of all of the Department of the Air Force notices for systems of records subject to the Privacy Act of 1974, as amended, (Title 5 United States Code Section 552a).

M. S. Healy,

OSD Federal Register Liaison Officer, Department of Defense.

December 21, 1983.

DELETIONS

The following deletions are effective January 5, 1984.

F01101 DPXJC C

System Name:

USAF Reconstruction Requirements for Office of JCS and HQ USAF (44 FR 74155)

Reason:

This is not a system of records under the Privacy Act of 1974.

F01101 OSAWUBB

System Name:

Source Support-Control Data (44 FR 74159)

Reason:

These transitory records are used to record test results which are transferred to permanent records. They are part of the several training and evaluation systems.

F01102 OMUHHZB

Sytem Name:

General/Colonel Status Board (44 FR 74165)

Reason:

These records are not a system of records under the Privacy Act.

F02503 DPCXP A

System Name:

Committee Management Records (44 FR 74170)

Reason:

These records are not retrieved by any personal identifier.

F02503 NB A

System:

Biographical Information File (44 FR 74170)

Reason:

These records are included under system F190 AF PA A, Official Biographies and F035 AF MP C, Unit Assigned Personnel Information File.

F03501 OMUHHZB

System Name:

Curriculum Vitae (44 FR 74214)

Reason:

These records are properly covered by system F110 AF SG B, Medical Professional Staffing Records.

F03502 OBXOPCE

System Name:

Master Cadet Personnel Records (RR)/Active (44 FR 74230)

Reason:

This system is merged with F03502 OBXQPCD to form F035 AFA B, Master Cadet Personnel Records (RR)/Active/Historical.

F03502 OMUHHZA

System Name:

Manning Specialist Evaluation (44 FR 74230)

Reason:

This system has been discontinued.

F03504 AA A

System Name:

Secretary of the Air Force Military Personnel Administration (44 FR 74233)

Reason:

These records are covered by system notice F035 AF MP O, Unit Assigned Personnel Information File.

F03504 XOXXE A

System Name:

Air Force Advisory Personnel in Latin America (44 FR 74239)

Reason:

These records are part of system F035 AF MP C, Military Personnel Records System.

F03504AAFSS S

System Name:

Office Personnel Data Information Files (44 FR 74243)

Reason:

These records are covered by system notice F035 AF MPO Unit Assigned Personnel Information File for military members, and OPM/Govt-1, 2, and 3 for civilians.

F04501 OIACYVC

System Name:

Professional Officer Course (POC) and Financial Assistance Program Cadets. (44 FR 74263)

Reason:

This system has been discontinued

F05002 OOJUBJB

System Name:

Maintenance Management Information and Conmtrol System (MMICS) (44 FR 74281)

Reason:

This is not a system of records subject to the Privacy Act of 1974.

F05302 OBXOPCB

System Name:

Air Force Academy Candidate System (44 FR 74290)

Reason:

These records have been merged with system F03501BXQPOCAB, Admission and Registrar Records to form system F053 AFA A, Admission and Registrar Records.

F06608 OOJUBJC

System Name:

Exception Time Accounting (ETA) System (44 FR 74294)

Reason:

These records are not a system or records subject to the Privacy Act.

F06711 OOJUBJA

System Name:

Tool Kit Control Card (44 FR 74295)

Reason:

This system has been discontinued.

F12702 02SCEYA

System Name:

Aircraft Accidents and Incidents Computer File (44 FR 74326)

Reason:

These records are not retrieved by any personal identifier.

F12702 02SCEYB

System Name:

Human Factors in Aircraft Accident/ Incident Computer File (44 FR 74327)

Reason:

These records are not retrieved by any personal identifier.

F12702 02SCEYC

System Name:

United States Air Force (USAF) Ground Accident Fatality File (44 FR 74327)

Reason:

These records cover only deceased individuals and are not subject to the Privacy Act.

F16401 GHXO S

System Name:

Patient Evacuation Manifest (44 FR 74339)

Reason:

These records are filed chronologically and are not a system of records subject to the Privacy Act.

F16802 CSGH R

System Name:

MAMS–R (Medical Administrative Management System-Revision) (44 FR 74340)

Reason:

These records are part of system F168 AF SG A, Automated Medical/Dental Records System.

F17701 NGBJA A

System Name:

Confidential Statement of Employment and Financial Interest (44 FR 74354)

Reason:

These records are properly part of system F030 AF JA A, Confidential Statement of Employment and Financial Interest.

F17721 ADPMSNA

System Name:

Employee Group Life and Health Insurance Plan (44 FR 74362)

Reason:

This system has been discontinued.

F182 AF A

System Name:

Air Force Postal Directory File (44 FR 4208)

Reason:

These records are properly part of system F011 AF A, Locator, Registration and Postal Directory Files which has been revised and republished below.

F18202 HC A

System Name:

Current Official Active Duty Chaplains (44 FR 74373) Mailing List.

Reason:

These records are properly part of F011 AF A, Locator, Registration and Postal Directory Files which has been revised and republished below.

F20505 OOVDYDA

System Name:

Clearance Certificate Records (44 FR 74383)

Reason:

These records are properly part of system F205 SCO C, Personnel Security Clearance and Investigation Records.

F26501 HC C

System Name:

Directory of Active Duty and Retired Chaplains (44 FR 74390)

Reason:

These records are properly part of system F011 AF A, Locator Registration and Postal Directory Files which has been revised and republished below.

AMENDMENTS

The following major changes have been made to the systems notices published as amended below. These notices have also been substantially rewritten in the interest of clarity and accuracy.

FO1001 CVAE A

System Name:

Secretary of the Air Force Historical Records (44 FR 74148)

Changes:

System Identification:

Change to, "F010 CVAE A."

F01001 REPX A

System Name:

Inquiries (Presidential, Congressional). (44 FR 74149)

Change:

System Identification:

Change to, "F010 RE A."

F01001 SAFPC A

System Name:

Air Force Discharge Review Board Retain Files (44 FR 74149)

Change:

System Identification:

Change to, "F035 SAFPC A."

F01003 OIACYVA

System Name:

Background Material (46 FR 6535)

Changes:

System Identification:

Change to, "F010 ARPC A."

Storage:

Change to, "Maintained in file folders."

F011 AF A

System Name:

Military and Civilian Personnel Locator and Registration Files (48 FR 4116)

Changes:

System Name:

Change to, "Locator, Registration and Postal Directory Files."

Routine Uses of Records Maintained in the System, Including Categories of Users and the Purpose of Such Uses:

Add after the first sentence, "Portions of the System are used to Directorize and forward individual personal mail received by Air Force postal activities, and for assignment of individual mail boxed. Other parts of the system are used to create listings used to send official and unofficial material to or to contact present and former members or retirees."

Retention and Disposal:

Add, "Postal directory files are maintained for six months after reassignment, separation on departure from the servicing activity. Contact listings are retained until no longer needed."

F01101 PRES A

System Name:

Check Cashing Privilege File (44 FR 74156)

Change:

System Identification:

Change to, "F011 AF B."

F01102 LLI A

System Name:

Mircofilm Records Congressional/ Executive Inquiries (44 FR 74162)

Changes:

System Identification:

Change to, "F011 LLI A."

System Name:

Delete, "Microfilm Records."

F01102 SGPS F

System Name:

High Level Inquiry File (44 FR 74164)

Change:

System Identification:

Change to, "F011 AFSG A."

F01103 OBXOPCC

System Name:

Faculty Biographical Sketch (44 FR 74167)

Change:

System Identification:

Change to, "F011 AFA B."

F01103X0BXOPCD

System Name:

Class Committee Products. (44 FR 74167)

Change:

System Identification:

Change to, "F011 AFA A."

F03001X0BXOPCB

System Name:

Military, Leadership, and Basic Cadet Training Order of Merit System (46 FR 6540)

Changes:

System Identification:

Change to "F050 AFA A."

System Name:

Change to, "Military Performance Average."

Exemption:

Add, "This exemption will be withdrawn after 31 July 1983."

F03001 DPXVV A

System Name:

File Designation, Drug Abuse Waiver Requests (46 FR 6539)

Changes:

System Identification:

Change to, "F030 AF MP E."

System Name:

Delete, "File Designation."

F030040BXOPCAB

System Name:

Military Personnel Administrative Records (44 FR 74190)

Changes:

System Identification:

Change to, "F900 AFA B."

System Name:

Change to, "Thomas D. White Defense Award."

F03005 PRENC A

System Name:

Equal Opportunity in Off-Base Housing (44 FR 74192)

Change:

System Identification:

Change to, "F030 AF LE A."

F03005 PRENC B

System Name:

Off-Base Housing Referral Service (44 FR 74192)

Change:

System Identification:

Change to, "F030 AF LE B."

F03005 PRENC C

System Name:

Base Housing Management (46 FR 6549)

Change:

System Identification:

Change to, "F030 AF LE C."

F03005 02 ALSA

System Name:

On/Off-Base Housing Records (46 FR 6550)

Change:

System Identification:

Change to, "F030 AF LE D."

F03007 OOPTFLB

System Name:

Visiting Officer Quarters-Transient Airman Quarters Reservations (44 FR 74194)

Change:

System Identification:

Change to, "F090 AF A."

F03501 AFDPG Z

System Name:

General Officer Personnel Data Systems (46 FR 6551)

Change:

System Identification:

Change to, "F035 AF MP P."

F03501 AFREP T

System Name:

Files on General Officers and Colonels Assigned to General Officer Positions (44 FR 74196)

Change:

System Identification:

Change to, "F035 AF MP A."

F03501 DPMAK J

System Name:

Separation Case Files (Officer and Airman) (46 FR 6553)

Change:

System Identification:

Change to, "F035 MPC U."

F03501 HC A

System Name:

Chaplain Personnel Record (44 FR 74207)

Changes:

System Identification:

Change to, "F035 HC B."

Authority for Maintenance of the System:

Change to, "10 USC 8032, General duties, and 8067(g), Designation: officers to perform certain professional functions [Chaplains]."

F03501 HC B

System Name:

Chaplain Information Sheet (44 FR 74208)

Changes:

System Identification:

Change to, "F035 HC A."

Authority for Maintenance of the System:

Change to, "10 USC 8032, General duties, and 8067(g), Designation: officers to perform certain professional functions [Chaplains]."

F03501 REP A

System Name:

Personnel Files on Statutory Tour Officers (44 FR 74209)

Changes:

System Identification:

Change to, "F035 RE A."

Authority for Maintenance of the System:

Change to, "10 USC 265, Policies and regulations: participation of reserve officers in preparation and administration."

F03501 REP B

System Name:

Files on AF Reserve General Officers; Colonels Assigned to General Officer Positions (44 FR 74209)

Change:

System Identification:

Change to, "F035 RE B."

F03501 SAFCB A

System Name:

Military Records Processed by the Air Force Corrections Board (44 FR 74209)

Change:

System Identification:

Change to, "F035 SAFCB A."

F03501 SAFOI B

System Name:

Mobilization Augmentee Training Folders (44 FR 73210)

Change:

System Identification:

Change to, "F035 SAFPA A."

F03501 OMUHHZA

System Name:

Personnel Interview Record (46 FR 6557)

Change:

System Identification:

Change to, "F035 AFRES A."

F03501 07YLNGA

System Name:

Informational Personnel Record (44 FR 74221)

Change:

System Identification:

Change to, "F035 AFOSI C."

F03501 07YLNGB

System Name:

Internal Personnel Data System (44 FR 74221)

Change:

System Identification:

Change to, "F035 AFOSI D."

F03501FSFPC A

System Name:

Air Force Discharge Review Board Original Case Files (44 FR 74223)

Change:

System Identification:

Change to, "F035 SAFPC B."

F03501XOBXOPCB

System Name:

Prospective Instructor Files (44 FR 74223)

Change:

System Identification:

Change to, "F035 AFA C."

F035010BXOPCAB

System Name:

Admission and Registrar Records (44 FR 74226)

Change:

System Identification:

Change to, "F053 AFA C."

F03502 AFA A

System Name:

Cadet Personnel Management System (44 FR 74226)

Change:

System Identification:

Change to, "F035 AFA A."

F03502 OBXOPCD

System Name:

Master Cadet Personnel Record (RR)/ Historical (44 FR 74229)

Change:

System Identification:

Change to, "F035 AFA B."

System Name:

Change, "Historical," to, "Active/ Historical."

F03503 AFRES A

System Name:

Recruiters Automated Program (47 FR 14936)

Change:

System Identification:

Change to, "F035 AFRES B."

F03503 OMUHHZA

System Name:

Reserve Manning Report (46 FR 6560)

Change:

System Identification:

Change to, "F035 AFRES C."

F03504 DPMHC A

System Name:

Chaplain Personnel Action Folder (46 FR 6560)

Change:

System Identification:

Change to, "F035 HC C."

F03509 OIACYVA

System Name:

Requests for Discharge From the Air Force Reserve (46 FR 6565)

Change:

System Identification:

Change to, "F035 ARPC I."

F04001 DPCX A

System Name:

Non-Appropriated Fund (NAF) Civilian Personnel Records (44 FR 74253)

Change:

System Identification:

Change to, "F040 AF NAFI A."

F04001 1PTAYZC

System Name:

Civilian Pay-Personnel-Manpower (Paperman) (44 FR 74255)

Change:

System Identification:

Change to, "F040 ASG A."

F04002 DPCMS A

System Name:

Civilian Personnel Applicant Supply Files (44 FR 74255)

Change:

System Identification:

Change to, "F040 AF MP D."

F04002 DPCMS B

System Name:

Civilian Personnel Test Score Record (44 FR 74255)

Change:

System Identification:

Change to, "F040 AF MP B."

F04002 DPCMS C

System Name:

Job Element Questionnaires for Civilian Trades and Labor Occupations (44 FR 74256)

Change:

System Identification:

Change to, "F040 AF MP C."

F04002 DPCMS D

System Name:

Civilian Personnel Occupational and Suitability Employment Examinations (44 FR 74256)

Change:

System Identification:

Change to, "F040 AF MP A."

F04002 OMUHHZA

System Name:

Air Reserve Technician (ART) Officer Selection Folders (44 FR 74257)

Change:

System Identification:

Change to, "F040 AFRES A."

F04003 DPCMT A

System Name:

Training and Employee Development Record Systems (44 FR 74257)

Change:

System Identification:

Change to, "F040 AF MP E."

F04004 DPCE B

System Name:

Civilian Personnel Performance Awards and Outstanding Performance Ratings (44 FR 74259)

Change:

System Identification:

Change to, "F040 AF MP F."

F04004 DPCE C

System Name:

Labor Management Relations Records System (44 FR 74259)

Change:

System Identification:

Change to, "F040 AF MP G."

F04004 DPCMS A

System Name:

Employee Assistance Program Case Records (44 FR 74260)

Change:

System Identification:

Change to, "F040 AF MP H."

F04008 AA A

System Name:

Civilian Personnel Files (44 FR 74260)

Change:

System Identification:

Change to, "F040 AA A."

F04008 DPCE A

System Name:

Supervisor's Records of Civilian Employee (44 FR 74261)

Changes:

System Identification:

Change to, "F040 AF MP I."

Authority for Maintenance of the System:

Change to, "10 USC 8012, Secretary of the Air Force: powers and duties; delegation by."

F04501XOMUHHZA

System Name:

Reserve Medical Service Corps Officer Appointments (44 FR 74266)

Change:

System Identification:

Change to, "F045 AFRES A."

F05001 AFA A

System Name:

Faculty Academic Records (44 FR 74267)

Change:

System Identification:

Change to, "F050 AFA B."

F05001 SAFOPI B

System Name:

Information Officer Short Course Eligibility File (44 FR 74268)

Changes:

System Identification:

Change to, "F050 SAFPA B."

System Name:

Change to, "Public Affairs Officer Short Course Eligibility File."

F05001 OBXOPBB

System Name:

USAF Academy Cadet/Nominee/ Applicant Athletic Records (44 FR 74269)

Changes:

System Identification:

Change to, "F050 AFA C."

System Name:

Change to, "USAF Academy Athletic Records."

F05001 OMUHHZA

System Name:

Undergraduate Pilot and Navigator Training (44 FR 74270)

Change:

System Identification:

Change to, "F050 AFRES A."

F05002 OI A

System Name:

Graduates of Air Forces Short Course in Communications (Oklahoma University) (44 FR 74276)

Change:

System Identification:

Change to, "F050 SAFPA A."

F05002 OTMUHJA

System Name:

Student Record File (44 FR 74282)

Change:

System Identification:

Change to, "F050 TAC A."

F05301 DPP A

System Name:

Air Force Academy Appointment and Separation Records (44 74289)

Change:

System Identification:

Change to, "F053 MP A."

F05301XOBXOPCB

System Name:

Educational Research Data Base (46 FR 6574)

Change:

System Identification:

Change to, "F053 AFA A."

F05303OBXOPCAB

System Name:

Preparatory School Records (44 FR 74291)

Change:

System Identification:

Change to, "F053 AFA B."

F06003 ANGXOB

System Name:

Progress Report, Undergraduate Pilot Training (44 FR 74291)

Change:

System Identification:

Change to, "F060 ANG A."

F06703 USAFE A

System Name:

Government Furnishings Issue Record (47 FR 16827)

Change:

System Identification:

Change to, "F067 AF A."

F06711 LGYPS A

System Name:

Personal Clothing and Equipment Record (44 FR 74295)

Change:

System Identification:

Change to, "F067 AF LE A."

F07001 OEACYVA

System Name:

Accounts Payable Records (44 FR 74296)

Change:

System Identification:

Change, "F070 AF AFO A."

F07502 USAFE A

System Name:

Custom Control Records (47 FR 16827)

Change:

System Identification:

Change to, "F075 USAFE A."

F07503 AA A

System Name:

Office, Secretary of the Air Force Travel Files. (44 FR 74297)

Change:

System Identification:

Change to, "F075 AA A."

F075031LGTT A

System Name:

Personnel Property Movement Records (44 FR 74297)

Change:

System Identification:

Change to, "F075 AF LE B."

F07503100JUBJH

System Name:

Household Goods Nontemporary Storage Accounts System (NOTEMPS) (44 FR 74297)

Change:

System Identification:

Change to, "F075 AF LE A."

F07702 LGTN A

System Name:

Motor Vehicle Operator's Records (44 FR 74299)

Change:

System Identification:

Change to, "F077 AF LE A."

F08003 OBXOPCA

System Name:

Minnesota Multiphase Personality Inventory Research Program. (44 FR 74300)

Change:

System Identification:

Change to, "F080 AF A."

F09003 SAC A

System Name:

Unaccompanied Personnel Quarters Assignment/Termination (47 FR 2615)

Change:

System Identification:

Change to, "F090 SAC A."

F11001 IGO A

System Name:

Inspector General Records: Freedom of Information Act (44 FR 74303)

Change:

System Identification:

Change to, "F120 AF IG A."

F11001 SAFPC A

System Name:

Air Force Discharge Review Board Voting Cards (46 FR 6574)

Change:

System Identification:

Change to, "F035 SAFPC C."

F11001 SAFPC B

System Name:

Air Force Discharge Review Board Case Control/Locator Cards (44 FR 74304)

Change:

System Identification:

Change to, "F035 SAFPC D."

F11001 OEACYVA

System Name:

Legal Administration Records of the Staff Judge Advocate (44 FR 74305)

Change:

System Identification:

Change to, "F110 AFAFC H."

F11001 XOMUHHZA

System Name:

Reserve Judge Advocate Training Report (44 FR 74307)

Change:

System Identification:

Change to, "F110 AFRES A."

F12001 IGO A

System Name:

Inspector General Records (44 FR 74312)

Change:

System Identification:

Change to, "F120 AF IG B."

F12301 02SCEYA

System Name:

United States Air Force (USAF) Inspection Scheduling System (44 FR 74313)

Change:

System Identification:

Change to, "F123 AFISC A."

F12701 02SCEYA

System Name:

Safety Education File (44 FR 74326)

Change:

System Identification:

Change to, "F127 AFISC A."

F16001 AFA A

System Name:

Cadet Hospital/Clinic Records (46 FR 6575)

Change:

System Identification:

Change to, "F160 AFA A."

F16002 SGPS A

Change:

System Name:

Department of Defense Medical Examination Review Board Medical Examination Files (44 FR 74329)

Change:

System Identification:

Change to, "F160 DODMERB A."

F16006 SGPC A

System Name:

Medical Treatment Facility Tumor Registry (44 FR 74333)

Change:

System Identification:

Change to, "F160 AF SG C."

F16007 SGPA A

System Name:

Drug Abuse Rehabilitation Report System (44 FR 74333)

Change:

System Identification:

Change to, "F160 AF SG D."

F17602 OEACYVA

System Name:

Nonappropriated Funds Standard Payroll System (44 FR 74351)

Changes:

System Identification:

Change to, "F176 AF MP D."

System Manager(s) and Address:

Delete, "Director, Accounting and Finance, United States Air Force."

F17603 AA A

System Name:

Accounts Receivable (44 FR 74352)

Change:

System Identification:

Change to, "F176 AA A."

F17603 HC

System Name:

Chaplain Fund Service Contract File (44 FR 74352)

Change:

System Identification:

Change to, "F176 AF HC A."

F17607 DPM A

System Name:

Morale, Welfare, and Recreation (MWR) Participation/Membership/ Training Records (44 FR 74353)

Change:

System Identification:

Change to, "F176 AF MP C."

F17701 OBXOPCA

System Name:

Cadet Accounting and Finance System (46 FR 6579)

Change:

System Identification:

Change to, "F177 AFA A."

F17705 OEACYVA

System Name:

Accounting and Finance Officer Accounts and Substantiating Documents (44 FR 74355)

Change:

System Identification:

Change to, "F177 AFAFC A."

F17707 OEACYVA

System Name:

Loss of Funds Case Files (44 FR 74356)

Change:

System Identification:

Change to, "F177 AFAFC I."

F17708 OEACYVA

System Name:

Claims Case File—Corrected Military Pay and Allowances (44 FR 74356)

Change:

System Identification:

Change to, "F177 AFAFC E."

F17708 OEACYVB

System Name:

Claims Case Files—Missing in Action Data (44 FR 74357)

Change:

System Identification:

Change to, "F177 AFAFC F."

F17708 OEACYVC

System Name:

Claims Case FIle—Death Gratuity Records (44 FR 74358)

Change:

System Identification:

Change to, "F177 AFAFC D."

System Name:

Change to, "Claims Case FIle—Active Duty Casualty Case Records."

F17708 OEACYVD

System Name:

Indebtedness and Claims (46 FR 6580)

System Identification:

Change to, "F177 AFAFC M."

F17709 OEACYVA

System Name:

Report of Survey (44 FR 74359)

Change:

System Identification:

Change to, "F177 AF AFC E."

F17718 OEACYVA

System Name:

Accounts Receivable Records Maintained by Accounting & Finance (44 FR 74360)

Change:

System Identification:

Change to, "F177 AF AFC A."

F17720 OEACYVA

System Name:

Travel Records (46 FR 6580)

Change:

System Identification:

Change to, "F177 AF AFC B."

F17721 OEACYVA

System Name:

Civilian Pay Records (46 FR 6581)

Change:

System Identification:

Change to, "F177 AF AFC F."

F17722 OEACYVA

System Name:

Accrued Military Pay System, Discontinued (44 FR 74364)

Change:

System Identification:

Change to, "F177 AFAFC B."

F17722 OEACYVC

System Name:

Military Pay Records (44 FR 74364)

Change:

System Identification:

Change to, "F177 AFAFC J."

F17722 OEACYVD

System Name:

Uniformed Services Savings Deposit Program (USSDP) (44 FR 74366)

Change:

System Identification:

Change to, "F177 AFAFC C."

F17725 OEACYVA

System Name:

Air Reserve Pay and Allowance System (ARPAS) (46 FR 6582)

Change:

System Identification:

Change to, "F177 AF AFC C."

F17726 OEACYVA

System Name:

Pay and Allotment Records (46 FR 6583)

Change:

System Identification:

Change to, "F177 AFAFC K."

F17730 OEACYVA

System Name:

Joint Uniform Military Pay System (JUMPS) (44 FR 74368)

Change:

System Identification:

Change to, "F177 AF AFC D."

F17734 OEACYVA

System Name:

USAF Retired Pay System (46 FR 6584)

Change:

System Identification:

Change to, "F177 AFAFC L."

F17801 OHFREZA

System Name:

Rome Air Development Center (RADC) Manpower Resource Expenditure System (44 FR 74371)

Change:

System Identification:

Change to, "F178 AFSC A."

F17801 OHZHTVA

System Name:

Integrated Management Information and Control System (IMICS) (44 FR 74372)

Change:

System Identification:

Change to, "F178 AFSC C."

F19001 OI AB

System Name:

Official Biographies (44 FR 74375)

Change:

System Identification:

Change to, "F190 SAFPA B."

F19001 OI AB

System Name:

Biographies of Officers and Key Civilians Assigned to SAF/OI (44 FR 74374)

Changes:

System Identification:

Change to, "F190 SAFPA A."

System Name:

Change "SAF/OI" to "SAFPA."

F19001 SAFOI

System Name:

Special Events Planning-Protocol (44 FR 74376)

Change:

System Identification:

Change to, "F190 AF PA A."

F19002 A58WWYK

System Name:

Home Town News Release Background Data File (44 FR 74376)

Change:

System Identification:

Change to, "F190 AF PA B."

F20501 SPI A

System Name:

Requests for Access to Classified Information by Historical Researchers (44 FR 74378)

Change:

System Identification:

Change to, "F205 AFSP A."

F20503 DAI A

System Name:

Personnel Security Case Files (44 FR 74379)

Changes:

System Identification:

Change to, "F205 AFSCO A."

System Name:

Change "Personnel" to "Special."

F20503 DAI C

System Name:

Presidential Support Files (44 FR 74380)

Change:

System Identification:

Change to, "F205 AFSCO B."

F20505 SPI A

System Name:

Personnel Security Clearance Investigation Records (44 FR 74381)

Changes:

System Identification:

Change to, "F205 AFSCO C."

System Name:

Add, "and," after "Clearance."

Note: This notice has been extensively revised to reflect realignments of the clearance function in the Air Force Security Clearance Office. There are no changes to the records or record keeping practices.

F20505 SPI B

System Name:

Personnel Security Assess Records (44 FR 74382)

Changes:

System Identification:

Change to, "F205 AF A."

F20505 SPI C

System Name:

Special Security Files (44 FR 74383)

Changes:

System Identification:

Change to, "F205 AF SP A."

Note: This notice has been extensively revised to reflect realignments of the clearance function in the Air Force Security Clearance Office. There are no changes to the records or record keeping practices.

F21201BXOPCAB

System Name:

Library/Special Collections Records (44 FR 74385)

Changes:

System Identification:

Change to, "F212 AFA."

F21208XOBOPCE

System Name:

Library Authorized Patron File (44 FR 74385)

Changes:

System Identification:

Change to, "F212 AFA. B"

F21301 DPMSS A

System Name:

Air Force Educational Assistance Loans (44 FR 74385)

Changes:

System Identification:

Change to, "F213 MPC A."

F26501 AFA A

System Name:

Cadet Chaplain Records (44 FR 74389)

Changes:

System Identification:

Change to, 'F265 AFA A."

F26501 HC A

System Name:

Non-Chaplain Ecclesiastical Endorsement Files (44 FR 74389)

Changes:

System Identification:

Change to, "F265 HC A."

F26501 HC B

System Name:

Chaplain Personnel Roster (44 FR 74389)

Changes:

System Identification:

Change to, "F265 HC B."

F26501XHC A

System Name:

Records on Baptisms, Marriages and Funerals by Air Force Chaplains (44 FR 74390)

Changes:

System Identification:

Change to, "F265 HC D."

Authority for Maintenance of the System:

Change to, "10 USC 8012, Secretary of the Air Force: powers and duties; delegation by."

F26501XHC A

System Name:

Cadet Awards Files (44 FR 74393)

Changes:

System Identification:

Change to, "F900 AFA A."

UNITED STATES AIR FORCE

F010 ARPC A

SYSTEM NAME:

010 ARPC A Background Material

SYSTEM LOCATION:

Air Reserve Personnel Center, Denver, CO 80280.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force Reserve personnel.

CATEGORIES OF RECORDS IN THE SYSTEM:

Letter request for orders, amendments, including justification on files on special authorizations when required by order publishing activity.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 1162, Reserves: discharge.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Information on form is utilized for publication of discharge orders used by military personnel and AF civilian employees within the office and verify that discharge orders were published.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name, and Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files for 1 year after annual cut-off, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Commander, Air Reserve Personnel Center (ARPC), Denver, CO 80280.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Documentation Management Officer, ARPC/DADP, Denver, Colorado 80280. Written requests for information should contain full name, SSN, current mailing address and, if known, the case (control) number on correspondence received from ARPC. Records may be reviewed in the Records Review Room, Air Reserve Personnel Center, Denver, Colorado between 8:00 am and 3:00 pm on normal work days. Visitors wishing to see their records should provide a current Reserve, identification card and/or driving license and some verbal information that could verify the person's SSN at time of discharge.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the Documentation Management Officer, ARPC/DADP, Denver CO 80280; telephone (303) 394-4667.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from medical institutions, police and investigating

officers, witnesses and source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F010 CVAE A

SYSTEM NAME:

010 CVAE A Secretary of the Air Force Historical Records

SYSTEM LOCATION:

Washington National Records Center, Washington DC 20409. Modern Military Branch Military Archives Division National Archives and Records Service, Washington DC 20408.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Employees and former employees of the Secretary of the Air Force, and anyone who has corresponded with the Secretary of the Air Force.

CATEGORIES OF RECORDS IN THE SYSTEM:

Secretary of the Air Force correspondence files covering calendar years 1947 through March, 1972, most of which does not contain personal information.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used for research by Air Force Historian, other government agencies and private institutions.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Access is authorized by the Secretary of the Air Force only. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Staff, Headquarters United States Air Force, Washington, D.C. 20330

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers, educational institutions, medical institutions, police and investigating officer, the public media, a corporation, and source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F010 RE A

SYSTEM NAME:

010 RE A Inquiries (Presidential, Congressional)

SYSTEM LOCATION:

Headquarters United States Air Force, Washington DC 20330, Personnel Division, Office of Air Force Reserve (AF REPX).

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Present and former Air Force civilian employees, Air Force Reserve and Air National Guard personnel, and Retired Air Force military personnel.

CATEGORIES OF RECORDS IN THE SYSTEM:

Individual inquiries, research material and replies.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by the Office of Secretary of Air Force and Air Reserve Personnel Center to reply to inquiries.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by authorized personnel who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets.

RETENTION AND DISPOSAL:

Retained in office files for one year after annual cut-off, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Air Force Reserve, Personnel Division, Headquarters USAF, Washington DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Systems Manager. Requests should include the full name and SSN. Individuals may visit the Personnel Division, Office of the Air Force Reserve, Pentagon, Washington DC and should provide military identification card or driver's license as means of identification.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F011 AF A

SYSTEM NAME:

011 AF A Locator, Registration and Postal Directory Files

SYSTEM LOCATION:

At Headquarters, United States Air Force, and at Air Force Installations, to include bases, units, offices, and functions. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty military personnel; Air Force Reserve and National Guard Personnel; Air Force civilian employees; dependents may be included at the option of the installation, unit, or organization.

CATEGORIES OF RECORDS IN THE SYSTEM:

Cards or listings may contain the individuals name, grade, military service identification number, Social Security Number, duty location, office telephone number, residence address and residence telephone number, and similiar type personnel data determined to be necessary by the local authority.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to locate or identify personnel assigned to, attached to, tenanted on, or on temporary duty at the specific installation, office, base, unit, function, and/or organization in response to specific inquiries from authorized users for the conduct of business. Portion of the system are used to directorize and forward individual personal mail received by Air Force postal activities, and for assignment of individual mail boxes. Files may be used locally to support official and unofficial programs which require minimal locator information or membership or user listings.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained on paper records in card or form media in visible file binders/ cabinets card files or on computer and computer products.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance oftheir official duties. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, or when superseded or no longer needed for reference, then destroyed by tearing into pieces,shredding, pulping, macerating, or burning or by overwriting magnetic media. Postal directory files are maintained for six months after reassignment, separation or departure from servicing acivity.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Administration, Headquarters, US Air Force, Washington, DC. Local System Managers: Privacy officer of the installation, base, unit, organization, office or function to which the individual is assigned, attached, tenanted on or on temporary duty. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the local System Manager or custodian of the records. Individual must furnish full name and the names of dependents to the Air Force installation, unit and organization, office, or function to which assigned, attached, tenanted on or on temporary duty at, including the calendar years of such service. The individual may visit the Locator Office or Privacy Officer at the place of assignment. No identification is required to determine if the system contains records pertaining to a specific individual.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the local System Manager.

RECORD SOURCE CATEGORIES:

Information obtained from automated system interfaces or from individuals or personnel records.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F011 AF B

SYSTEM NAME:

011 AF B Check Cashing Privilege Files

SYSTEM LOCATION:

Commissaries, Services, Clothing Sales Stores and any other check cashing facilities at Air Force installations. Official mailing addresses are in the Department of Defense Directory in the Appendix to the Air Force's system notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Persons whose checks, presented at these facilities, have been dishonored and or whose check cashing privileges have been suspended or revoked.

CATEGORIES OF RECORDS IN THE SYSTEM:

Letters, cards and listings on individuals who have cashed bad checks at base facilities.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Identify individuals whose check cashing privileges are suspended or revoked and to refuse check cashing services to such individuals.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained on paper records in card or listing media. Documents are filed in folders or card boxes and posted in or near the cashier's cage or cash register box at the check cashing facility.

RETRIEVABILITY:

By name and/or Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and stored in locked cabinets, containers, or rooms.

RETENTION AND DISPOSAL:

Retained until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

For commissaries and clothing sales stores; Director, Engineering and

Services, Deputy Chief of Staff, Programs and Resources, Headquarters United States Air Force, Wash, DC, 20330; and Chief, Services Division at the installation having jurisdiction over commissary or clothing sales store. For all other check cashing facilities; Chief of the activity having the check cashing facility.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information received from check cashing sources.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.

F011 AFA A

SYSTEM NAME:

011 AFA A Class Committee Products

SYSTEM LOCATION:

United States Air Force Academy, USAF Academy CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force Academy cadets.

CATEGORIES OF RECORDS IN THE SYSTEM:

List of cadets academically deficient at progress reports; provides grades, military order of merit and other military and entrance data on cadets meeting committees; reports committee decisions and includes worksheets with coded recommendations to the Academy Board.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 903, United States Air Force Academy.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Provides data on academically deficient cadets to Class Committees and Academy Board. Used by class committee to make recommendations to the Academy Board.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/ cabinets and on computer paper printouts.

RETRIEVABILITY:

By name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties and by authorized personnel who are properly screened and cleared for need-to-know.

RETENTION AND DISPOSAL:

Destroy one year after graduation or when purpose has been served, whichever is sooner.

SYSTEM MANAGER(S) AND ADDRESS:

Dean of Faculty USAF Academy CO 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Records are compiled from cadet grading and rating cycles.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

Parts of this system may be exempt under 5 USC 552a(k)(7). This exemption does not apply to records created in or after July 1980. For additional information, contact the System Manager.

F011 AFA B

SYSTEM NAME:

011 AFA B Faculty Biographical Sketch

SYSTEM LOCATION:

United States Air Force Academy, USAF Academy CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force Academy faculty officers.

CATEGORIES OF RECORDS IN THE SYSTEM:

Biographical information on education, job assignments, teaching experience, publications, membership in professional societies and exit interview.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 903, UNITED STATES AIR FORCE ACADEMY.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used on a daily basis as the primary source for academic information on officers assigned to the faculty and as a sole source for academic information on officers who have left the faculty due to reassignment, separation, or retirement.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/ cabinets.

RETRIEVABILITY:

By name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are controlled by personnel screening. Stored in locked cabinets or rooms

RETENTION AND DISPOSAL:

Retained for 10 years after instructor's departure and then forwarded to the Library (Special Collections Branch), where it is microfilmed. The paper copy is destroyed and microfilm is retained permanently.

SYSTEM MANAGER(S) AND ADDRESS:

Dean of the Faculty, USAF Academy, CO 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the

individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information is obtained from individual and department head.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F011 AFSG A

SYSTEM NAME:

011 AFSG A High Level Inquiry File

SYSTEM LOCATION:

HQ USAF, Surgeon General, (SGPS), Washington, DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Individuals who make high level inquiries regarding medical criteria for Air Force accession; separation; retirement; continued active duty; and medical waivers for flying duty.

CATEGORIES OF RECORDS IN THE SYSTEM:

Medical opinions generated as a result of high level inquiries regarding Air Force accession, separation, retirement, continued active duty, and medical waivers for flying duty.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used as a cross reference to determine if action has been taken in response to high level inquiry.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by Name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Surgeon General, USAF, Washington DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from medical institutions.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F011 LLI A

SYSTEM NAME:

011 LLI A Congressional/Executive Inquiries

SYSTEM LOCATION:

Office of the Secretary of the Air Force, Washington DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty and retired military personnel, present and former civilian employees, Air Force Reserve and Air National Guard personnel, Air Force Academy nominees/applicants and cadets, Senior and Junior Air Force Reserve Officers, dependents of military personnel, and anyone who has written to the President or a Member of Congress regarding an Air Force issue.

CATEGORIES OF RECORDS IN THE SYSTEM:

Copies of applicable Congressional/Executive correspondence and Air Force replies.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Information is used as a reference base in the case of similar inquiries from other Members of Congress, in behalf of the same Air Force issue and/or follow-up by the same Member. Information may also be used by appropriate Air Force offices as a basis for corrective action and for statistical purposes.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in card files and on aperture cards.

RETRIEVABILITY:

Filed by Name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties whi are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Current year plus 2 years of microfilm records will be retained in the office, then destroyed by tearing, shredding, macerating, pulping or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Legislative Liaison, Office of the Secretary of the Air Force, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and is published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Personnel Records, Congressional and Executive inquiries and information from Air Force offices and organizations.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F030 AF LE A

SYSTEM NAME:

030 AF LE A Equal Opportunity in Off-Base Housing

SYSTEM LOCATION:

Each base level Housing Referral Office; Major Command (MAJCOM)/ Assistant for Family Housing Management. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Military member, Department of Defense(DOD) civilian employee, and adult dependent acting for military member submitting a housing discrimination complaint.

CATEGORIES OF RECORDS IN THE SYSTEM:

Consists of Complaint in Discrimination of off base housing and supporting documents submitted to the base level housing referral office alleging a housing discrimination complaint, case files, reports of investigation, and related correspondence.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by; 42 USC 1982, Property rights of citizens; and 10 USC 133, Secretary of Defense: appointment; powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Information copies held at base, MAJCOM, and Headquarters United States Air Force (HQ USAF) as a historical record of all actions taken in response to each housing discrimination complaint. Information used by Air Force officials, at all levels, to respond to Congressional, HUD, Department of Justice (DOJ), or related inquiries pertaining to the housing discrimination complaint. Original record sent to HUD with an information copy to DOJ for their action in support of existing laws.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/ cabinets.

RETRIEVABILITY:

By Installation and Name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Logistics and Engineering, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Systems Manager. Individuals may contact agency officials at the respective base level housing referral office in order to exercise their rights under the Act.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Individuals may contact agency officials at the respective base level housing referral office in order to exercise their rights under the Act.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Individual's voluntary application, witnesses of alleged incident, and other sources pertinent to alledged incident.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

Parts of this system may be exempt under 5 U.S.C. 552a (k)(2). For additional information, contact the System Manager.

F030 AF LE B

SYSTEM NAME:

030 AF LE B Off-Base Housing Referral Service

SYSTEM LOCATION:

Base Level Housing Referral Offices; Major Command/DEHH. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Military member, Department of Defense (DOD) civilian employee requesting off-base housing, and civilian landowner or agent listing facilities for rent.

CATEGORIES OF RECORDS IN THE SYSTEM:

Off-Base Housing Application, and Notification of Housing Selection. Data includes: name, grade, address, family composition, age, housing requirements, and housing selected. Detailed Sales/ Rental Listing. Form completed by civilian landowner or agent. Dataincludes: name, address, details on rentals listed, and nondiscriminatory assurances.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 U S C 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to match housing desires with rentals listed. Used by base housing officials, military personnel and authorized civilians to locate housing matching needs/desires. Identifies type of housing selected by incoming personnel and used by base housing officials to monitor availability of off-base housing, housing selected, and individual's satisfaction with housing referral service provided. Referred to DOJ and HUD, if required by them in processing a housing discrimination complaint. Used by AF officials to respond to inquiries on individual member's housing situation.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/ cabinets.

RETRIEVABILITY:

Filed by name and installation

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Logistics and Engineering, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Or individuals can contact the Housing Referral Office at the base at which they completed the applicable forms in order to exercise their rights under the Act.

RECORD ACCESS PROCEDURES:

Same procedures as for notification above.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager.

RECORD SOURCE CATEGORIES:

Individual voluntary application.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F030 AF LE C

SYSTEM NAME:

030 AF LE C Base Housing Management

SYSTEM LOCATION:

Headquarters United States Air Force, Washington DC 20330. Headquarters of major commands and at all levels down to and including Air Force installations.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All Military members desiring base family housing and eligible Department of Defense (DOD) civilian employees.

CATEGORIES OF RECORDS IN THE SYSTEM:

Application for andAssignment to Military Family Housing, contains the following data: name, address, rank, Social Security Number (SSN),service data, family composition, and other information such as health problems. Other supporting documents-quarters condition inspection reports, assignment orders, etc.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to apply for family housing and provide information upon which eligibility can bedetermined. Used by base housing officials to respond to Congressional, InspectorGeneral, and other inquiries on an individual basis pertaining to family member's housing situation.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/ cabinets, computer and computer output products.

RETRIEVABILITY:

Filed by Name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official dutieswho are properly screened and cleared forneed-to-know. Records are stored in locked cabinets or rooms. Records are controlled by personnel screening.

RETENTION AND DISPOSAL:

Advance applications are retained by losing activity and destroyed after six months. Applications received by gaining activities are destroyed one year after termination of quarters. Applications are destroyed by tearing, burning, pulping, shredding or macerating. Supporting records are destroyed when no longer needed.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Programs and Resources, Headquarters United States Air Force, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Individuals may contact agency officials at the Base Housing Office at the installation at which he completed the applicable form or the installation which will be providing military family housing.

RECORD ACCESS PROCEDURES:

Same procedures as for notification above.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager.

RECORD SOURCE CATEGORIES:

Information obtain from individual's voluntary application.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F030 AF LE D

SYSTEM NAME:

030 AF LE D On/Off-Base Housing Records.

SYSTEM LOCATION:

Air Force installations.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Military members seeking advance applications for housing both incoming and outgoing.

CATEGORIES OF RECORDS IN THE SYSTEM:

Record contains Quarters Condition Inspection Report, Real Property Maintenance Request, and Application for and assignment to military housing.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 9775, Quarters assignment guidance.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To record data required to assign and terminate family housing, report noted deficiencies in area of housing occupants responsibility, status of waiting list, and listing of personnel occupying quarters.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, computer and computer output products and in card files.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Logistics and Engineering, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Send full name.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager.

RECORD SOURCE CATEGORIES:

Information derived from member's Permanent Change of Station Orders, Quad Leaders reports, and any other information voluntarily given by each applicant.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F030 AF MP E

SYSTEM NAME:

030 AF MP E Drug Abuse Waiver Requests.

SYSTEM LOCATION:

Directorate of Student Resources, USAF Recruiting Service, Air Training Command, Randolph Air Force Base, Texas 78148 (ATC/RSS, Randolph AFB TX 78148); 3700 Personnel Processing Group, Lackland AFB, Texas 78236 (3700 PPG, Lackland AFB, Texas 78236); USAF Recruiting Service Detachment Headquarters; USAF Recruiting Service Offices; Deputy Chief of Staff, Education, Headquarters Air University, Maxwell AFB, Alabama 36112) (AU/ED, Maxwell AFB AL 36112); Directorate of Senior Programs, Headquarters Air Force Reserve Officer Training Corps (AFROTC), Maxwell AFB, Alabama 36112 (AFROTC/SD, Maxwell AFB, Alabama 36112); AFROTC Detachments; Directorate of Admissions and Registrar, United States Air Force Academy, USAF Academy, Colorado 80840 (USAFA/RR, USAF Academy, Colorado 80840);

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Applicants for enlistment or commissioning who have a history of pre-service drug abuse and who have requested a waiver of their disqualification.

CATEGORIES OF RECORDS IN THE SYSTEM:

A Copy of the USAF Drug Abuse Certificate and Drug Abuse Circumstances, Recommendation of Intermediate commands, and cover letter containing HQ USAF decision on waiver request are maintained

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 504, Persons not qualified.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

This record is not released outside the Air Force. Records are maintained for future reference in the case of further inquiries relative to approval or disapproval of the request for waiver of pre-service drug abuse.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/cabinets.

RETRIEVABILITY:

Filed by Name and Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in safes and locked cabinets or rooms.

RETENTION AND DISPOSAL:

After action on the request, the paper record is filed in secured file cabinets, retained for no more than six months, and destroyed by tearing into pieces.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Records maintained in the system are provided by either Air Training Command, Air University, or the USAF Academy.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 AF MP P

SYSTEM NAME:

035 AF MP P General Officer Personnel Data Systems

SYSTEM LOCATION:

Headquarters United States Air Force, Washington DC 20330; Air Force Manpower and Personnel Center, Randolph Air Force Base, TX 78150.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Retired Active Duty General Officers.

CATEGORIES OF RECORDS IN THE SYSTEM:

Promotion board data; 'Career Brief' data/cards; Forms 11; photographs, biographies; retirement letters; dependent data; education data; promotion orders; assignment orders; demotion data; frocking letters; case studies; language data.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC, Chapter 805, The Air Staff.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Individual queries; precedent actions; statistical analyses of historical nature; assignment nominations/worksheets; Congressional inquiries and responses; memorandums for record affecting actions taken on General Officers; career profiles; vacancy lists; array of General Officers by temporary/permanent grade and mandatory retirement data; seniority lists; retirement lists.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/cabinets/card files.

RETRIEVABILITY:

Most records are retrieved by last name and/or grade. Case studies, statistical analyses, promotion board results, Congressional inquiries and responses are retrieved by topic by year of action.

SAFEGUARDS:

Access to these records is given only to the Chief of Staff, Deputy Chief of

Staff (DCS)/Manpower and Personnel, Assistant for General Officer Matters, Chief of Air Force Reserve, Chief National Guard Bureau, and Rand Corporation, and the assigned officers/noncommissioned officers (NCOs) and civilian and clerical help, totaling approximately 20 people. Assistant for General Officer Matters (MPG), Manpower and Personnel Center/Records Maintenance Branch (MPC/DPMDRR) is the only office in the Air Force where this data could be maintained. Security procedures employed by MPG are equivalent to the security required for Confidential and Secret data.

RETENTION AND DISPOSAL:

Retired 4-star General Officer records are maintained indefinitely; Retired 1, 2 and 3-star General Officer records are retained for 3 years, reviewed to determine if there are any materials of historical value which warrant indefinite retention--if not, they are destroyed by tearing into pieces, shredding, pulping or macerating.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. An individual's full name, Social Security Number (SSN), and active duty grade will be needed to process written requests. An individual may visit the Pentagon, Room 4E212, The Office of the Assistant for General Officer Matters, to obtain the information. A requester must present Military Identification (ID) card when appearing in person and requesting information. When requesting personal information in writing, the requester must have request notarized.

RECORD ACCESS PROCEDURES:

An individual may obtain access to records by either writing Headquarters United States Air Force/Assistant for General Officer Matters (HQ USAF/MPG), The Pentagon, or by appearing in person and requesting the information. Most records will be released upon request; however, any record, the release of which is questionable in the view of the Assistant for General Officer Matters, will be cleared for release by the HQ USAF/DCS Manpower and Personnel before it is finally released to the individual. See Exemption.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Personnel Data Base; Member; Inspector General (IG) Investigations.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

Parts of this system may be exempt under 5 USC 552a(k)(7). For additional information, contact the System Manager.

F035 AFA A

SYSTEM NAME:

035 AFA A Cadet Personnel Management System

SYSTEM LOCATION:

United States Air Force Academy, CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

The Air Force Academy Cadets.

CATEGORIES OF RECORDS IN THE SYSTEM:

(1) Cadet Personnel Record (CPR) consisting of temporary and permanent forms and documents including the CPR-1 which contains Oath of allegiance, Cadet Acceptance Record, Statement of Consent, paternity, maternity, birth certificates; appointment orders; summer training orders; special orders; awards and decorations; requests for insurance; insurance program letters; applications for identification cards; training certificates; data for parachutist rating (LRA); individual jump records; aeronautical orders; records of personnel security investigation and clearance; statements of personal history; LPT scores; drug abuse certificates; small arms marksmanship training data; personnel data sheet; cadet biographical data; cadet personnel information; statements of travel; Academy/Commandant Board actions; Class Committee actions; legal reexamination letters; course completion/retake letters; cadet performance reports; basic cadet evaluation reports; letters of appreciation; Commandant's letters for placement, continuation, removal from aptitude, conditional probation; academic probation notifications; final clearances (graduates); reports of separation from active duty; records of disenrollment from officer candidate type training; (2) Offenses; referrals of offenses, awards and punishments; disciplinary board actions; squadron punishment lists; (3) special orders; (4) Cadet aptitude briefing; (5) Evidence and statements gathered by the Honor Committee which have been used to determine if accused cadets were guilty of violating the Honor Code and includes a summary of the Honor Board proceedings; (6) Course exams; answer sheets; flight mission grade sheets; (7) Prior summer training completion records of programs attended; current summer assignments and training program preferences; (8) Mandatory nonacademic appointments; (9) Board case files (proceedings, inquiries, investigations); (10) Outgoing clearance forms to assist cadet in outprocessing from the Academy.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012 Secretary of the Air Force: powers and duties; delegation by; 10 USC 9349 Cadets: organization; service; instruction.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

(1) For use in controlling and regulating cadet activity at the USAF Academy; (2) To report offenses committed by cadets, to reflect Commandant Disciplinary Board actions and conduct probationary cases to Commandant of Cadets for his approval, to provide a format for reporting completion of punishments; (3) To announce cadet rank and position (duty) to be held. Cadet Rank Cards are used to input the necessary data; (4) Monthly aptitude briefings completed by both cadets and AOCs are used when a cadet is referred to the Commandant's Board; (5) Case files are used by Cadet Honor Representatives to investigate possible violations of the Honor Code and as evidence at Cadet Honor Hearings. The case summaries are used for statistical record keeping and training in each squadron of Honor Committee activities; (6) Exams and grade sheets are used by assigned officers and secretarial staff of the Navigation Division to resolve any questions of validity of cadet grades and as an evaluation tool to measure cadet performance; (7) Maintain record of summer training accomplishments and assign cadets to summer training program; (8) Schedule cadets for mandatory nonacademic appointments during free periods; (9) Used as a case file in board (disenrollment) actions initiated against cadets. Reviewed by the Office of the Secretary of the Air Force in making final decisions on disenrollment action. Reviewed by

Superintendent, USAF Academy in making a decision to refer to Board of Officers; (10) Accomplish required outprocessing actions.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/cabinets, on computer and computer output products, file folders, and notebooks/binders.

RETRIEVABILITY:

Filed by name, social security number, other identification number or system identifier, military service number.

SAFEGUARDS:

Records are stored in locked cabinets, rooms, or safes. Computer records are controlled by computer system software. Manual records are accessed by custodians or persons who are responsible for servicing the record system in performance of official duties.

RETENTION AND DISPOSAL:

(1) Stored for one year after graduation, then merged with the personnel records maintained by Registrar, Cadet Records Section, USAF Academy, CO 80840; (2) Destroyed 30 days after final action. Upon disenrollment or graduation, forwarded to Registrar, where they are microfilmed one year after graduation and retained permanently. Paper copy then destroyed; (3) Destroyed after 30 days after final action. Retained in office files for one year after annual cut-off, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning; (4) Maintained as part of personnel record (Permanent). Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning; (5) Information is retained for one year in the case of first class cadets and six months in the case of underclass cadets, or until graduation or elimination from training, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning. AF Form 525 will be submitted for summaries; (6) All material retained for 30 days after the end of the semester in which administered except for final exam answer sheets which are destroyed after one yar. All material to be destroyed is boxed and pulverized in accordance with the aforementioned time frame; (7) Retained in office files until graduation or elimination from training, then destroyed by tearing into pieces, shredding, pulping, macerating or burning; (8) Retained in office files for one year after annual cut-off, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning; (9) & (10) Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, maceration or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Commandant of Cadets, USAF Academy, CO 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Systems Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the Systems Manager.

RECORD SOURCE CATEGORIES:

Information obtained from Commandant of Cadets Personnel. Information obtained from individual. Information obtained from coach. Information obtained from Educational Institutions. Information obtained from automated system interfaces. Information obtained from source documents (such as reports) prepared on behalf of the AF by boards, committees, panels, auditors, etc. Information obtained from civilian instructors.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 AFA B

SYSTEM NAME:

035 AFA B Master Cadet Personnel Record (Active/Historical)

SYSTEM LOCATION:

United States Air Force Academy, USAF Academy CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Present and former Air Force Academy cadets.

CATEGORIES OF RECORDS IN THE SYSTEM:

(1) Active: Letter of acceptance and appointment, high school record, admissions test scores, physical aptitude examination score, evidence of participation in high school extracurricular activities and medical qualification status, personnel data records, letter of recommendation and evaluation, and other personnel data to include address, telephone number, Social Security Number, population or ethnic group selections, height, weight, citizenship, statements of reasons for attending the Academy and preparatory school and college records, if applicable. Invitation to travel letter, transfer/validation credit information, Academy Board action, computer generated products containing academic grade information, parental addresses by state roster and verification of independent studies, computer listings of minority students by population or ethnic group, listings of foreign cadets, special order assigning cadets to the Cadet Wing; Cadet Wing, squadron and class alpha rosters, and matriculation rosters. (2) Historical: Selected special orders (appointment, assignment, awards, separation, etc.), letters and records of resignation/separation actions, details of Honor violation (if applicable), selected letters to or from parents, Permanent Record Card, decisions of committees, boards, and investigations (if applicable), high school and college transcripts, College Entrance Examination Board test scores, personnel data records and biographical data, computer generated products reflecting academic grade information, graduation data, majors awarded, types of degrees conferred, and documents pertaining to awards, academic and military honors.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 9331, Establishment; superintendent: faculty.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

(1) Active: These records are used to record applications and appointments to the Academy and to record the academic, athletic and military training histories of cadets who attend the Academy. They provide a means of checking the performance of each cadet, recording all grades for completed courses, computing grade point averages, identifying deficiencies, and insuring all requirements for graduation are met. Grade information is released to cadets and to Academy instructors, counselors and advisors in assisting cadets in selecting majors, determining academic requirements for specific majors, and scheduling courses. Computer listings are also used by faculty and staff members to readily

identify cadets by squadron, class, and population or ethnic group. Class Committees and the Academy Board use these records to evaluate cadet performance and to determine eligibility for continuance at the Academy. Academic and personnel information is released to nominating officials and to the Western Athletic Association (WAC) officials on cadets participating in WAC-sponsored intercollegiate athletics. (2) Historical: These records form a complete history of each cadet who attended the Academy. They record the academic, athletic, and military performance of each cadet. Files are reviewed by organizations within the Department of Defense in determining qualifications for assignments, by Air Force Reserve Officer Training Corps (AFROTC), recruiting and medical services units in judging qualifications and eligibility for training programs and for military service, by the Air Force Manpower and Personnel Center (AFMPC) to confirm or recreate a military service record. Files are reviewed by investigative agencies, such as the Federal Bureau of Investigation (FBI), Office of Special Investigations (OSI), and Defense Investigative Service (DIS) in conducting background investigations for security clearances and by the Veterans Administration (VA) in determining eligibility for benefits.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, on computer and computer output products and on microfilm.

RETRIEVABILITY:

By name and Social Security Number.

SAFEGUARDS:

Records are accessed by custodian of the record system, by person(s) responsible for servicing the record system in performance of their official duties, who are properly screened and cleared for need-to-know. Records are stored in locked file containers, cabinets, vaults or rooms, and in computerized data storage devices controlled by computer system software.

RETENTION AND DISPOSAL:

Temporary documents are destroyed 90 days after disenrollment or graduation. Permanent documents are microfilmed one year after graduation. The microfilm is retained permanently by the Registrar. The paper copy of the Permanent Record Card is forwarded to the Washington National Record Center, Washington, DC 20409. Paper copy of all other permanent record is destroyed after 6 years.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Admissions and Registrar USAF Academy Co 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individuals can obtain assistance from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information is obtained from interviews with the individual and from forms the individual fills out during the admissions process. Information is also obtained from other educational institutions; grades and tests, and examinations taken at the Academy, from his school and college transcripts, and from actions taken by the Academy Board.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

Parts of this system may be exempt under 5 U.S.C. 552a(k)(7). For additional information, contact the System Manager.

F035 AFA C

SYSTEM NAME:

035 AFA C Prospective Instructor Files

SYSTEM LOCATION:

United States Air Force Academy, USAF Academy CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Military personnel applying for instructor duty with the faculty.

CATEGORIES OF RECORDS IN THE SYSTEM:

Copy of Application for Instructor Duty, college transcripts, past Officer Effectiveness Reports, Officer Uniform Assignment Brief which contains information such as prior assignment information, aeronautical rating information, general personnel data including security clearance, date of birth, marital status, promotion dates; correspondence between individual and department, evaluations on individual's suitability and record of personal interview.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 9331, Establishment; Superintendent; faculty.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by Dean of Faculty, Commandant of Cadets, Commander of Preparatory School and Director of Atheletics to determine qualification, availability and location of potential instructors.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

By name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties and by authorized personnel who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets and in locked cabinets or rooms, and controlled by personnel screening.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Personnel, USAF Academy, CO 80840.Dean of the Faculty.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from the individual, previous employers,

educational institutions and source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 AFOSI C

SYSTEM NAME:

035 AFOSI C Informational Personnel Records.

SYSTEM LOCATION:

Air Force Office of Special Investigations, Washington DC 20314.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All fraud, criminal, polygraph, technical services, and counterintelligence trained Air Force Office of Special Investigations (AFOSI) and USAF Defense Investigative Service (DIS) special agents.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records for each special agent listing investigative schools attended and experience level attained, polygraph examiner training and performance records, records indicating personnel who have volunteered for the Counterintelligence Program and special agents in the program, and technical services training records.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by the Director of Fraud Investigations to program personnel for advanced fraud training and to identify personnel for assignment as fraud specialists, used by the Director of Criminal Investigations to evaluate polygraph examiner performance and to select polygraph examiners. Also used to determine polygraph examiner qualification for retention or termination as a certified Department of Defense polygraph examiner, used by the Director of Special Operations to program personnel for counterintelligence training and to identify volunteers for training in that area, and used by the Director of Technical Services to program personnel for advanced technical training and to identify personnel for assignment as technical services specialists.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and in card files.

RETRIEVABILITY:

Filed by Name and Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in security file containers/cabinets, safes and in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Commander, Air Force Office of Special Investigations Washington, DC 20314

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Data is extracted from individual training and military/ civilian personnel records.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 AFOSI D

SYSTEM NAME:

035 AFOSI D Internal Personnel Data System

SYSTEM LOCATION:

Air Force Office of Special Investigations, Washington DC 20314.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All personnel assigned to the Air Force Office of Special Investigations (AFOSI) and all Air Force military personnel assigned to the Defense Investigative Service (DIS).

CATEGORIES OF RECORDS IN THE SYSTEM:

Records reflecting Unit authorized positions and Unit assigned personnel.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by personnel specialists in all assignment and manning actions to monitor special agent experience level at each operating installation and to publish strength accounting reports. Used by the Director of Fraud Investigations to manage fraud coded positions and personnel assigned to fraud operations, and to program personnel for advanced fraud training. Used by the Director of Criminal Investigations to manage criminal coded positions, to identify personnel for assignment as criminal specialists and to program personnel for advanced criminal training. Used by the Director of Special Operations to manage counterintelligence and counterespionage positions, to identify personnel for assignment as specialists in these areas and to program personnel for advanced training in these areas. Used by Budget and Accounting Specialists for tracking anticipated personnel travel funds associated with permanent change of station moves. Used by the Commander for locator purposes.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained on computer and computer output products.

RETRIEVABILITY:

Filed by name or Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are

stored in security file containers/ cabinets.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Commander, Air Force Office of Special Investigations, Washington, DC 20314.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager.

RECORD SOURCE CATEGORIES:

Data is extracted from individual military/civilian personnel records.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 AFRES A

SYSTEM NAME:

035 AFRES A Personnel Interview Record.

SYSTEM LOCATION:

Reserve units located on Andrews AFB DC 20331; Barksdale AFB LA 71110; Bergstrom AFB TX 78743; Carswell AFB TX 76217; Charleston AFB SC 29404; Dobbins AFB GA 30069; Dover AFB DE 19902; Eglin AF Aux Fld 3 FL 32542; Gen Billy Mitchell Fld WI 53207; Greater Pittsburgh IAP PA 15231; Grissom AFB IN 46971; Hill AFB UT 84056; Homestead AFB FL 33039; Kessler AFB MS 39534; Kelly AFB TX 78241; March AFB CA 92508; Mather AFB CA 95655; Maxwell AFB AL 36112; McChord AFB WA 98438; McGuire AFB NJ 08641; Minneapolis-St Paul IAP MN 55450; Naval Air Station, New Orleans LA 70146; Niagra Falls IAP NY 14304; Norton AFB CA 92409; O'Hare Air Reserve Forces Facility IL 60666; Petterson AFB CO 80914; Richards-Gebaur AFB MO 64030; Rickenbacker ANG Base OH 43217; Scott AFB IL 62225; Selfridge ANG Base MI 48045; Tinker AFB OK 73145; Travis AFB CA 94535; Westover AFB MA 01022; Willow Grove Air Reserve Facility PA 19090; Wright-Patterson AFB OH 45433; and Youngstown Municiple Aprt OH 44473.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All USAF Reserve non prior service & prior service applicants.

CATEGORIES OF RECORDS IN THE SYSTEM:

Data on military and civilian history for interviewing and tentatively qualifying a prospect.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used for interviewing.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained on roll microfilm.

RETRIEVABILITY:

Filed by name and Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

HQ AFRES/RS, Robins AFB, GA 31098

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Individual.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 AFRES B

SYSTEM NAME:

035 AFRES B Recruiters Automated Program (RAP)

SYSTEM LOCATION:

HQ Air Force Reserve, Robins AFB, GA 31098

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force officers and enlisted personnel from all military services entering the Air Force Reserve; individuals tested and processed for Air Force Reserve enlistment; potential Air Force Reserve enlistees qualified through the Armed Services Vocational Aptitude Battery (ASVAB) high school testing program; Applicants for Officer Training School to fill vacancies in the Air Force Reserve program; Air Force personnel on Reserve recruiting duty.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records for high school seniors who are ASVAB tested and meet the basic Air Force Reserve enlistment criteria showing name, mailing address, test scores, and location of high school. Enlistment processing records for prior service Air Force and other military services showing name, SSN, mailing address, ZIP Code, educational level, processing date, recruiter ID code, lead source code, and other personal data such as date of birth, sex, phone number, number of years of prior service, MOS or AFSC held, duty AFSC, and date of enlistment.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 503, Enlistments: recruiting campaigns.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To furnish leads to the field recruiters derived from the high school ASVAB testing program, and from various advertising campaigns, and other sources of leads. To track leads to ensure follow-up by recruiters. To provide recruiter with management tools to follow-up on leads. To determine which sources of leads produce the greatest number of accessions.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Records are stored on computer and computer output products.

RETRIEVABILITY:

Filed by name, SSN, or nonpersonal identifier.

SAFEGUARDS:

Records are accessed through computer run scheduling arrangements by persons responsible for servicing the system in performance of their official duties. Computer paper printouts are distributed only to authorized users. Records are physically safeguarded by controlled access to the computer facility, secured buildings, and locked rooms.

RETENTION AND DISPOSAL:

Enlistment processing records are retained until no longer needed for recruiting purposes; recruiter records are retained for one year after individual is removed from recruiter production status. These retentions are built into the computer system program with automatic software controlled deletions from the machine-readable record.

SYSTEM MANAGER(S) AND ADDRESS:

HQ AFRES/RS, Robins AFB, GA 31098.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Requests must contain full name and current mailing address.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

The source of all records in the system are from automated system interfaces and individuals.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.

F035 AFRES C

SYSTEM NAME:

035 AFRES C Reserve Manning Report

SYSTEM LOCATION:

4 AF/RS, McClellan AFB, CA 95652; 10 AF/RS, Bergstrom AFB TX 78743; and 14 AF/RS, Dobbins AFB GA 30060OB.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Manning specialists.

CATEGORIES OF RECORDS IN THE SYSTEM:

Data pertaining to nonprior and prior enlistments and accessions.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Standardize statistical data.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name or Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties.

RETENTION AND DISPOSAL:

Retained in office files for 2 years after annual cut-off, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

HQ AFRES/RS, Robins AFB GA 31098.

1 Requests from individuals should be addressed to the parent Reserve Numbered Air Force NAF/RS.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the parent NAF/RS.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager.

RECORD SOURCE CATEGORIES:

Department of Defense (DD) Form 4, Department of Defense Form 1644 Interservice Transfer.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 ARPC I

SYSTEM NAME:

035 ARPC I Requests for Discharge from the Air Force Reserve

SYSTEM LOCATION:

Headquarters Air Force Reserve, Robins Air Force Base, GA 31098.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force Reserve personnel.

CATEGORIES OF RECORDS IN THE SYSTEM:

Applications and other documents related to discharge or separation by reason of dependency or hardship or for the convenience of the government.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 1074, Personnel records.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To track each action taken until computer action is complete, reservist is informed and file copy is in Master Personnel Record.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name and Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are protected by guards and stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files for one year after annual cut-off, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning. HQ AFRES forwards copies of actions resulting in discharge to the Air Reserve Personnel Center, Denver CO 80280 for inclusion in the individual's Master Personnel Record Group.

SYSTEM MANAGER(S) AND ADDRESS:

Vice Commander, Headquarters Air Force Reserve, Robins Air Force Base, GA 31098.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Chief, Personnel Actions Division, HQ AFRES/DPAA, Robins Air Force Base, GA 31098 (AFRES unit assigned personnel). Written requests for information should contain full name, SSN, current mailing address and, if known, the case (control) number on correspondence received from ARPC or HQ AFRES. Records may be reviewed in Headquarters Air Force Reserve, DPAA, Building 210, Robins Air Force Base, GA between 8:00 a.m. and 4:45 p.m. on normal workdays. Visitors wishing to see their records should provide a current Reserve identification card and/or drivers license and some verbal information that could verify the person's identification.

RECORD ACCESS PROCEDURES:

Individuals can obtain assistance in gaining access from AFRES/DPAA, Bldg 210, HQ AFRES, Robins Air Force Base, GA 31098, telephone (912) 926-3107.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information from source documents prepared on behalf of the Personnel Data System or supplied by reservist.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 HC A

SYSTEM NAME:

035 HC A Chaplain Information Sheet

SYSTEM LOCATION:

Office Chief of Chaplains, Headquarters United States Air Force, Washington DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty Chaplains.

CATEGORIES OF RECORDS IN THE SYSTEM:

Names, addresses, phone numbers of Chaplain and two next of kin; permanent home address of record, name and mailing address of denominational endorsing agency

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8032, General duties, and 8067(g), Designation: officers to perform certain professional functions Chaplains.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by the Chief of Chaplains as single manager in maintaining pastoral contact with Chaplains.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in note books/binders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties and stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Chaplains, Headquarters United States Air Force. Washington DC 20330

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Obtained from individual Chaplain.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 HC B

SYSTEM NAME:

035 HC B Chaplain Personnel Record

SYSTEM LOCATION:

Office of the Chief of Chaplains, Headquarters United States Air Force, Washington DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty and retired, and Air Force Reserve Chaplains.

CATEGORIES OF RECORDS IN THE SYSTEM:

Chronological record of permanent change of station, promotion dates of rank, service schools attended, permanent address, martial status, number of dependents, name, grade, SSN/service number, Air Force Specialty Code, religious denomination, date of birth, release date.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8032, General duties, and 8067(g), Designation: officers to perform certain professional functions Chaplains.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To manageme the Active Duty Chaplain force, to location Marriage and Baptism Records through former Active Duty assignment records in cases of separated Chaplains when requested by former Parishoners.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in card files.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties and stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Chaplains, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from automated system interfaces, from Assignment Action Documents and from individual member

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 HC C

SYSTEM NAME:

035 HC C Chaplain Personnel Action Folder.

SYSTEM LOCATION:

Headquarters United States Air Force, Washington DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Active Duty Chaplains.

CATEGORIES OF RECORDS IN THE SYSTEM:

This is a grouping of information for each United States Air Force (USAF) chaplain. Items of information in these folders included the following: current official photograph, current career brief, summary of education, Officer Career Objective Statement, Chaplain Services Personnel Evaluation, copy of chaplain's Ecclesiastical Endorsement, copy of Appointment orders, copy of initial Extended Active Duty Orders, Application for Extended Active Duty with the United States Air Force USAF, Application for Appointment as Reserve of the Air Force, student information sheets prepared while attending USAF Chaplain School Courses, copies of assignment action documents, correspondence between the chaplains and Headquarters USAF/Chief of Chaplains and requests for special personnel actions and dispositions curtailments, etc.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by and 8067(g), Designation: officers to perform certain professional functions Chaplains.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

The documents maintained in these folders are utilized by the Resource Manager in Headquarters United States Air Force/Chief of Chaplains, Personnel Division for assignment selection of chaplains. Because of the necessity to insure an equitable denominational spread of chaplains on an installation and to insure the proper placement of specially qualified chaplains, it is necessary to maintain current information on each chaplain. Records may be disclosed to endorsing agents concerning the qualifications of their chaplains for continued duty as representatives of their denominations.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/ cabinets.

RETRIEVABILITY:

Filed by Name.

SAFEGUARDS:

Records are accessed by custodian of the record system, and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained for 2 years after separation then destroyed by macerating or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Chaplains, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Systems Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the Systems Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the Systems Manager.

RECORD SOURCE CATEGORIES:

Member's personnel action requests/ preferences and information retrieved from the Advanced Personnel Data System (ADPS).

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 MP A

SYSTEM NAME:

035 MP A Files on General Officers and Colonels Assigned to General Officer Position

SYSTEM LOCATION:

Headquarters United States Air Force, Washington DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Reserve General Officers and Reserve Colonels assigned to General Officer positions.

CATEGORIES OF RECORDS IN THE SYSTEM:

File contains resume of civilian and military experience, correspondence and orders, records Reserve participation, and listings with personnel data. Data includes: name, grade, Social Security Number (SSN), date of birth, current address, telephone numbers, education, professional military education, and civilian occupation. An assignment folder is also used for initial review for a GO position. This file contains a copy of the Air Force (AF) Form 11, last five Officer Effectiveness Reports (OERs). When reviewed by the Chief of Air Force Reserve, a record of the personal interview and assignment recommendations are included with the file.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

These documents are maintained for initial assignments, reassignment and participation of officers assigned to Reserve GO positions, and to determine qualifications for initial and continued assignment to Reserve GO positions.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/ cabinets.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system and person(s) responsible for servicing the record system in performance of their official duties who are properly screened and

cleared for need-to-know. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Files are maintained until no longer required for actions relating to the Reserve GO program and are then destroyed by tearing to pieces, shredding, pulping, macerating or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

See exemption.

RECORD ACCESS PROCEDURES:

See exemption.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Air Force forms, military personnel records, and correspondence generated or received in Personnel Division, Air Force Reserve, Headquarters United States Air Force (HQ USAF/REP).

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

Parts of this system may be exempt under 5 USC 552a(k)(7). For additional information, contact the System Manager.

F035 MPC U

SYSTEM NAME:

035 MPC U Separation Case Files (Officer and Airman)

SYSTEM LOCATION:

Air Force Manpower and Personnel Center, Randolph Air Force Base, TX 78150. National Personnel Records Center, Military Personnel Records, 9700 Page Boulevard, St. Louis, MO 63132. Duplicate copies may be retained temporarily at each level requiring review or action on the case.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Officers and airmen who have requested voluntary separation, who have been recommended or identified for involuntary separation under 10 USC 617(b) (including Reserve officers as a matter of Air Force Policy). Individuals who, under P.L. 95-202, Sec 401, have requested review of service performed with the Army Air Force or U.S. Air Force to determine if such service was equivalent to 'active duty' for purposes of laws administered by the Veteran's Administration.

CATEGORIES OF RECORDS IN THE SYSTEM:

Member's application, letter from commander initiating separation action with indorsements, supporting documents, or documents pertaining to actions authorized by 10 USC 617(b) and record of final action taken. If congressional inquiry involved, request for information and reply provided is also filed by those offices involved.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 59, Separations and 38 USC, Veteran's Benefits, 10 USC 617(b), Reports of selection boards; as implemented by Air Force Regulation 36-2, Administrative Discharge Procedures (Unfitness, Unacceptable Conduct, or in the Interest of National Security); 36-3, Administrative Discharge Procedures (Substandard Performance of Duty); 36-12, Administrative Separation of Commissioned Officers and Warrant Officers of the Air Force; and 39-10, Separation Upon Expiration of Term of Service for Convenience of Government, Minority, Dependency and Hardships.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

The original document is retained as a permanent record of action taken. The duplicate copies are retained to provide a temporary record of actions being taken for responding to inquiries concerning the status of a particular case. Occasionally, a case file is retained as a precedence file for later reference in revising separation directives.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/cabinets.

RETRIEVABILITY:

Filed by name. At National Personnel Records Center. Cases and correspondence initiated under the provisions of 10 USC 617(b) are filed with Master Personnel Records. Transitory copies are filed alphabetically by general subject categories, i.e., involuntary officer separations, involuntary airman separations, etc.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms. File cabinets and power files are secured during non-duty hours.

RETENTION AND DISPOSAL:

Master copies are retained permanently. Temporary files are disposed of within three years after final action is taken. Files are disposed of by shredding.

SYSTEM MANAGER(S) AND ADDRESS:

Assistant Deputy Chief of Staff/Manpower and Personnel for Military Personnel, Randolph Air Force Base, TX 78150.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Member's application, correspondence from unit commander's initiating separation action pertaining to actions provided for in 10 USC 617(b).

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 RE A

SYSTEM NAME:

035 RE A Personnel Files on Statutory Tour Officers

SYSTEM LOCATION:

Personnel Division, Office of Air Force Reserve (AF/REP) HQ USAF Washington DC 20330. Air Force Military Personnel Center (DPMYR), Randolph AFB TX 78148 (USAFR and ANG Personnel).

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

United States Air Force Reserve Officers applying for or selected for assignment as statutory tour officer.

CATEGORIES OF RECORDS IN THE SYSTEM:

Application for extended active duty with United States Air Force, military career brief, resume of prior military and civilian experience, officer effectiveness report overall rating, correspondence and special orders relative to the tour.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 265, Policies and regulations: participation of reserve officers in preparation and administration.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Documentary support of tour applications; approval/disapproval; initiation, termination and extension of statutory tours; historical reference not to exceed two years after tour termination; used by Air Force Manpower and Personnel Center/ Assistant for Personnel Plans, Programs and Analysis, Reserve Forces Division (AFMPC/DPMYR); used for AFMPC/ DPMYR as record of approval/ disapproval, authority to issue Department of the Air Force Special Orders (DAFSOs); by Office of the Air Force Reserve (AF/RE), Director Air National Guard, National Guard Bureau (NGB/CF) and SAF/MRR as record of approval/disapproval.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by Name.

SAFEGUARDS:

Records are accessed by authorized personnel who are properly screened and cleared for need-to-know and stored in security file containers/ cabinets.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Air Force Reserve, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Include full name and Social Security Number. Individuals may visit the Personnel Division, Office of Air Force Reserve, Pentagon, Washington DC 20330. Military identification card or driver's license required for identification.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 RE B

SYSTEM NAME:

035 RE B Files on Reserve General Officers; Colonels Assigned to General Officer Positions

SYSTEM LOCATION:

Headquarters United States Air Force, Washington DC 20330 and Personnel Division Office of Air Force Reserve.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

United States Air Force Reserve General Officers and Colonels assigned to General Officer positions.

CATEGORIES OF RECORDS IN THE SYSTEM:

Resume of prior military and civilian experience, correspondence and Special Orders, Record of Reserve participation, personnel data listings, last five officer effectiveness reports, record of personal interview and assignment recommendation made by Chief, Air Force Reserve.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To determine qualifications for initial/ continued assignment to General Officer positions.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by Name.

SAFEGUARDS:

Records are accessed by authorized personnel who are properly screened and cleared for need-to-know. Records are stored in security file containers/ cabinets.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Air Force Reserve, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Full name Social Security Number must be provided. Individuals may visit the Personnel Division Office of Air Force Reserve, Pentagon, Washington DC 20330.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from source documents such as reports from individual officers, and from personnel records.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 SAFCB A

SYSTEM NAME:

035 SAFCB A Military Records Processed by the Air Force Correction Board

SYSTEM LOCATION:

Office of the Secretary of the Air Force, Washington DC 20330; Washington National Records Center, Suitland, MD.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All members or former members of the Air Force; Army Air Forces, Air Corps, United States Army; Air Service, United States Navy; and Aviation Section, Signal Corps, United States Army, who have applied to the Air Force Board for the Correction of Military Records (SAFCB)

CATEGORIES OF RECORDS IN THE SYSTEM:

Case folders consist of applications to SAFCB, with supporting evidence, staff advisory opinions and final determinations.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 79 - Correction of Military Records.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Case folders are permanent records of all applications and are subjected to review only by an applicant and/or his designated representative, the SAFCB and the Secretary of the Air Force.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties. Records are accessed by authorized personnel who are properly screened and cleared for need-to-know.

RETENTION AND DISPOSAL:

Case folders are maintained within SAFCB until conclusion of a calendar year, then permanently retired to Washington National Records Center, Suitland, MD.

SYSTEM MANAGER(S) AND ADDRESS:

Executive Secretary, SAFCB, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Request for review must provide applicant's full name, service number, and SAFCB docket number (if known). Reviews are held in Room 5C860, the Pentagon, between the hours of 0900 to 1600. An applicant must present a personal identification document. A designated representative must present a letter of authorization from the applicant.

RECORD ACCESS PROCEDURES:

Request for access may be obtained by letter addressed to the Executive Secretary, SAFCB, Headquarters United States Air Force, Washington DC 20330.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Forece Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information is obtained from applicants, Air Force offices and/or other Government agencies.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 SAFPA A

SYSTEM NAME:

035 SAFPA A Mobilization Augmentee Training Folders

SYSTEM LOCATION:

Office for Resources and Projects, Secretary of the Air Force Office of Public Affairs (SAF/PAX),Room 5C941, The Pentagon, Washington DC 20330; Washington National Records Center, Washington, DC 20409.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Members of the Air Force Reserve assigned to Mobilization Augmentation (MA) positions within the Secretary of the Air Force Office of Public Affairs.

CATEGORIES OF RECORDS IN THE SYSTEM:

Applications for mobilization augmentee status, training, or assignment; orders to training or active duty; copies of effectiveness reports, training completion certificates; pertinent correspondence.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Serves as a training record for, 'Participation and Assignment Within the Reserve Components;' used by supervisory personnel to determine eligibility for promotion or reassignment.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in safes.

RETENTION AND DISPOSAL:

Retained in office files for two years after the individual completes or discontinues a training course, then retired to Washington National Records Center, Washington DC 20409,and, after 28 additional years, they are then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of public Affairs, Office of the Secretary of the Air Force (SAF/PA), Washington DC 20330

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Reserve Forces Liaison Officer, Office for Resources and Projects, Secretary of the Air Force Office of Public Affairs (SAF/PAX), Room 5C941, The Pentagon, Washington, DC 20330, telephone (202) 697-6240. Individuals inquiring by mail should furnish their name and service number. Individuals making personal visits to the Office for Resources and Projects should have in their possession a valid identification card (DD Form 2AF(RES).

RECORD ACCESS PROCEDURES:

Individuals can obtain assistance in gaining access by contacting the Reserve Forces Liaison Officer, Office for Resources and Projects, Secretary of the Air Force Office of public Affairs (SAF/PAX) Washington DC, 20330.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 SAFPC B

SYSTEM NAME:

035 SAFPC B Air Force Discharge Review Board Original Case Files

SYSTEM LOCATION:

National Personnel Records Center, Military Personnel Records, 9700 Page Boulevard, St. Louis, MO 63132.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Former Air Force Personnel who submit applications for review of discharge/ separation/dismissal.

CATEGORIES OF RECORDS IN THE SYSTEM:

Original copy of summary of board proceedings, individual's application form, order appointing Discharge Review Board members, summary of applicant's military personnel record, correspondence between applicant and Discharge Review Board and magnetic recording of hearing (if required).

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 1553, Review of discharge or dismissal.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Documents are created and placed in the applicant's military personnel file as a permanent record of the Board's action in the performance of its statutory function. Files are used by the Air Force Manpower and Personnel Center to create new discharge documents if required and to notify the applicant of the outcome of his case.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and recording.

RETRIEVABILITY:

Filed by name, Social Security Number (SSN) or Military Service Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms and controlled by personnel screening.

RETENTION AND DISPOSAL:

Retained permanently at the National Personnel Records Center (Military Personnel Records), 9700 Page Blvd, St Louis, MO 63132.

SYSTEM MANAGER(S) AND ADDRESS:

Director, Secretary of the Air Force Personnel Council, Washington, DC 20030.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Written requests should contain the full name service number and Social Security Number of the requester. Personal visits may be made to room 920, Commonwealth Building, 1300 Wilson Blvd, Arlington, VA. Visiters must supply full name, service number, Social Security Number and some form of identification such as driver's license, credit cards, etc.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Individual's military personnel record.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 SAFPC C

SYSTEM NAME:

035 SAFPC C Air Force Discharge Review Board Voting Cards

SYSTEM LOCATION:

Office of the Secretary of the Air Force, Washington DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Former Air Force Personnel who submit applications for review of discharge/separation/dismissal.

CATEGORIES OF RECORDS IN THE SYSTEM:

Voting cards.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 1553, Review of Discharge or Dismissal.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by the Air Force Discharge Review Board to record votes of board members on individual cases.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in card files.

RETRIEVABILITY:

Filed by name, Social Security Number (SSN) or Military Service Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and, by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files for one year from date of hearing and then destroyed by burning or shredding.

SYSTEM MANAGER(S) AND ADDRESS:

Director, Secretary of the Air Force Personnel Council, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Written requests should contain the full name and Military Service Number or Social Security Number of the requester. Personal visits may be made to room 920, Commonwealth Building, 1300 Wilson Blvd, Arlington, VA. Personal visitors must supply full name and Military Service Number or Social Security Number and some form of identification such as driver's license, credit cards, etc.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Individual's military personnel record.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 SAFPC D

SYSTEM NAME:

035 SAFPC D Air Force Discharge Review Board Case Control/Locator Cards

SYSTEM LOCATION:

Air Force Manpower and Personnel Center, Randolph Air Force Base, TX 78150.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Former Air Force personnel who submit applications for review of discharge/separation/dismissal.

CATEGORIES OF RECORDS IN THE SYSTEM:

Case control/locator cards.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 1553, Review of discharge or dismissal.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by personnel at the Air Force Manpower and Personnel Center who are responsible for servicing the Air Force Discharge Review Board to keep track of cases and to record the daily activity relating to each case.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in card files.

RETRIEVABILITY:

Filed by name, Social Security Number (SSN) or Military Service Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are controlled by personnel screening.

RETENTION AND DISPOSAL:

Retained permanently at the Air Force Manpower and Personnel Center.

SYSTEM MANAGER(S) AND ADDRESS:

Director, Secretary of the Air Force Personnel Council, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Written requests should be addressed to: AFMPC/DPMDRAl, Randolph Air Force Base TX 78150. Such requests should contain individual's full name and Military Service Number or Social Security Number. Personal visits may be made to the Air Force Manpower and Personnel Center, Systems Management Division, Randolph Air Force Base, TX. Visitors must supply their full name and Military Service Number or Social Security Number and provide some form of identification such as driver's license or credit card.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Individual's application form and military personnel record.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F035 SAFPC A

SYSTEM NAME:

035 SAFPC A Air Force Discharge Review Board Retain Files

SYSTEM LOCATION:

Office of the Secretary of the Air Force, Washington DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Former Air Force Personnel who submit applications for review of discharge/separation/dismissal.

CATEGORIES OF RECORDS IN THE SYSTEM:

Copies of correspondence between applicant and Discharge Review Board; duplicates of summary of board proceedings and summary of applicant's military record; and miscellaneous control records.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 1553, Review of discharge or dismissal.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by the Air Force Discharge Review Board as a temporary reference file.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name, Social Security Number (SSN) or Military Service Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in safes.

RETENTION AND DISPOSAL:

Retained in office files for one year from date of hearing and then destroyed by burning or shredding.

SYSTEM MANAGER(S) AND ADDRESS:

Director, Secretary of the Air Force Personnel Council, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Written requests should contain the full name, service number and Social Security Number of the requester. Personal visits may be made to room 920, Commonwealth Building, 1300 Wilson Blvd, Arlington, VA. Personal vistors must supply full name, service number, Social Security Number and some form of identification such as driver's license.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and

appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Individual's military personnel record.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F040 AA A

SYSTEM NAME:

040 AA A Civilian Personnel Files

SYSTEM LOCATION:

Office of the Secretary of the Air Force, Washington DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Current and former civilains, statutories, consultants, and Summer Hires employed in the Office of the Secretary of the Air Force only.

CATEGORIES OF RECORDS IN THE SYSTEM:

Employment applications and records; award recommendations; Personnel actions; Position descriptions, training; Process sheets.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To provide information and services to employees and offices within the Office of the Secretary of the Air Force

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, note books/ binders and card files.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms. Access controlled by Assistant Manager and to Restricted authorized personnel.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Administrative Assistant to The Secretary of the Air Force.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Rgulation 12-35.

RECORD SOURCE CATEGORIES:

Information from Air Force Civilian Personnel Offices and from financial institutions.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F040 AF MP A

SYSTEM NAME:

040 AF MP A Civilian Personnel Occupational and Suitability Employment Examinations

SYSTEM LOCATION:

At Civilian Personnel Offices only. Official mailing addressea re in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Employment applicants and Air Force civilian employees.

CATEGORIES OF RECORDS IN THE SYSTEM:

Replies to occupational and suitability inquiries, testing and examination material.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 USC Chapter 33 - Examination, Certification and Appointment.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To verify and determine qualifications and suitability for appointment and promotion to Civil Service positions.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by authorized personnel who are properly screened and cleared for need-to-know.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Contact Civilian Personnel Offices filling vacant positions.

RECORD ACCESS PROCEDURES:

Contact Civilian Personnel Offices filling vacant positions. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers, educational institutions, automated system interfaces, police and investigating officers, state or local governments, or corporations.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

Parts of this system may be exempt under 5 USC 552a(k)(5). For additional information, contact the System Manager.

F040 AF MP B

SYSTEM NAME:

040 AF MP B Civilian Personnel Test Score Record

SYSTEM LOCATION:

At Civilian Personnel Offices only. Official mailing addresses are in the

Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force civilian employees.

CATEGORIES OF RECORDS IN THE SYSTEM:

Test or examination scores.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 USC Chapter 33 - Examination, Certification and Appointment.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by Civilian Personnel Office personnel and management personnel to determine qualification for appointment or promotion.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in card files, and computer and computer output products.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by authorized personnel who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff, Manpower and Personnel, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Contact the Civilian Personnel Office at employing activity maintaining individuals record.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Managerand are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from individual.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F040 AF MP C

SYSTEM NAME:

040 AF MPC C Job Element Questionnaires for Civilian Trades and Labor Occupations

SYSTEM LOCATION:

At Civilian Personnel Offices only. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force civilian employees and former employees.

CATEGORIES OF RECORDS IN THE SYSTEM:

Questionnaires prepared by civilian employees to reflect skills and knowledges for wage grade positions.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 USC Chapter 33 - Examination, Certification and Appointment.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Inspection and verification of personnel actions.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/cabinets.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are controlled by personnel screening.

RETENTION AND DISPOSAL:

Retained in office files for two years after annual cut-off, then destoyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Contact the Civilian Personnel Office at Air Force Base maintaining record.

RECORD ACCESS PROCEDURES:

Contact the Civilian Personnel Office at Air Force Base maintaining record. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from individual.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F040 AF MP D

SYSTEM NAME:

040 AF MP D Civilian Personnel Applicant Supply Files

SYSTEM LOCATION:

At servicing Civilian Personnel Offices at activities and installations, and Directorates of Civilian Personnal at Headquarters, United States Air Force Major Commands Separate Operating Agencies and independent offices. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Applicants for employment.

CATEGORIES OF RECORDS IN THE SYSTEM:

Experience and training qualifications record of applicants.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 USC Chapter 33 - Examination, Certification and Appointment.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To identify and refer qualified applicants to management officials to staff vacant positions.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and on computer paper printouts.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by authorized personnel who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets.

RETENTION AND DISPOSAL:

If employed, records are placed in Official Personnel Folder. If not employed, retained until no longer needed, then destroyed by tearing into pieces, shredding, pulping, macerating or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Contact the Civilian Personnel Office maintaining individuals application.

RECORD ACCESS PROCEDURES:

Contact the Civilian Personnel Office maintaining applications. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from automated system interfaces.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F040 AF MP E

SYSTEM NAME:

040 AF MP E Training and Employee Development Record Systems

SYSTEM LOCATION:

Consolidated Civilian Personnel Offices only. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force civilian employees, full-time and part-time, U.S. citizens and foreign national direct hires receiving training supported by the Federal Government, paid from appropriated funds. Military personnel may be included in the automated training information system, and non-appropriated funded personnel may be included in some of the installation manual records.

CATEGORIES OF RECORDS IN THE SYSTEM:

Employees identification, Social Security Number, occupational status (series, grade level, and supervisory status), course identification, course length, category and purpose of training received, date on which training was completed, associated costs, pre-post test results, et al. Input documents for the systems include, but are not limited to completed automated forms, training reports, authorization and record, keypunched cards. The manual files are maintained in paper folders containing employee's registration and/or record of training documents. Under the Apprentice on-the-job Training Program, and similar trainee intake program manual and automated records are maintained, reflecting information pertaining to subject employee's identification, date of birth, entrance date to program, dates and nature of personnel actions which occurred during fiscal year, student progress, and statistical data which effects the numbers of apprentices in training as of a given date. Nomination forms and documents (non-automated) for centrally-administered education and training programs are maintained. The manual files contain the candidate's nomination documents, training request, enrollment and registration and other documents related to training. Manual files are maintained at Headquarter's levels and Air Force installations regarding courses conducted on their premises, or for which they sponsor, listing such things as completion dates, and course participants. Additionally, manual files are typically found at the field activities containing information regarding an employee's supervisory status, an indication as to whether or not he/she has participated in supervisory training. Files are often maintained regarding an employee's certification/recertification or demonstrated proficiency in one or more skills areas; an activity-wide annual training plan should also be maintained, as well as individual training plans. Files are also maintained regarding professional licenses held by installation personnel.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 USC 4103, Establishment of training programs; 4115, Collection of training information; 4118, Regulations.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Officials and employees in the performance of their official duties related to the management of the civilian employee training programs, the design, development, maintenance and operation of the manual and automated system of record keeping and reporting; the screening and selection of candidates for centrally administered programs; and administration of grievance, appeals, complaints, and litigation involving the disclosure of records of the training programs. Representatives of the Office of Personnel Management (OPM) on matters relating to the inspection, survey, audit or evaluation of civilian training programs, or such other matters under the jurisdiction of OPM. Officials and employees of other departments and agencies of the Executive Branch of government upon request in the performance of their official duties related to the screening and selection of candidates for programs sponsored by their organization. Representatives of the United States Department of Labor on matters relating to the inspection, survey, audit or evaluation of the Defense Components Apprentice training programs or on other such matters under the jurisdiction of the Labor Department. Representatives of the Veterans Administration on matters relating to the inspection, survey, audit or evaluation of the Defense Components apprentice and on-the-job training programs. The Computer Systems Group Contractor (or other such contractor) and its employees for the purpose of card punch recording of data from employee training documents. A duly appointed Hearing Examiner or Arbitrator (an employee of another Federal Agency) for the purpose of conducting a hearing in connection with an employee's grievance involving the disclosure of the records of the training programs. An arbitrator who is given a contract pursuant to a negotiated labor agreement to hear an employee's grievance involving the disclosure of the records of the Defense Component's Training and Employee Development Record system. Representatives of Education Institutions which have been awarded contracts to conduct training for Defense Components create and

maintain individual training records of those who attend.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and on computer and computer output products.

RETRIEVABILITY:

Filed by name or Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by authorized personnel who are properly screened and cleared for need-to-know.

RETENTION AND DISPOSAL:

For the apprentice programs the computer magnetic tapes are permanent. Manual records are maintained on a fiscal year basis and are retained for varying periods from 1 to 5 fiscal years. For the centrally-administered programs, files on selected candidates are maintained for five years (from date selection process is completed). Records of non-selected candidates are retained only for that period of time sufficient to permit appropriate review (usually less than 60 days). Some installation records are maintained for varying periods. Destroyed by tearing into pieces, shredding, pulping, macerating or burining.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Civilian Personnel or comparable official of the Civilian Personnel Office servicing Air Force activity/installation.

NOTIFICATION PROCEDURE:

Request by correspondence should be addressed to offices of civilian personnel, headquarters or field activities employing civilians. The letter should contain the full name and Social Security Number of the requester and signature. Proof of identification for visits will consist of a building pass, identification badge, driver's license, or by other types of identification bearing an employee picture and signature.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Employee's official personnel record folder, supervisory appraisals and evaluations, training records.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F040 AF MP F

SYSTEM NAME:

040 AF MP F Civilian Personnel Performance Awards and Outstanding Performance Ratings

SYSTEM LOCATION:

Directorate of Civilian Personnel, Headquarters United States Air Force, Washington, DC 20330; major commands and major subordinate commands; headquarters of the major commands and separate operating agencies and at all levels down to and including Air Force installations, and Air National Guard activities.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force civilian employees.

CATEGORIES OF RECORDS IN THE SYSTEM:

Files include recommendations for outstanding performance ratings and rating forms. Also include recommendations for cash or honorary performance awards; nominations for awards sponsored by non-Federal organizations; records of Award Committee Actions and correspondence; annual reports.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 USC 4301 through 4308 cover performance ratings. 5 USC 4501 through 4506 cover performance awards.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Files are originated when a manager or supervisor recommends an outstanding performance rating or a cash or honorary performance award in recognition of superior achievement. Case files are reviewed by local award program manager in Civilian Personnel Office and are referred to the Local Incentive Awards Committee for review. If the Committee approves, the case is recommended to the approval authority who authorizes granting the award. Individual name files are retained for one year after close of year in which final action was taken. Records of Committee actions are retained for three years. Copy of approved award is filed in employee's official personnel file.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know.

RETENTION AND DISPOSAL:

Retained for two years after end of year in which the case was closed, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force, and Executive Secretary, Air Force Incentive Awards Board, Directorate of Civilian Personnel, Headquarters US Air Force, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Sources of information for awards are supervisors' records of performance, and employees' official personnel folders from which Social Security Number, job title, and grade are obtained.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F040 AF MP G

SYSTEM NAME:

040AF MP G Labor Management Relations Records Systems

SYSTEM LOCATION:

Headquarters United States Air Force, Washington DC 20330 and headquarters of the major commands and separate operating agencies, and consolidated civilian personnel offices. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Civilian employees paid from appropriated and non-appropriated funds, who are involved in a grievance which has been referred to an arbitrator for resolution; civilian employees involved in the filing of an Unfair Labor Practice complaint which has been referred to the Assistant Secretary of Labor-Management Relations; union officials; union stewards; and representatives.

CATEGORIES OF RECORDS IN THE SYSTEM:

Information pertaining to a specific arbitration case or specific Unfair Labor Practice field activities maintain manual roster of local union officials and union stewards.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Executive Order 11491, as amended 'Labor-Management Relations in the Federal Service.'

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used for administration/ implementation of arbitration awards, interpretation of the Executive Order through third party case decisions; National Consultation and other dealing with the recognized unions by representatives of the Office of Personnel Management on matters relating to the inspection, survey, audit, or evaluation of Civilian Personnel Management Programs by the Comptroller General or any of his authorized representatives, in the course of the performance of duties of the General Accounting Office relating to the Labor Management Relations Program and by a duly appointed hearing examiner or arbitrator for the purpose of conducting a hearing in connection with an employee's grievance.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Manual records are retrieved by case subject, case number, and/or individual employee names.

SAFEGUARDS:

Records are accessed by authorized personnel who are properly screened and cleared for need-to-know.

RETENTION AND DISPOSAL:

Case files are permanently maintained. Union official rosters are normally destroyed after a new roster has been established.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Request by correspondence should be addressed to civilian personnel office of the Air Force activity/installation. The letter should contain the full name, Social Security Number, and signature of the requester. The individual may visit the activity at which he or she is employed.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Servicing civilian personnel offices, arbitrator's offices, Office of the Assistant Secretary of Labor for Labor Management Relations, and Unions headquarters offices.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F040 AF MP H

SYSTEM NAME:

040 AF MP H Employee Assistance Program Case Record Systems

SYSTEM LOCATION:

Consolidated civilian personnel offices. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices. Copies are maintained by supervisors and other Air Force installation offices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All civilian employees in appropriated and non-appropriated fund activities who are referred by management for, or voluntarily request, counselling assistance.

CATEGORIES OF RECORDS IN THE SYSTEM:

Case records on employees which are maintained by counselors, supervisors, civilian personnel offices and Social Action offices and consist of information on condition, current status, and progress of employees or dependents who have alcohol, drug, emotional, or other job performance problems.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Drug Abuse Office and Treatment Act of 1972, as amended by Public Law 93-282 (21 USC 1175); Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, as amended by Public Law 93-282 (42 USC 4582); Subchapter A of F Chapter I, Title 42, Code of Federal Regulations; 5 USC Chapter 43, Performance Rating.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by the counselor in the execution of his/her counselling function as it applies to the individual employee. With specific written authority of the employee, selected information may be provided to and used by other counselors or medical personnel, research personnel, employers, representatives such as legal counsel, and to other agencies or individuals when disclosure is to the employee's benefit, such as for processing retirement applications.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by authorized personnel who are properly screened

and cleared for need-to-know. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Records are purged of identifying information within five years after termination of counselling or destroyed when they are no longer useful. Destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force or comparable official of the Civilian Personnel Office servicing the Air Force activity/installation.

NOTIFICATION PROCEDURE:

Request by correspondence should be addressed to servicing civilian personnel office or to the appropriate Employee Assistance Program administrator at the activity. The letter should contain the full name and signature of the requester and the approximate period of time, by date, during which the case record was developed.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to the same address as above. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Counselors, other officials, individuals or practitioners, and other agencies both in and outside of Government.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F040 AF MP I

SYSTEM NAME:

040 AF MP I Supervisor's Record of Civilian Employee

SYSTEM LOCATION:

All Air Force installations and offices. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All Air Force civilian employees.

CATEGORIES OF RECORDS IN THE SYSTEM:

Files include a record for each civilian employee assigned to the supervisor; debt letters; letters of caution, warning, admonishment, reprimand, and similar disciplinary papers; employee career appraisal prepared for employees in Civilian Career Program.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Supervision of civilian employees.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and note books/binders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information from employee, personnel office, and supervisor.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F040 AF NAFI A

SYSTEM NAME:

040 AF NAFI A Non-Appropriated Fund (NAF) Civilian Personnel Records

SYSTEM LOCATION:

Civilian personnel offices. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices. AFMPC/DPMS, Randolph Air Force Base, TX.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force civilian employees paid from nonappropriated funds.

CATEGORIES OF RECORDS IN THE SYSTEM:

Life cycle personnel actions and related documents related to employment and pay of NAF employees including documents related to employees benefits.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To document and record personnel action on individual employees and to determine pay and other benefit entitlements.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/cabinets.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by authorized personnel who are properly screened and cleared for need-to-know.

RETENTION AND DISPOSAL:

Retired to National Personnel Records Center upon separation of individual from employment.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Contact the servicing Civilian personnel office. Identifying information is required to satisfy custodian of record.

RECORD ACCESS PROCEDURES:

Contact the servicing Civilian personnel office maintaining record. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers, financial institutions, educational institutions, police and investigating officers, personnel documents requesting and appointing and paying individual, and from documents related to designation of benefits and beneficiaries.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F040 AFRES A

SYSTEM NAME:

040 AFRES A Air Reserve Technician (ART) Officer Selection Folders

SYSTEM LOCATION:

Headquarters Air Force Reserve/DPC Robins Air Force Base, GA 31098.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All civilian employees who apply and are eligible for promotion to ART officer positions.

CATEGORIES OF RECORDS IN THE SYSTEM:

Qualification statement, training and testing record, appraisal and ranking records.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To evaluate and rank individuals for merit promotion to ART officer level positions.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by authorized personnel who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Personnel, Headquarters Air Force Reserve.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

information obtained from official personnel folders, supervisory appraisals, tests, evaluations.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F040 ASG A

SYSTEM NAME:

040 ASG A Civilian Pay-Personnel-Manpower (Paperman)

SYSTEM LOCATION:

1947th Administrative Support Group (HQ 1947 ASG/DPD), Washington, DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Pending, current, and former Air Force appropriated fund civilian employees assigned to HQ USAF civilian certain personnel of Air Force intelligence service, Air Force Communications Command, National Guard Bureau, US Air Force Manpower and Personnel Center and Air Force Data Services Center in the Washington, DC area.

CATEGORIES OF RECORDS IN THE SYSTEM:

Employment information including position authorization position, personnel date, suspense information, position control information, projected information and historical information.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 USC Chapter 33, Examination, Selection and Placement.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To provide system support to HQ US Air Force and other serviced activities in that part of Office of Personnel Management and Air Force requirements to maintain a personnel management and records keeping system that pertains to evaluation, authorization and position control, Position management, staffing skills inventory, career management, training, retirement, Employee Services, rights and benefits and the suspensing and processing of personnel actions; to provide individual records and reports to HQ, US Air Force and the Civil Service Commission; to provide information required by the Office of Personnel Management for the transfer between USAF and other federal activities; to provide reports of military reserve status to other Armed Services for contingency planning; and to provide information to employee unions as prescribed by negotiated contract.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained on computer and computer output products.

RETRIEVABILITY:

Normally data are retrieved by use of nonpersonal information such as organizational unit, type Of employment, occupation, functional area or other workforce characteristics, or name, Social Security Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and

cleared for need-to-know. Records are protected by guards, and controlled by personnel screening and computer system software.

RETENTION AND DISPOSAL:

Coding Forms, punch cards, on-line terminal message sheets and system quality control products are destroyed after use by tearing into pieces, shredding, pulping, macerating or burning; master personnel records for pending employees are transferred to the active file upon appointment of the employee; master personnel records for active employees are transferred to the separated employee history file where they are retained for two years subsequent to separation and then destroyed by degaussing. Computer printouts are retained until they are microfilmed, then destroyed by tearing into pieces, shredding, pulping, macerating or burning. Microforms are retained until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, macerating, burning or chemical dissolution of the images. The Notification of Personnel Action, Standard Form 50 is disposed of as directed by the Office of Personnel Management. Work files and records, such as the employee career brief, position survey worksheet, retention register, alphabetical and Social Security Number locator files, and personnel and position control register are destroyed after use by tearing into pieces, shredding, pulping, macerating, or burning. Worksheets pertaining to qualifications and retention registers are disposed of as directed by the OPM. Transitory files such as the pending file and recovery files are destroyed after use by degaussing. Files and records retrieved through general retrieval systems are destroyed after use by tearing into pieces, shredding, pulping, macerating or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Civilian Personnel Officer, 1947th ASG/DPC, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information received from the employee and the Office of Personnel Management's Official Personnel Folder

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F045 AFRES A

SYSTEM NAME:

045 AFRES A Reserve Medical Service Corps Officer Appointments

SYSTEM LOCATION:

Headquarters Air Force Reserve (AFRES) Robins Air Force Base, GA 31098.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force Reserve medical service officer applicants.

CATEGORIES OF RECORDS IN THE SYSTEM:

Status and actions taken during the processing of applications for appointment.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 591, Reserve components: qualifications; 2104, Advanced Training: eligibility for; 2107 Financial Assistance Program for Specially Selected Members; 8067, Designation: officers to perform certain professional functions; and 9411, Establishment: purpose.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Provides a ready reference and status of all applications and the actions accomplished during the processing of each.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in card files/folders.

RETRIEVABILITY:

Filed by Name.

SAFEGUARDS:

Records are accessed by commanders of medical centers and hospitals and by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Command Surgeon, HQ AFRES, Robins AFB, GA 31098.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Systems Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the Systems Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the Systems Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F05 AFRES A

SYSTEM NAME:

05 AFRES A Undergraduate Pilot and Navigator Training.

SYSTEM LOCATION:

Headquarters Air Force Reserve (AFRES), Robins Air Force Base GA 31098.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Personnel selected for Officer Training School, undergraduate pilot training, initial navigator training.

CATEGORIES OF RECORDS IN THE SYSTEM:

Data contained in standard AF military personnel file.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To provide class number reporting date class starting date graduation date and unit of assignment upon completion of training.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in card files.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff Personnel, HQ AFRES, Robins AFB GA 31098.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F050 AFA A

SYSTEM NAME:

050 AFA A Military Performance Average

SYSTEM LOCATION:

United States Air Force Academy, USAF Academy CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force Academy cadets.

CATEGORIES OF RECORDS IN THE SYSTEM:

Rating forms used to compute Military Performance Average (MPA). Performance reports, rating forms and listings remaining from the superseded Military, Leadership and Basic Cadet Order of Merit System.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 903, United States Air Force Academy.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to determine the semester and cumulative MPA for USAFA Cadets as an input to the overall performance average. Identifies cadets for the Commandant's List and deficient cadets to be placed on aptitude probation. Remaining records from the Military, Leadership, and Basic Cadet Training Order of Merit are used to record attendance and course grades, and to compute cadet standings under that system. Military performance information is released to the nominating official upon request in order to evaluate nominating procedures.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in note books/binders, on computer and computer output products.

RETRIEVABILITY:

Filed by name, Cadet Number, and Social Security Number.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms and on computer storage devices protected by computer system software.

RETENTION AND DISPOSAL:

All MPA forms prepared by coaches, Officers in Charge (OICs), academic instructors and Air Officers Commanding (AOCs) are destroyed one year after close of rating cycle. MPA forms prepared by cadets are transferred to the Cadet Personnel Record where they are destroyed 90 days after graduation. Military, Leadership, and Basic Cadet Training Order of Merit records are destroyed 90 days after graduation and none of these will exist after July 1983. Destruction is by tearing in pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Commandant of Cadets, USAF Academy CO 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

MPA - Information is obtained from coaches, OICs of cadet intercollegiate and extracurricular clubs and teams, academic instructors, AOCs, and the cadet chain of command. Military, Leadership, and Basic Cadet Training Order of Merit System - See exemption.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

MPA-None. Military, Leadership, and Basic Cadet Training Order of Merit System-Parts may be exempt under 5 U.S.C. 552a(k)(7). For additional information, contact the System Manager. This exemption will be withdrawn after 31 July 1983.

F050 AFA B

SYSTEM NAME:

050 AFA B Faculty Academic Records.

SYSTEM LOCATION:

United States Air Force Academy CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

AF Academy cadets and graduates.

CATEGORIES OF RECORDS IN THE SYSTEM:

(1) Cadet information card. (2) Listings of all cadet academic schedules including final examination schedules; rosters of cadets, by course, taking final examinations; extra instruction or hospital instruction schedules; rosters of cadets requesting permission to enroll in independent study, or authorized to drop or add course; listings of course rosters prepared for current semester showing individual's enrollment by course section; reports of reasons for cadet absences or lateness for academic causes; listings of cadets improperly registered in classes. (3) Themes, research papers, graded recitations, grade reviews, other graded work,

laboratory reports, case studies, final and midterm examinations, turnout examinations, validation examinations, and graded reviews of courses in which no final examination is given. (4) Copies of academic schedules and grades, requests for academic waivers, documentation of academic difficulty, plans outlining courses that must be taken in order to graduate. (5) Graduate record examination scores, orders of merit scores, cumulative GPA scores, and panel commentaries. (6) Various cadet grade reports, cards and sheets used in auditing and distributing academic grades.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 903, UNITED STATES AIR FORCE ACADEMY.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

(1) Individual cards on cadets listing name, date of birth, SSN, admission examination scores, course grades and instructor evaluations concerning aptitude, attitude, and performance are used by faculty to evaluate potential cadets for commissioned service and to evaluate potential cadets as future instructors. (2) Provides both cadets and instructors of schedules of classes and classrooms and an explanation for any deviation from these schedules and is used by the cadets and Dean of the Faculty staff to provide locator and scheduling information and to provide course offering information, to change current and future semester course enrollments, to reschedule cadets and establish criteria for resectioning cadets in their courses during the academic year. (3) Used in assigning grade scores to monitor progress of cadets throughout the academic year and to determine grades. (4) Used for counseling cadets on academic performance by the counselors and advisors. Assists the cadet in planning an academic program that will satisfy graduation requirements. (5) Used in the applications of graduates competing for the various fellowships and other various graduate scholarships by Graduate Scholarship Committee. (6) Used in auditing and distributing academic grades and are complied to determine a letter grade for each student in each course.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in card files, on computer magnetic tapes and printouts, and in file folders/notebooks/binders/visible files.

RETRIEVABILITY:

By name or Social Security Number of cadet.

SAFEGUARDS:

Records are accessed by authorized person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked safes, file containers, cabinets or rooms and on computer storage devices protected by computer storage devices.

RETENTION AND DISPOSAL:

(1) Destroy after purpose has been served or 10 years after graudation, whichever is sooner. (2) Destroy at end of academic year or upon completed action, whichever is sooner. (3) Destroy 3 months after end of the semester in which administered or at the discretion of the course director, return to the cadet for retention as reference and study materials. (4) Same as (2) above. (5) Destroy when no longer needed. (6) Destroy when superseded or when purpose has been served, whichever is sooner.

SYSTEM MANAGER(S) AND ADDRESS:

Dean of Faculty, Director of Athletics, and Commandant of Cadets, United States Air Force Academy, CO 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from source documents such as reports prepared on behalf of the AF by boards, committees, panels, auditors, and educational institutions, individual, instructors, automated system interfaces from course requisites.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F050 AFA C

SYSTEM NAME:

050 AFA C USAF Academy Athletic Records

SYSTEM LOCATION:

United States Air Force Academy, CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force Academy applicants, nominees and cadets; members of coaches intercollegiate booster clubs; users of Academy athletic facilities.

CATEGORIES OF RECORDS IN THE SYSTEM:

(1) Applicants/Nominees: High school transcript, athletic questionnaire, correspondence, test scores. (2) Cadets: (a) Athletic performance tests, (b) Counseling record, (c) Intramural record, (d) Physical education record, (e) Physical fitness test, (f) Sports publicity information. (3) Physical fitness and endurance research. (4) Reservation forms and mailing lists.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 903, United States Air Force Academy.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

(1) Varify and evaluate athletic and academic background for possible appointment to the Air Force Academy. (2) Monitor cadet participation and progress in physical education/intramural programs; for news releases. (3) Establish standards and improve athletic programs. (4) Contact booster club members and individuals who reserve Academy athletic facilities.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, card files, computer and computer output products, and microfiche.

RETRIEVABILITY:

By name and/or Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official

duties. Records are stored in security file containers/cabinets, locked rooms and on computer storage devices protected by computer system software..

RETENTION AND DISPOSAL:

(1) Destroy one year after graduation or one year after cadet would have graduated. (2) (a) Destroy 30 days after end of academic year. (b) Destroy upon graduation. (c) Destroy after 1 year. (d) Destroy when no longer needed. (e) Destroy after four academic years. (f) Destroy when no longer needed. (3) Destroy when no longer needed. (4) Destroy when no longer needed.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Athletics, USAF Academy, Co. 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Individual applicant, nominee or cadet; coaches, instructors and squadron athletic officers; educational institutions; the media; officers in charge of individual sports; Registrar's Office, and Curriculum and Scheduling Office; Stone Human Performance Laboratory; DOD agencies; individuals.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F050 SAFPA A

SYSTEM NAME:

050 SAFPA A Graduates of Air Force Short Course in Communication (Oklahoma University)

SYSTEM LOCATION:

Academic Detachment, Secretary of the Air Force Office of Public Affairs (SAF/PAOL), 780 Van Vleet Oval, Room 334, Norman, OK 73069.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Individuals who are scheduled to attend, are attending, or have attended the Air Force Short Course in Communication at the University of Oklahoma.

CATEGORIES OF RECORDS IN THE SYSTEM:

Name, current active duty grade, and Social Security Number; class dates, copies of orders; copy of application to the University of Oklahoma; copies of transcripts from prior education; copies of final grades in the Short Course in Communication.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Provides the Academic Detachment Liaison Non-Commissioned Officer in Charge and the Chief, Office for Resources and Projects, Secretary of the Air Force Office of Public Affairs (SAF/PAX) with historical background on the conduct of the course; serves as a ready reference for students to verify or resolve questions concerning their attendance at the Short Course.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in safes.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Public Affairs, Office of the Secretary of the Air Force (SAF/PA).

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Academic Detachment Liaison Non-Commissioned Officer (SAF/PAOL), 780 Van Vleet Oval, Room 334, University of Oklahoma, Norman, OK 73069. Telephone: (405) 325-1804.

RECORD ACCESS PROCEDURES:

Individuals can obtain assistance from the Academic Detachment Liaison Non-Commissioned Officer or the Chief, Office for Resources and Projects, Secretary of the Air Force Office of Public Affairs (SAF/PAX), Washington DC 20330.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from educational institutions, especially the Office of Admissions and Records, University of Oklahoma; Information obtained from source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F050 SAFPA B

SYSTEM NAME:

050 SAFPA B Information Officer Short Course Eligibility File

SYSTEM LOCATION:

Academic Detachment, Secretary of the Air Force Office of Public Affairs (SAF/PAOL), 780 Van Vleet Oval, Room 334, Norman, OK 73069.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Active duty Air Force Public Affairs Officers in the grades of 2nd Lieutenant through Colonel.

CATEGORIES OF RECORDS IN THE SYSTEM:

Brief service history (including current grade and duty location), educational background, and information on previous attendance at the Air Force Short Course in Communication.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by the Public Affairs Career Management Staff Officer, Air Force Manpower and Personnel Center (AFMPC/DPMROS4D), Randolph Air Force Base, TX 78150, and by the Chief, Office for Resources and Projects, Secretary of the Air Force Office of Public Affairs (SAF/PAX), Washington DC 20330, to determine eligibility of Public Affairs Officers to attend future classes in the Air Force Short Course in Communication.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in card files.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Public Affairs, Office of the Secretary of the Air Force (SAF/OI).

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Academic Detachment Liaison Non-Commissioned Officer (SAF/PAOL), 780 Van Vleet Oval, Room 334, University of OK, Norman, OK 73069. Telephone: (405) 325-1804.

RECORD ACCESS PROCEDURES:

Individuals can obtain assistance from the Academic Detachment Liaison Non-Commissioned Officer or from the Chief, Office for Resources and Projects, Secretary of the Air Force Office of Public Affairs, addresses as given.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Data extracted from surveys of all Public Affairs Officers provided by major commands and separate operating agencies on all assigned Public Affairs Officers. Updated annually.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F050 TAC A

SYSTEM NAME:

050 TAC A Student Record File

SYSTEM LOCATION:

Headquarters Tactical Air Command (TAC) Non-Commissioned Officer (NCO) Academy, Bergstrom Air Force Base, TX 78743.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All active duty enlisted military personnel assigned to the academy.

CATEGORIES OF RECORDS IN THE SYSTEM:

Individual student evaluation record.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to monitor the academic progress of Academy students and as a history file.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in card files.

RETRIEVABILITY:

Filed by class and by name.

SAFEGUARDS:

Records are stored in security file containers/cabinets.

RETENTION AND DISPOSAL:

Retained in office files for 10 years, then destroyed by tearing into pieces, shredding, macerating or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Education, TAC NCO Academy, Bergstrom AFB TX 78743.

NOTIFICATION PROCEDURE:

Contact Commandant, TAC NCO Academy, Bergstrom AFB TX 78743 for assistance.

RECORD ACCESS PROCEDURES:

Contact Commandant, TAC NCO Academy, Bergstrom AFB TX 78743 for assistance.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from automated system interfaces and from student performance evaluations.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F053 AFA A

SYSTEM NAME:

053 AFA A Educational Research Data Base

SYSTEM LOCATION:

United States Air Force Academy, USAF Academy, CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Active, retired and separated Air Force officers who received their commissions through the USAF Academy.

CATEGORIES OF RECORDS IN THE SYSTEM:

High school, college and USAF career information including military performance, academic performance, certain medical, disciplinary and personal facts.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To provide readily available information on Academy graduates for use by the faculty and staff to complete various analyses and inquiries concerning how Academy graduates are competing with their contemporaries.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained on computer magnetic tapes.

RETRIEVABILITY:

Filed by name and by Social Security Number and date of birth.

SAFEGUARDS:

Records are accessed by custodian of the record system, and by authorized personnel who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Admissions and Registrar, United States Air Force Academy, CO 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from educational institutions, medical institutions, automated system interfaces, and source documents.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F053 AFA B

SYSTEM NAME:

053 AFA B Preparatory School Records

SYSTEM LOCATION:

United States Air Force Academy, CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Preparatory School Students.

CATEGORIES OF RECORDS IN THE SYSTEM:

This system contains Social Security Number, admissions data including college board test scores and uniform size, academic performance, counseling, disenrollment, and physical fitness information.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

l0 USC Chapter 903, United States Air Force Academy 80l2.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Data is used to measure student performance, progress and potential, for counseling purposes and for possible disciplinary or disenrollment action. Information contained on the record card consisting of grade, performance, and personal information pertaining to the student is used to provide transcripts when requested, to inform parents/guardians concerning student placement on academic advisement or probation and other pertinent information as required, when authorized by the cadet, and used by Preparatory School administrative personnel for management purposes such as emergency data, i.e. blood type, etc. Physical fitness test scores are furnished to the Registrar's Office for use in verification when considering student for nomination to the USAF Academy.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders card files, and on computer and computer output products.

RETRIEVABILITY:

Filed by name, year of enrollment and Social Security Number.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties,and stored in locked cabinets or rooms and computer storage devices are protected by computer system software.

RETENTION AND DISPOSAL:

Forms and other records for administration of the Preparatory School such as Student Enrollment Questionnaires, Military Training Worksheets, Instructor's Comments, Instructor Grade Sheets, Physical Fitness Program, Report of Offense, Medical Status Reports, Flight Evaluations, Sign In/Out Registers are destroyed at the end of the academic year or when purpose has been served, whichever is sooner. Correspondence and forms in the student folder documenting academic history and related activities are destroyed 1 year after graduation or when student would have graduated. The Student Records Card is retained at the USAF Academy for 30 years and then destroyed.

SYSTEM MANAGER(S) AND ADDRESS:

Commander, Preparatory School, USAF Academy, CO 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information from the academic departments within Preparatory School, based on performance of students, Preparatory School Commander, from tests administered to students, from student.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F053 AFA C

SYSTEM NAME:

053 AFA C Admissions and Registrar Records

SYSTEM LOCATION:

At United States Air Force Academy, CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force Academy nominees/ appointees, cadets, graduates and Air Force Reserve Officers not on active duty.

CATEGORIES OF RECORDS IN THE SYSTEM:

(1)All data used in the candidate selection process for the USAF Academy. Includes high school records, admissions test scores, physical aptitude examination scores, high school extra curricular activities, medical qualification status, personal data records, letters of recommendation, address, phone number, Social Security Number, race, height, weight, citizenship, statement of reasons for attending Academy, nomination, and Preparatory School or college record if applicable. (2) Minority Affairs retention counseling record. (3) Service academies precandidate questionnaries, computerized report by congressional districts. (4) Pertinent information on assigned Liaison Officers, reports of individual Liaison Officer activity and copies of general correspondence. (5) Grade and quality point averages, course grade distributions, general and academic orders of merit, military dependents on merit lists, squadron assignments. (6) USAFA Preparatory School computer listings, selection data on new classes, medical qualification at entry, cadet high school rank and class size, fourth class squadron assignments, special rosters with all scores

(acceptees, declinations, minorities, recruited athletes, and Preparatory School), rosters from biographical data sheets (Protestant, Catholic, Jewish, and other religions, military parents, USAFA Preparatory School graduates, other Preparatory School graduates, Civil Air Patrol, former ROTC members, Boy Scouts, Girl Scouts, Camp fire Girls, cadets whose fathers are general officers, former Boys State, Girls State, and Boys Nation delegates and cadets with private pilot licenses), computer listings of high school activities and general information, admissions computer listings (all candidates, qualified candidates, selectees, athletes, minorities, ex-cadets and state status reports), and related data. (7) Combined information from above to Air Force Reserve Officer Training Corps. (8) Candidate Evaluation Records, Liaison Officer Evaluations, letters of evaluation from high school or colleges, and drug abuse certificates.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 903, United States Air Force Academy.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

(1) Records are used by Admissions Office, selection panels, Academy Board, Athletic Department and Preparatory School personnel for selection of cadets to attend the Preparatory School and USAF Academy, to evaluate candidates for recommendation for civilian preparatory school scholarships, and to form the nucleus of the cadet record for candidates selected to attend the Academy. (2) Used by Minority Affairs Office for counseling and improving the retention of minority candidates. (3) Used by Admissions Office to prepare evaluation of candidates' potential for submission to Members of Congress and to schedule for medical examinations. Liaison Officers and advise persons interested in the Academy of the name, address, and of their nearest Liasion Officer. (5) Used to evaluate cadet academic and military achievement and to coordinate statistics relating to cadet strength and attrition. (6) Used to evaluate selection procedures of AF Academy cadets, to assure that criteria for entering cadets are met and to procure various biographical information on incoming cadets for press releases. (7) Used by Air Force Reserve Officer Training Corps (AFROTC) for possible AFROTC scholarship participation. (8) Same as (1) above.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, computer and computer output products, microform and notebooks/binders.

RETRIEVABILITY:

By name and/or Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms, safes or vaults and on computer storage devices protected by computer system software, and controlled by visitor registers.

RETENTION AND DISPOSAL:

(1) Records on candidates who are appointed are forwarded to Cadet Exams and Records to be included in the Master Cadet Personnel Records. Records on candidates who are not appointed are destroyed after one year. (2) Destroyed one year after graduation. (3) Same as (1) above. (4) Destroyed upon separation or reassignment. (5) Destroyed when no longer needed. (6) Same as (1) and (5) above. (7) Destroyed after one year. (8) Same as (1) and (2) above.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Admissions and Registrar, USAF Academy, CO 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from educational institutions from automated system interfaces, from the individual on forms filled out as a candidate, College Entrance Examination Board and American College Testing scores, Air Force Medical examinations, individual letters of recommendation, from individual and personnel records.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

Parts of this system may be exempt under 5 USC 552a(k)(5). For additional information, contact the System Manager.

F053 MP A

SYSTEM NAME:

053 MP A Air Force Academy Appointment and Separation Records

SYSTEM LOCATION:

Headquarters United States Air Force, Washington DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Nominees for Air Force Academy appointment and cadets in training at the Air Force Academy for each Member of Congress, the Vice President, Governors of Territories, and all other nominating sources.

CATEGORIES OF RECORDS IN THE SYSTEM:

DD Form 1870 - 'Nomination for Appointment to the United States Air Force Academy, Military Academy, Naval Academy' containing nominee's name, address, date of birth, Social Security number, telephone number, temporary address (if any), type of nomination (principal or competitive), numbered vacancy, and date submitted, name and signature of Member of Congress or other authorized nominating source submitting the nomination; AFHQ Form 0-339 - 'Air Force Academy Nominee Record' containing the names of the nominees of each Member of Congress, the Vice President, and other authorized nominating sources. (Each Member may nominate a total of ten for each vacancy available.) The card also indicates whether a nominee withdraws from consideration for Academy appointment or is medically disqualified and the nominating system used by the nominating authority; 'Chargeable and Nonchargeable Air Force Academy Appointment Record' listing the names of the cadets entering each year for each Member of Congress and other nominating sources showing charged or not charged to their quota (5 allowed at any one time - 10 USC 9342, year of scheduled graduation or separation date and reason, and reapportionment actions; - 'Report of Separation from the United States Air Force Academy' showing name, cadet number, scheduled graduation date, reason for separation, name of congressional sponsor and whether the separation action provides

an additional vacancy for the Congressional sponsor; 'Report of United States Air Force Academy' containing spaces to insert names of cadets in training who are charged to the quota of a Member of Congress.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 903, United States Air Force Academy; and Senate Resolution 154, 10 June 1963.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

When a cadet separates from the Academy, the Cadet Branch Personnel uses the system to determine who nominated the cadet so that notification of the separation can be made to the Congressional sponsor. Also used in making reply to any Member of Congress who requests information concerning who nominated a cadet for Academy entrance (10 USC 9342(h)). A form is maintained annually on each Member of Congress, the Vice President, and other authorized nominating sources. Upon receipt of nominations from Members of Congress, only the name of the nominee is entered on the Form and the nominating system used by the member. The form is used to show withdrawal of a nominee or medical disqualification in order to determine the number of active candidates at any given time (10 allowed per vacancy (10 USC 9342)). Cadet Branch uses the system to answer inquiries from nominating sources. AFHQ Form 0-851 (card) is maintained on each Member of Congress, the Vice President, and other authorized nominating sources. Upon entrance of each new class to the Air Force Academy, the names of the cadets entering for each Member of Congress, etc. is posted to the individual Congressional sponsor's card. This record card is used by Cadet Branch to determine the number of vacancies available to all authorized nominating sources so that notification of vacancy information can be furnished to Members of Congress annually. Upon separation of an Academy cadet, the name is crossed out and a notation made of the date of graduation/separation and reason for separation. Another form is used as an attachment to a letter of notification to the Congressional sponsor when a cadet is separated. Upon special request from Member of Congress, another form is used to provide the names of charge cadets (principals) to their authorized quota and the year of scheduled graduation. Also used to notify new Members of Congress of the chargeable cadets upon entering Congress. Cadet Separation Case Files - A cadet separation case file is maintained on every cadet separated for the period of time his class is in training and for one year after class graduates from the Air Force Academy. The case files are maintained since this office is the responsible staff office for implementing the Secretary of the Air Force instrument of separation/discharge action. The case files are further used to reply to Congressional inquiries concerning separation actions. The data contained in the separation case file are: copy of cadet's resignation/separation action; copy of Academy Superintendent's letter to Secretary of the Air Force containing recommendation on type of separation action; copy of Secretary of the Air Force Memorandum directing type of separation; copy of 'Report of Separation from United States Air Force Academy'; copy AF/DPPA notification letter to Congressional sponsor concerning separation; copy of AF/MPPA notification letter to United States Air Force Academy Commandant of Cadets effecting the decision of the Secretary of the Air Force; copy of, 'Disenrollment From Officer Candidate-Type Training.' (Prepared by Commandant, Air Force Academy); copy of, 'Armed Forces of the United States Report of Transfer or Discharge.' (Prepared by Commandant, Air Force Academy); copy of Special Orders effecting separation/discharge action. Information in the record/records system is used to provide information to Members of Congress, the Vice President, DC Delegate, Governors of Territories and South American Republic countries and the Philippines on candidate nominations, cadet vacancies, appointments, and separations.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/cabinets.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Upon entry of the class each year, forms are destroyed on unsuccessful candidates by tearing into pieces, shredding, pulping, macerating, or burning. The forms on selected cadets are maintained for one year after graduation. One copy is maintained permanently at the Air Force Academy.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Members of Congress, the Vice President and other nominating sources.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F060 ANG A

SYSTEM NAME:

060 ANG A Progress Report, Undergraduate Pilot Training

SYSTEM LOCATION:

Office of Director, Air National Guard, Washington, DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air National Guard Undergraduate Pilot Trainees.

CATEGORIES OF RECORDS IN THE SYSTEM:

Evaluation of pilot training progress.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 275, Personnel records.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used at National Guard Bureau level to determine individual capability to perform safely in home unit weapons systems.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are stored in safes.

RETENTION AND DISPOSAL:

Retained in office files until graduation or elimination from training, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Air National Guard, Headquarters United States Air Force, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from UPT Flying Training DCO.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F067 AF A

SYSTEM NAME:

067 AF A Government Furnishings Issue Record

SYSTEM LOCATION:

Housing Supply Offices at all Air Force installation which issue furnishings. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Active duty military and DOD civilians to whom government furnishings are issued.

CATEGORIES OF RECORDS IN THE SYSTEM:

PCS orders, rental agreement, receipt for furnishings.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 U.S.C. 9832, Property accountability: regulations.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To maintain authority for issue and accountability of Government furnishings.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Paper records stored in vertical file folders, and computer and computer output products.

RETRIEVABILITY:

Filed by name in manual file systems. Filed by SSN in computer storage.

SAFEGUARDS:

Stored in file cabinets in locked rooms. Records are accessed by custodian of the record system and by persons responsible for servicing the record system in performance of their official duties.

RETENTION AND DISPOSAL:

Retained in file until furnishings are returned and then destroyed or returned to the individual.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Logistics, headquarters of each major command which issues furnishing or Chief of Housing Supply Office at issuing base.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determination may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from individual.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.

F067 AF LE A

SYSTEM NAME:

067 AF LE A Personal Clothing and Equipment Record

SYSTEM LOCATION:

Equipmnent Management Offices at Air Force installations. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Active duty and reserve military and civilian personnel.

CATEGORIES OF RECORDS IN THE SYSTEM:

Expendable and non-expendable individual personal clothing and equipment records.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 9832, Property Accountability Regulations.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Accounting for authorized clothing and equipment issued to members and employees. Periodically reviewed by supply personnel and certified by the individual.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained as paper records and stored in vertical file folders.

RETRIEVABILITY:

Filed by last name, first initial and last four digits of Social Security Number.

SAFEGUARDS:

Stored in file cabinets in locked rooms. Records are accessed by person(s) responsible for servicing the record system in performance of their official duties.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning. When individual is reassigned, original records are transferred to the new installation. The copy retained at the previous station is destroyed after six months. When the individual is discharged, the signed copy of the record is forwarded to the Consolidated

Base Personnel Office for disposition. The originals are retained by Equipment Management function and destroyed after the turn-in of all equipment by the individual. Records are then destroyed by tearing into pieces, shredding, macerating, pulping or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Logistics and Engineering, Headquarters United States Air Force, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from the individual.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F070 AF AFO A

SYSTEM NAME:

070 AF AFO A Accounts Payable Records

SYSTEM LOCATION:

At Accounting and Finance Offices at Air Force bases, Air National Guard activities, Air Force Reserve units, and Air Force components listed in the Department of Defense Directory in the appendix to the Air Force systems notices; some records are stored at the Denver Federal Archives and Record Center, Bldg 48, Denver Federal Center, Denver, CO 80225.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Individuals who have monies owing to them by the Air Force or who have performed an official function resulting in a valid debt payable by the Air Force to a third party. Such individuals include contractors, military and civilian personnel and their dependents, assignees, trustees, guardians, survivors, claimants having tort or compensation claims against the Air Force for personal injuries or property damage.

CATEGORIES OF RECORDS IN THE SYSTEM:

Include, but are not limited to, contracts; purchase orders; temporary duty and permanent change of station orders; transportation requests; government bills of lading; tort claims; compensation claims; correspondence with creditors; dependents of military personnel and civilian employees.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

31 USC 66c, Receipts, retention and disbursement of public funds; 82e, Travel and transportation allowances: dependents: baggage and household effects; 492, Disbursing officers; 37 USC 404, Travel and transportation allowances: general; 406, Disbursing officers.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Records are used to support payments to creditors who may include military personnel and civilian employees, their dependents, survivors, guardians and trustees, contractors, vendors, claimants in tort and compensation claims and assignees. When authorized, records may be disclosed to creditors, dependents, claimants, Internal Revenue Service (for tax purposes, including assessments, levy action, employer/employee Social Security taxes), Social Security Administration and Veterans Administration (for verification of claims and eligibility for benefits administered by such agencies), and state and local authorities (for matters pertaining to taxation, welfare, and criminal and civil litigation within the jurisdiction of such authorities).

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, visible file binders/cabinets, card files, computer and computer output products, magnetic cards, and microform.

RETRIEVABILITY:

Filed by name or Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, locked cabinets or rooms, protected by guards and controlled by personnel screening and by visitor registers.

RETENTION AND DISPOSAL:

Retention periods of various types of documents vary from one month to permanent. Some records are destroyed by the Base Accounting and Finance Offices at base level by tearing, shredding, pulping, macerating, or burning; others are retired to the Denver Federal Archives and Record Center and destroyed after varying retention periods by sale to salvage paper companies for shredding.

SYSTEM MANAGER(S) AND ADDRESS:

Director Accounting and Finance United States Air Force (USAF). Accounting and Finance Officers at Air Force installations.

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/RMAD, Denver, CO 80279, telephone (303) 825-1161, extension 6341. Information pertaining to geographically dispersed elements of the record system may be obtained from documentation managers at the applicable Air Force component listed in the Department of Defense Directory in the appendix to the Air Force systems notices. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, service number, military status, duty station or place of employment, or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/RMAD, Denver, CO 80279, telephone (303) 825-1161, extension 6341. Information pertaining to geographically dispersed elements of the record system may be obtained from documentation managers at the applicable Air Force component listed in the Department of Defense Directory in the appendix to the Air Force systems notices. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, service number, military status, duty station or place of employment, or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Sources include, but are not limited to, information obtained from automated

system interfaces, corporations and from source documents such as reports, contractors, vendors, claimants, trustees, assignees, Air Force and other Department of Defense components, carriers, General Accounting Office, Comptroller General, and Veterans Administration.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F075 AA A

SYSTEM NAME:

075 AA A Office, Secretary of Air Force Travel Files

SYSTEM LOCATION:

Office of the Secretary of the Air Force, Washington DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Military, civilian, statutory, Congressional and others sponsored by Secretaries of Air Force and/or Defense.

CATEGORIES OF RECORDS IN THE SYSTEM:

Travel orders and transportation authorizations, paying agent orders, passport information, and travel vouchers.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To provide reference in response to individual and/or offices requests for actual purposes of travel, costs and records used for future planning. Copies of orders on file in Director of Administration, Headquarters U. S. Air Force, Washington DC 20330, for record of authentication. Copies of paying agent orders on file Director of Administration, Headquarters U.S. Air Force Washington DC 20330 for record of payments. Travel on file at US Air Force Accounting and Finance Center, Denver CO record of Air Force expenses.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders/note books/ binders/card files.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms. Access controlled by assistant manager and restricted to authorized personnel.

RETENTION AND DISPOSAL:

Records on currently assigned personnel are retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed. Transportation authorization and Invitational orders are retained in office files for one year after annual cut-off then destroyed. Paying agent orders are retained in office files for two years after annual cut-off, then destoyed. Records contained in this system are destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Administrative Assistant to the Secretary of the Air Force, the Pentagon, Washington DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Air Force channels from agencies and individuals requesting Air Force travel.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F075 AF LE A

SYSTEM NAME:

075 AF LE A Household Goods Nontemporary Storage System (NOTEMPS)

SYSTEM LOCATION:

At all Air Force bases having personal property responsibility. Official mailing addresses are contained in the Air Force Address Directory.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Active duty and retired military personnel or their dependents, and civilian employees.

CATEGORIES OF RECORDS IN THE SYSTEM:

Applications for storage, travel orders, substantiating documents.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 133, Secretary of Defense: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by base level traffic management offices (TMO), finance offices (AFO) and local commercial contractors in managing, controlling and payment of contractors for services rendered for storage services. Information used by TMO to maintain, identify lots, determine excess cost and perform payment actions for storage accounts. AFO will use information to process invoices for payment. Contractors will use data to verify and certify invoices for payment for services rendered against individual storage lots.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, card files, or computer and computer output products.

RETRIEVABILITY:

Filed by name and/or Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms and controlled by personnel screening.

RETENTION AND DISPOSAL:

Files are retained for 6 months to 3 years, depending on type, and destroyed by tearing, shredding, pulping, macerating or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff, Logistics and Engineering, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

Individual requests should be addressed to the System Manager. Base traffic management offices have individual record. Visits must provide name, grade, SSN and identification card.

RECORD ACCESS PROCEDURES:

Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information from individuals, applications for storage of household goods, travel orders, and substantiating documents.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F075 AF LE B

SYSTEM NAME:

075 AF LE B Personal Property Movement Records

SYSTEM LOCATION:

Traffic Management Office or Air Force controlled Joint Personal Property Shipping Offices at Air Force Activities. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Persons who shipped personal property through an Air Force controlled activity.

CATEGORIES OF RECORDS IN THE SYSTEM:

Application, orders, inventory, Government Bill of Lading, shipping documents, Certificates of Approval or Disapproval, Power of Attorney, carrier and/or contractor documentation, Inspection Report, and Counseling Checklist.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Traffic Management Officer uses these record to determine shipment eligibility and lawful entitlements, and as a basis for expenditure of public funds and contracts with commercial carriers.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are stored in locked cabinets or rooms and are accessed by person(s) responsible for servicing the record system in performance of their official duties.

RETENTION AND DISPOSAL:

Retained in office files for three years after annual cutoff; transferred to Regional Federal Records Center for indefinite retention.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff, Logistics and Engineering, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

Request from individual should be addressed to the System Manager. Include Individual's name, service, Social Security Number, type of shipment, origin, destination, and the date of application. Any means of positive identification is acceptable.

RECORD ACCESS PROCEDURES:

Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Government Inspector's Quality Control Report. Information also obtained from the individual.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F075 USAFE A

SYSTEM NAME:

075 USAFE A Customs Control Records

SYSTEM LOCATION:

Customs Control Office of the Transportation Branch, 7206 Air Base Group/LGTTG, APO NY 09223. Selected sub-elements are at the Investigation Section of the Security Police Division, 7206 ABG/SPI, APO NY 09223, and the Judge Advocate Office, 7206 ABG/JA, APO NY 09223.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Personnel assigned to duty in Greece qualifying for tax-free privileges under Article I of the North Atlantic Treaty Organization Status of Forces Agreement.

CATEGORIES OF RECORDS IN THE SYSTEM:

Certificates of understanding and accountability; purchase records; importation documents; vehicle registration and duty-free customs certificates; customs control card roster; Greek customs tax receipts; copies of military orders; certificates of dependency; currency conversion records; military and Greek police reports concerning theft, loss or destruction of personal property; records of imports and exports via postal systems; personal property inventories for incoming and outgoing shipments of household goods; and reports of investigation concerning possible or actual customs violations.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

North Atlantic Treaty Organization Status of Forces Agreement and 10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

This system of records is used to control the tax-free acquisition of personal property by U.S. Forces entered into Greece in tax and duty exempt status under the provisions of the NATO Status of Forces Agreement. This agreement, and others which supplement it, require the U.S. to limit the tax-free import and use of items required by the U.S. Forces to only those members with bona fide entitlements and to assist the Greek government in collecting evidence and securing payment of any applicable taxes. Users of the information in the customs control system include U.S. Air Force, Navy, Army, and State Department transportation and customs activities who compile and maintain the records; military security, investigative, and law enforcement activities who screen records to collect evidence where

possible wrongdoing is indicated; military justice officials who review evidence and advise commanders on possible legal actions; and Air Force Accounting and Finance Offices to control legal conversion of U.S. and host nation currency and to report excess profit from legal sales of property to Internal Revenue Service where appropriate. The system is used to document property imported tax-free into Greece and any purchases made by individuals in the military tax-free sales outlets. The information is used to prove compliance by the U.S. Forces with U.S. treaty obligations and to identify and correct black-marketeering or other unauthorized activities which evade Greek customs.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Stored in file folders.

RETRIEVABILITY:

Files are maintained in numerical sequence using a locally established individual customs control number given upon application to each member entitled to tax-free privileges in Greece. The customs control number is cross-referenced to the member's name, Social Security Number, permanent reassignment date, and employer. Dependents of entitled members are listed under their sponsor's customs control number and record file. An electronic data processing card file is used in the U.S. Air Force Customs Control Office to correlate customs control number, name, unit of assignment, and expiration date of privileges.

SAFEGUARDS:

Records are safeguarded in locked file cabinets, locked rooms, and locked buildings. Records may be reviewed only by the person to whom they apply or competent investigative authority based on a verified need to know.

RETENTION AND DISPOSAL:

Records are maintained in active use until the members clear their accounts in preparation for departure from Greece. The records are then removed to an inactive file within the U.S. Air Force Customs Control Office for one additional year and then transferred to a records staging area for two more years. Three years after closeout, files are destroyed by shredding, burning, pulping, or macerating.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Transportation, 7206 Air Base Group, APO NY 09223.

NOTIFICATION PROCEDURE:

Individuals may request information from the Systems Manager concerning their personal customs account at any time. Requesters must apply either personally or in writing providing their full name (and name of sponsor if in dependent status when the record was created), unit of assignment while in Greece, and period of stay in Greece. Requesters may visit the Customs Control Office of the Chief of Transportation, 7206 Air Base Group, Hellenikon Air Base, Greece, to review their personal customs records or seek information. Requesters must present identification cards issued by U.S. Forces in Greece to gain access to their personal records.

RECORD ACCESS PROCEDURES:

Access to personal records or data concerning an individual covered under the system can be obtained only from the Systems Manager or the customs liaison clerks in the Customs Control Section of the Office of Chief of Transportation, 7206 ABG/LGT, APO NY 09223.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the Systems Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Individually prepared applications for duty-free entry of private property and automobiles; individually prepared applications for customs control cards; certificates of understanding and liability; bills of sale; Army and Air Force Exchange Service purchase records; Air Force Commissary Service purchase records; Air Force Accounting and Finance Office records of individual currency conversions; US Postal Service parcel receipt records; international mail parcel receipt information; USAF Security Police investigation reports concerning loss, theft, damage or property or alleged unauthorized disposition (black-marketeering); Defense Logistic Agency Property Disposal Office turn-in records; household goods carriers' inventories of personal property imported and re-exported to and from Greece by each member subject to the system; employer's certification of eligibility to tax-free privileges; official assignment orders; letters of eligibility from non-appropriated fund employers and USAF Procurement Office for eligible contractor personal, determinations of eligibility rendered by the Staff Judge Advocate's office.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.

F077 AF LE A

SYSTEM NAME:

077 AF LE A Motor Vehicle Operators' Records

SYSTEM LOCATION:

Base Drivers Training and Qualification Section, Air Force Reserve units and Air National Guard activities. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All military and civilian personnel issued a United States Government Motor Vehicle Operator's Identification Card.

CATEGORIES OF RECORDS IN THE SYSTEM:

Application, test results, medical evaluation, accident history, traffic citations and driver awards.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 133, Secretary of Defense; appointment; powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Determination of operator eligibility by Vehicle Operations Officer. Used as basis for issue of a Government motor vehicle operator's identification card. Releasable to Safety and Law Enforcement authorities for investigation and possible criminal prosecution or civil court action.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are stored in locked cabinets or rooms and accessed by person(s) responsible for servicing the record

system in performance of their official duties.

RETENTION AND DISPOSAL:

Retained in office files until discharge, separation, or reassignment of the individual, then returned to servicing consolidated base personnel office for destruction by tearing, shredding, pulping, macerating or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff, Logistics and Engineering, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

Request should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager.

RECORD SOURCE CATEGORIES:

Information obtained from medical institutions, police and investigating officers, motor vehicles bureaus, state or local governments, witnesses, Department of Transportation.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F080 AFA A

SYSTEM NAME:

080 AFA A Minnesota Multiphase Personality Inventory Research Program

SYSTEM LOCATION:

United States Air Force Academy, USAF Academy CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force Academy and Preparatory School cadets.

CATEGORIES OF RECORDS IN THE SYSTEM:

Personality tests results, group data analyses.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 903, United States Air Force Academy.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used in research analyses concerning relationships, personality and personality and performance.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained on computer and computer output products.

RETRIEVABILITY:

Cadet Number.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference.

SYSTEM MANAGER(S) AND ADDRESS:

Dean of Faculty at United States Air Force Academy, Co 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

The individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Individual.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F090 AF A

SYSTEM NAME:

090 AF A Visiting Officer Quarters-Transient Airman Quarters Reservation.

SYSTEM LOCATION:

Air Force installations. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Personnel registering to obtain a room for the duration of visit.

CATEGORIES OF RECORDS IN THE SYSTEM:

Registration of transient personnel into quarters.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To register occupants of base transient quarters and charge for billeting.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/cabinets.

RETRIEVABILITY:

Filed by Name.

SAFEGUARDS:

Records are accessed by custodian of the record system and are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files for three months after monthly cut-off, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Manpower and Personnel, Headquarters United States Air Force, Washington DC. 22030.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Full name and Social Security Number required for inquiries.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

From individual registering.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F090 SAC A

SYSTEM NAME:

090 SAC A Unaccompanied Personnel Quarters Assignment/Termination

SYSTEM LOCATION:

All Strategic Air Command bases. Located in the Base Billeting Operations Office and in the respective Squadron Orderly Room. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Unaccompanied military personnel who: (1) apply for or who are entitled to occupy unaccompanied quarters, (2) accept or decline unaccompanied on-base quarters, (3) reside off-base at their own expense, (4) accept inadequate quarters, and/or (5) are identified as authorized to reside off-base with prescribed quarters allowance.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records related to application, assignment, acceptance, declination, or termination of unaccompanied quarters; authorization for unaccompanied personnel to reside off-base at their own expense; voluntary acceptance of inadequate quarters; and/or authorization to reside off-base with prescribed quarters allowance.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: power and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To effectively manage unaccompanied personnel quarters; establish and maintain a record of application for unaccompanied personnel quarters assignment; terminate assignment to unaccompanied quarters; and grant authorization to reside off-base with or without specified quarters allowance.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Retrieved by name.

SAFEGUARDS:

Records are accessed by custodian of unit files and by personnel responsible for servicing the record system in performance of official duties. File folders are stored in locked rooms and drawers.

RETENTION AND DISPOSAL:

Records are destroyed by tearing into pieces, shredding, burning, macerating, or pulping when superseded or when individual is reassigned.

SYSTEM MANAGER(S) AND ADDRESS:

Base Billeting Manager and Commanders of Strategic Air Command Squadron on SAC bases.

NOTIFICATION PROCEDURE:

Individuals may contact the Base Billeting Manager or Commanders of Strategic Command Squadrons on SAC bases. Requests to determine existence of record should include full name and grade and approximate dates individual was assigned to or serviced by the Billeting Operation function on Strategic Air Command bases, subsequent to 1 July 1981.

RECORD ACCESS PROCEDURES:

Access is controlled by Base Billeting Manager at base level or by Squadron Commanders at squadron level.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information is obtained from individual.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.

F110 AFAFC H

SYSTEM NAME:

110 AFAFC H Legal Administration Records of the Staff Judge Advocate

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Denver CO 80279.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty and retired military personnel, present and former Air Force civilian employees, Air Force Reserve and Air National Guard personnel dependents of military personnel, and Air Force Academy Cadets.

CATEGORIES OF RECORDS IN THE SYSTEM:

Legal opinions and supporting documents including, but not limited to, opinions on losses of Air Force funds; reports of survey on loss or damage of Air Force equipment, remission of indebtedness of active duty Air Force members; waiver of claims of the United States arising out of erroneous payments of pay and allowances; legal assistance; garnishment of wages of active duty, reserve and retired pay of Air Force military and civilian personnel; Freedom of Information Act and Privacy Act interpretations and opinions; and correspondence relating to the above subjects with other Air Force and Department of Defense components, United States attorneys, attorneys, Air Force officers and members (and dependents thereof), former spouses of Air Force officers and members, and federal, state and local agencies, including, but not limited to, the Federal Bureau of Investigation (FBI), Internal Revenue Service, Social Security Administration, and state and local welfare agencies.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 USC 5512, Witholding pay: individuals in arrears, and 5584, Claims for overpayment; 10 USC 2774, Claims for overpayment, 9832, Property accountability: regulations and 9835, reports of survey; 31 USC 82a-1, Relief of accountable officers, 95a, Relief of disbursing officers of military departments, and 492a-c, Disbursing officers; 32 USC 710, Report of survey, and 716, Claims of overpayment; Title 37 USC, Pay and Allowances of the uniformed Services; 39 USC 406, Postal Services at Armed Forces installations; 40 USC Chapter 15 - Government Losses in Shipment.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to review and make recommendations in cases including but not limited to cases involving losses of funds; reports of survey; remission and waiver of indebtedness; garnishment of pay; Freedom of Information and Privacy Acts; and legal assistance. Used by the Air Force Accounting and Finance Center (AFAFC); other Air Force and Department of Defense (DOD) components; individual Air Force officers and members and their dependents, former spouses of Air Force officers and members; attorneys; United States Attorneys; Internal Revenue Service; Social Security Administration and state and local agencies. All users

of the record system use information from the record system to obtain information, advice and recommendations in the areas of losses of Air Force funds, reports of survey, remission and waiver of indebtedness, garnishment of pay, and Freedom of Information and Privacy Acts. Disclosure of legal assistance records is limited in accordance with the attorney-client privilege.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, visible file binders/cabinets and in card files.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, protected by guards, and controlled by personnel screening and visitor registers.

RETENTION AND DISPOSAL:

Records are maintained at office of Staff Judge Advocate, Air Force Accounting and Finance Center (AFAFC/JA) for two years, or whenever their purpose has been served, whichever is later, and then destroyed by tearing or shredding. Significant cases involving legal opinions establishing precedent are transferred to subject files after two years and retained indefinitely.

SYSTEM MANAGER(S) AND ADDRESS:

The Staff Judge Advocate, United States Air Force; Staff Judge Advocate, Air Force Accounting and Finance Center.

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/RMAD, Denver CO 80279, telephone (303) 825-1161, ext. 6341. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, military status, duty station or place of employment, or other information verifiable in the record itself.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/RMAD, Denver CO 80279 telephone (303) 825-1161, ext. 6341. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, military status or place of employment, or other information verifiable in the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers, financial institutions, educational institutions, police and investigating officers, state or local governments, witnesses, source documents such as reports. Information from other DOD components; information from other federal agencies, including, but not limited to, the FBI, Internal Revenue Service, Social Security Administration, Veterans Administration; applications by and correspondence with active duty, reserve and retired Air Force personnel and their dependents, former spouses, and guardians, applications by and correspondence with Air Force current and former civilian employees, their dependents, spouses, and guardians; correspondence with attorneys, records of courts-martial, interfaces with other record systems maintained at AFAFC, and correspondence with United States.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F110 AFRES A

SYSTEM NAME:

110 AFRES A Reserve Judge Advocate Training Report

SYSTEM LOCATION:

Headquarters, Air Force Reserve (AFRES), Robins Air Force Base, GA 31098.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force Reserve Judge Advocates (JAGs).

CATEGORIES OF RECORDS IN THE SYSTEM:

Information pertaining to individual training.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

To provide Air Force Reserve Staff Judge Advocate Training File on all Reserve JAGs.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Staff Judge Advocate, Air Force Reserve, Robins Air Force Base, GA 31098.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from educational institutions, from State Bar Association and from individual.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F120 AF IG A

SYSTEM NAME:

120 A IG A Inspector General Records - Freedom of Information Act

SYSTEM LOCATION:

Office of the Inspectors General and Base Inspectors.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All those who have requested information from the Inspectors General or Base Inspectors under the Freedom of Information Act on matters related to the Department of the Air Force.

CATEGORIES OF RECORDS IN THE SYSTEM:

Reports, forms, letters, messages, witness statements and miscellaneous documents. Some records are classified.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 USC 552, Public information; agency rules, opinions, orders, records, and proceedings.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Information is collected to insure just, thorough, and timely resolution and response to complaints or queries, and a means of improving morale, welfare, and efficiency of organizations, units, and personnel by providing an outlet for redress. Used by the Inspectors General and Base Inspector in the resolution of complaints and response to queries involving the Department of the Air Force and in some instances the Department of Defense. Used by the correction board for the correction of records. Used by members of Congress and their staffs to conduct research and prepare replies in response to constituent inquiries. Used by commanders and their staffs to resolve issues, take action and provide information where applicable. Used by the General Accounting Office and its officers and employees to conduct audits and other statutory functions. Used by those who request information releasable as a summary, statement of facts, or reply to query considered not exempt. In these cases, requester should apply to office where complaint was filed.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name and Social Security Number (SSN) and year and office where complaint was filed.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in safes and locked cabinets or rooms and are controlled by personnel screening.

RETENTION AND DISPOSAL:

Retained in files for five years then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

The Inspector General, Headquarters United States Air Force, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Request from individuals should be addressed to the office where the complaint or query was filed or to the Base Inspector.

RECORD ACCESS PROCEDURES:

Individual can obtain access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Records are obtained from the individual requester, witnesses, complainants, Department of the Air Force organizations, and agencies of Federal, state, or local governments, as applicable or appropriate, for processing the case.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F120 AF IG B

SYSTEM NAME:

120 AF IG B Inspector General Records

SYSTEM LOCATION:

Office of the Inspectors General, Headquarters United States Air Force, Washington DC 20330. Official mailing addresses are contained in the Department of Defense directory in the appendix to the Air Force systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All those who have registered a complaint or query with the Inspector General or Base Inspector on matters related to the Department of the Air Force.

CATEGORIES OF RECORDS IN THE SYSTEM:

Forms, letters, messages, reports, surveys, photographs, medical, finance, personnel, administrative and technical reports, and witness statements.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to insure just, thorough, and timely resolution and response to complaints or queries, and a means of improving morale, welfare, and efficiency of organizations, units, and personnel by providing an outlet for redress. Used by the Inspectors General and Base Inspectors in the resolution of complaints and responding to queries involving matters concerning the Department of the Air Force and in some instances the Department of Defense.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name, Social Security Number (SSN) and year and office where complaint was filed.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in safes and in locked cabinets or rooms, controlled by personnel screening.

RETENTION AND DISPOSAL:

Retained in office files for two years after annual cut-off, then destoyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

The Inspector General, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

See Exemption.

RECORD ACCESS PROCEDURES:

See Exemption.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

See Exemption.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

Parts of this system may be exempt under 5 USC 552a(k)(2). For additional information, contact the System Manager.

F123 AFISC A

SYSTEM NAME:

123 AFISC A United States Air Force (USAF) Inspection Scheduling System

SYSTEM LOCATION:

Air Force Inspection and Safety Center, Norton Air Force Base, CA 92409.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

USAF Inspection and Safety Center (AFISC) personnel/augmentors.

CATEGORIES OF RECORDS IN THE SYSTEM:

Name, rank, SSN, security clearance, speciality code, duty and travel restrictions, inspection dates/types/locations, date of birth, office symbol, rotation date, title, address.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force; powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to monitor and schedule AFISC inspection teams and efforts; publish official travel orders for safety and inspection personnel, and count AFISC mandays. This is trusted agent information; access is extremely limited and controlled when inspections are no-notice type. Portions are used to publish periodic rosters of all personnel assigned to AFISC.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained on computer and computer output products, and and on microfiche.

RETRIEVABILITY:

Filed by Name or by Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in safes, locked cabinets or rooms, and controlled by personnel screening and controlled by computer system software.

RETENTION AND DISPOSAL:

Retained for three years and then destroyed by tearing into pieces or erasing tapes/discs.

SYSTEM MANAGER(S) AND ADDRESS:

Office of Scheduling, Air Force Inspection and Safety Center, Norton AFB, CA 92409.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager.

RECORD SOURCE CATEGORIES:

Information obtained from source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F127 AFISC A

SYSTEM NAME:

127 AFISC A Safety Education File

SYSTEM LOCATION:

Air Force Inspection and Safety Center, Norton Air Force Base, CA 92409.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

United States Air Force (USAF) personnel who have received formal safety training.

CATEGORIES OF RECORDS IN THE SYSTEM:

Name, rank, SSN, command of assignment, address, safety course name, class number. Individual training records, letters, memoranda, messages and other material pertaining to training.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to identify and provide a record of USAF personnel who have received formal safety training.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and on computer and computer output products.

RETRIEVABILITY:

Filed by name or Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are controlled by personnel screening, stored in locked cabinets or rooms and controlled by visitor registers.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning or by erasing computer tapes.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Aerospace Safety, Air Force Inspection and Safety Center, Norton Air Force Base, CA 92409.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from educational institutions.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F160 AF SG C

SYSTEM NAME:

160 AF SG C Medical Treatment Facility Tumor Registry

SYSTEM LOCATION:

Air Force medical centers, hospitals, and clinics.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All individuals who were diagnosed as having or were treated for cancer in an armed forces medical treatment facility.

CATEGORIES OF RECORDS IN THE SYSTEM:

Files contain summaries of treatment provided cancer patients, to include tumor board evaluations, comprehensive chronological summaries of care rendered, a locator system, suspense files for required follow-up treatment and/or evaluation.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 55, Medical and Dental Care.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by the military departments for clinical and statistical analysis of designated medical and dental cases, their treatment and results. The files serve as the repository of clinical information relating to individuals evaluated and/or treated in Air Force medical facilities. It is used to conduct statistical analysis and to provide clinical information to other federal medical services, scientific institutions and qualified members of the medical and dental professions (information identifiable by name is released only with permission of the patient). Information may be provided to other hospital tumor registries, physicians, scientific institutions. Information is used by the medical facilities to promote education programs and to develop statistics designed to be used as a basis for developing improved diagnostic and therapeutic standards. Used by the individual physician or scientist to develop and write professional papers, and is used by hospital tumor registries to update their case records as to status and quality of survival of individual patients.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, card files, on computer and computer paper printouts, roll microfilm or microfiche.

RETRIEVABILITY:

Filed by name or Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of record system and by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms and controlled by computer system software.

RETENTION AND DISPOSAL:

Records located at medical facilities are retained in the office files until inactivation of the tumor board or the facility, then forwarded to facility assuming patient responsibility.

SYSTEM MANAGER(S) AND ADDRESS:

Commanders of armed forces medical facilities.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Requests must include full name, Social Security Number of sponsor, accession number.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from medical institutions and from source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F160 AF SG D

SYSTEM NAME:

160 AF SG D Drug Abuse Rehabilitation Report System

SYSTEM LOCATION:

Headquarters United States Air Force and major command headquarters. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notice.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Any active duty military personnel who are confirmed as drug abusers as a result of drug abuse urinalysis testing.

CATEGORIES OF RECORDS IN THE SYSTEM:

File contains Drug Abuse Rehabilitation Reports in Electrical Message Form in which demographic data, urine testing results and abuser disposition are detailed.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Public Law 91-513 as applied to Federal agencies by Section 2b of Executive Order 11599, 17 June 1971, Comprehensive Drug Abuse Prevention and Control Act of 1970.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

At HQ USAF to provide statistical data for required reports to Department of Defense (DOD) and to the Special Action Office on Drug Abuse Prevention, White House; to perform epidemiologic and statistical studies for use in evaluating the effectiveness of Air Force urinalysis testing programs; to provide information for answering congressional inquiries.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and card files.

RETRIEVABILITY:

Filed by Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and are controlled by personnel screening.

RETENTION AND DISPOSAL:

Retained in office files for five years after annual cut-off, then destroyed by tearing into pieces, shredding, pulping, macerating or burning.

SYSTEM MANAGER(S) AND ADDRESS:

The Surgeon General, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from medical institutions.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F160 AFA A

SYSTEM NAME:

160 AFA A Cadet Hospital/Clinic Records

SYSTEM LOCATION:

USAF Academy CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

AF Academy Cadets.

CATEGORIES OF RECORDS IN THE SYSTEM:

Daily roster of cadets hospitalized and report of cadet visits to the cadet clinic.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

(1) Used to notify concerned individuals of status of cadets hospitalized. Information is provided to the Superintendent, Commandant of Cadets and Hospital Commander and staff. The Superintendent receives a daily report of number and status of cadets hospitalized; the Hospital Commander and staff receive a daily report of status of cadets hospitalized; the Commandant and staff receive a daily report of number and status of cadets hospitalized; the Air Officer Commanding receives information in order to notify parents as required when their child is hospitalized more than three days; concerned personnel can note trends in hospitalization in terms of numbers of cadets hospitalized, length of hospital stay, and nature of medical problems being treated. (2) Report of visits to cadet clinics; record the time a cadet enters the clinic, nature of complaint and explanation of excusals and time of departure from the clinic. Distribution of this info is made to Cadet Wing Airmanships Division, Athletics and individual concerned. Cadet Wing Airmanships Division uses it to monitor cadet activity for ground safety program. Athletics uses to monitor excusals from physical education and to evaluate injury rates. The individual uses it to justify time away from classes.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

(1) Records are accessed by the custodian, by person(s) responsible for servicing the record system, and authorized personnel who are properly screened and have a need-to-know. Records are stored in locked cabinets or rooms. (2) Clinic copy is under the direct control of Non-Commissioned Office in Charge (NCOIC) of Administrative Services. Distribution is made only to authorized representatives of Cadet Wing Airmanship Division and Athletics.

RETENTION AND DISPOSAL:

(1) Retained in office files for one year after annual cut-off then destroyed by tearing into pieces, shredding, pulping, macerating, or burning. (2) Retained in office files for three months or until purpose has been served, whichever is sooner; then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Commander, USAF Academy Hospital, USAF Academy, CO 80840.

NOTIFICATION PROCEDURE:

Requests should be addressed to the Registrar, USAF Academy Hospital Cadet Liaison, and should include full name, and date of hospital admission.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from medical institutions, the individual, a physical and/or medical technicians.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F160 DODMERB A

SYSTEM NAME:

160 DODMERB A Department of Defense Medical Examination Review Board Medical Examination Files

SYSTEM LOCATION:

Department of Defense Medical Examination Review Board (DODMERB) US Air Force Academy CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All applicants to the five service academies, the Four Year Reserve Officer Training Corps (ROTC) Scholarship Program, Uniform University of Health Sciences (USUHS), Airman Scholarship Commissioning Program (ASCP), College Scholarship program (CSP), and the Primary Officer Corps (POC) Program of the Air Force ROTC.

CATEGORIES OF RECORDS IN THE SYSTEM:

The record system is maintained in three forms: The original hard copy report of medical examination, report of medical history, narrative summary and any associated civilian forms or tests that may have been accomplished; may also contain personal correspondence between the DODMERB and the applicant and/or parental/guardian consultation concerning applicant's medical history or status; the second portion is microform copy of the hard copy file; the third portion is in computer storage.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 133, Executive department.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

The paper copy is used to determine medical acceptability for one or more of the service academies or the ROTC, USUHS, ASCR, CSP, and/or POC Program for Air Force ROTC. The

microform portion is used for historical retrieval of previous actions; The computer form is used to advise the program managers of initial medical status any update actions on an applicant. Statistical summaries are extracted from the computer bank. Consultations concerning medical conditions may be necessary with parent/guardian to clarify/explain applicant's medical status. Examinations may be accomplished by military medical facilities personnel, civilian contract agents of the government and/or private physicians.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Stored in file folders, microfilm jackets and on computer disks or tapes.

RETRIEVABILITY:

Filed by Name andby Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms and controlled by computer system software.

RETENTION AND DISPOSAL:

Paper copies of records of successful applicants is forwarded to the Academy, ROTC, or USUHS program for which the applicant was accepted; papers copies of records of unsuccessful applicants to these programs are destroyed at the end of the current year cycle; paper copies of records of applicants for ASCP, CSP and POC Program for Air Force ROTC are returned to the appropriate detachment; microfilm copy is kept five years and computer file is kept for two years after current year cycle.

SYSTEM MANAGER(S) AND ADDRESS:

Department of Defense Medical Examination Review Board, US Air Force Academy CO 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from medical institutions.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F176 AA A

SYSTEM NAME:

176 AA A Accounts Receivable

SYSTEM LOCATION:

Office of the Secretary of the Air Force, Washington DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All Air Force employees authorized to use Air Force Mess Number One.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records all charges or purchases by members of Air Force Mess Number One.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to bill members authorized use of the Mess.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in note books/binders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms. Access controlled by Manager and restricted to authorized personnel.

RETENTION AND DISPOSAL:

Records are retained until Official Audit and then destroyed through shredding, macerating, burning, pulping, tearing into pieces.

SYSTEM MANAGER(S) AND ADDRESS:

Administrative Assistant to the Secretary of the Air Force, The Pentagon, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Charges.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F176 AF HC A

SYSTEM NAME:

176 AF HC A Chaplain Fund Service Contract File

SYSTEM LOCATION:

Air Force installations only. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Contracting officers and representatives.

CATEGORIES OF RECORDS IN THE SYSTEM:

Contract between local chaplain fund and an individual for provision of specified services not available through other funds.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Record of terms of contracts.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official

duties. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Chaplains, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from contractor.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F176 AF MP C

SYSTEM NAME:

176 AF MP C Morale, Welfare, and Recreation (MWR) Participation/ Membership/Training Records

SYSTEM LOCATION:

Air Force Military Personnel Center, Randolph Air Force Base, TX 78150; major command headquarters; all levels down to and including Air Force installations.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Active duty and retired military members and their dependents; members of Reserve components while on inactive duty for training and DOD civilians and their dependents; certain other categories for individuals identified by authorized personnel who directly support Air Force mission requirements. Following additional categories apply for specific activities as indicated: Air Force Aero Clubs; Air Force, Army or Naval Academy Cadets; military members of foreign governments on duty with the DOD; members elected to the US Congress or a statutory appointee of the Federal Government; Federal Government employees working on military installations and conducting various recreation programs.

CATEGORIES OF RECORDS IN THE SYSTEM:

Volunteer, membership, attendance, training, and participation/competition records and supporting data relative to Air Force MWR activities.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Determine membership/participation eligibility; maintain patron attendance; conduct contests; monitor training and currency of members; and serve as data base for designing and conducting various recreation programs. Used by personnel responsible for conducting Air Force MWR activities. May be provided to commercial or non-profit concerns conducting activities in support of, similar to, or in furtherance of, the Air Force programs involved.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Paper records in file cabinets.

RETRIEVABILITY:

Filed by name and/or Social Security Number (SSN).

SAFEGUARDS:

Records are maintained in secured buildings. Access is controlled by authorized personnel and limited to those requiring access in the performance of their duties.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning, or surrender to member upon termination, as applicable.

SYSTEM MANAGER(S) AND ADDRESS:

Assistant Deputy Chief of Staff, Manpower and Personnel for Military Personnel (DPMSO), Randolph Air Force Base, TX 78150.

NOTIFICATION PROCEDURE:

Request from individual should be addressed to the Chief, Morale, Welfare, and Recreation Division at the appropriate Air Force installation or the System Manager giving the individual's full name and SSN.

RECORD ACCESS PROCEDURES:

Request from individuals should be addressed to the Chief, Morale, Welfare, and Recreation Division at the appropriate Air Force installation or the System Manager to exercise their rights under the Act. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Individual applications for membership/participation in MWR activities and offices of primary responsibility for MWR activities.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F176 AF MP D

SYSTEM NAME:

176 AF MP D Nonappropriated Funds Standard Payroll System

SYSTEM LOCATION:

Fiscal control offices at Air Force installations, the addresses of which are provided in the Department of Defense Directory in the appendix to the Air Force systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force nonappropriated fund employees.

CATEGORIES OF RECORDS IN THE SYSTEM:

Time and attendance cards; personal payroll data listings and or cards; correspondence; combined payroll checks and employee leave and earnings statements; Federal, state, and city tax reports and or tapes; individual pay and leave records; personnel action forms covering pay changes and deductions.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

The records are used to compute employees' pay entitlements and

deductions and issue payroll checks for amounts due; to withhold amounts due for Federal, state, and city taxes, to remit withholdings to the taxing authorities, and to report earnings and tax collections; and upon request of employees, to deduct specified amounts from earnings for charity, union dues, and for allotments to financial organizations. Users and uses include but are not limited to the following nonappropriated fund employees. Uses include receipt of pay and pay data covering hours worked, entitlements and deductions for taxes, insurance, retirement, union dues, and charity contributions. Records are also available to respond to specific inquiries by employees regarding their pay history. Internal Revenue Service, state and city taxing authorities, which use the records to establish the amount of earnings and tax liability of individual employees and to record remittances of payroll withholdings against tax liabilities. State employment agencies use the information to determine eligibility for unemployment compensation. Office of Personnel Management uses the records for personnel management functions. Director, Non Appropriated Fund Personnel, Air Force Manpower and Personnel Center, Randolph Air Force Base, TX, uses the records to monitor and manage employee group life and health insurance and retirement programs. Financial organizations, employee unions, and community fund charitable organizations use the records to credit remittances to accounts of members or contributions from deduction records provided each organization.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, card files, on computer and computer output products.

RETRIEVABILITY:

Filed by name and/or Social Security Number.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets and safes, protected by guards, and controlled by personnel screening, visitor registers and computer system software.

RETENTION AND DISPOSAL:

Retained in office files for two years after annual cut-off, then destoyed by tearing into pieces, shredding, pulping, macerating, or burning. Exception: records pertaining to tax data are retained for four years rather than two.

SYSTEM MANAGER(S) AND ADDRESS:

Comptroller of the Air Force, Headquarters United States Air Force. Assistant Comptroller for Non Appropriated Funds at Air Force installations.

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from documentation managers at the applicable Air Force component listed in the Department of Defense Directory in the appendix to the Air Force systems notices. The local Fiscal Control Officer (FCO) maintains the record system at installation level. Requester should be able to provide sufficient proof of identity such as name, Social Security Number, place of employment or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/RMAD, Denver, CO 80279, telephone (303) 825-1161, extension 6341. Information pertaining to geographically dispersed elements of the record system may be obtained from documentation managers at the applicable Air Force component listed in the Department of Defense Directory in the appendix to the Air Force systems notices. The local FCO maintains the record system at installation level. Requester should be able to provide sufficient proof of identity such as name, Social Security Number, place of employment or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information is obtained from source documents originating from Civilian Personnel Offices at Air Force installations.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AF AFC A

SYSTEM NAME:

177 AF AFC A Accounts Receivable Records Maintained by Accounting & Finance

SYSTEM LOCATION:

Accounting and Finance Offices at Air Force bases, Air National Guard activities and Air Force Reserve units. Mailing addresses are in the appendix to the Air Force's systems notices. Denver Federal Archives and Record Center, Bldg 48, Denver Federal Center, Denver, CO 80225.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Active duty and retired military personnel, Air Force civilian employees and former employees, Air Force Reserve and Air National Guard personnel, Union or Association management personnel, contracting officers and representatives, Air Force Academy cadets, dependents of military personnel, Foreign Nationals residing in the United States, American Red Cross personnel, Peace Corps and State Department personnel, Exchange Officers, and other individuals who may be indebted to the Air Force.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records maintained by the system include but are not limited to documentation pertaining to telephone bills, utility bills, check issue discrepancies, dishonored checks, postal fund losses, reports of survey, freight losses in shipments, involuntary collections, erroneous payments, property losses and damages, administratively ascertained indebtedness of airmen, withholding for subsistence and other supplies, losses of funds, government losses in shipments, unauthorized allotment payments, setoff of final pay, detentions of pay by reason of courts martial or forfiture or fines documentation.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 USC 5512-5514, Withholding pay; 10 USC 856, Article 56 (UCMJ) Maximum levels; 9832, Property accountability: regulations; 9837(b), Settlement of accounts: deductions from pay; and 9840, Final settlement of officer's accounts; 31 USC 71, Public accounts to be settled in the General Accounting Office; 82(a), Listing of persons receiving periodic payments; vouchers; 95, Settlement of accounts of Army officers; 492(a)-(c), Disbursing Officers; 37 USC 1007(b),(e),(f),(g), Deductions from pay; 40 USC Chapter 15 - Government Losses

in Shipment; 49 USC 1 et. Seq., Transportation.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Records are used to support customer billings and collections. Recipients of information from the record system include, but are not limited to, credit bureaus (for credit investigations); Internal Revenue Service (for determination of tax liabilities); Veterans Administration (for its administration of laws pertaining to veterans' benefits); correspondence with all of the above and their dependents and survivors.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, in note books/binders, in visible file binders/cabinets, in card files and on computer magnetic tapes.

RETRIEVABILITY:

Filed by name, Social Security Number (SSN), Military Service Number or Civilian Payroll Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets or locked cabinets or rooms, protected by guards, and controlled by personnel screening and by visitor registers.

RETENTION AND DISPOSAL:

Retention is for up to five years or until discrepancies are cleared. Destruction is accomplished by tearing, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Accounting and Finance USAF; Accounting and Finance Officers at Air Force installations.

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Denver CO 80279, telephone (303) 370-7553. Information pertaining to geographically dispersed elements of the record system may be obtained from Documentation Managers at the applicable Air Force component listed in the Department of Defense directory to the Air Force systems notices. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, service number, military status, duty station or place of employment, or other information which may be verified from the record itself.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/DAD, Denver CO 80279, telephone (303) 370-7553. Information pertaining to geographically dispersed elements of the record system may be obtained from Documentation Managers at the applicable Air Force component listed in the Department of Defense directory to the Air Force systems notices. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, service number, military status, duty station or place of employment, or other information which may be verified from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers, financial institutions, educational institutions, medical institutions, trade associations, police and investigating officers, the bureau of motor vehicles, state or local governments, international organizations, corporations, witnesses, source documents such as reports, charges and invoices from other Air Force and Department of Defense components at Headquarters, major command and base levels; Internal Revenue Service; Social Security Administration; and Veteran's Administration.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AF AFC B

SYSTEM NAME:

177 AF AFC B Travel Records

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Lowry Air Force Base, Denver, CO 80279; accounting and finance offices at Air Force bases the addresses of which are listed in the Department of Defense directory in the appendix to the Air Force systems notices; Denver Federal Archives and Records Center, Denver Federal Center, Bldg 48, Denver, CO, 80225.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Active duty and retired Air Force military personnel, Air Force civilian employees and former employees, Air Force Reserve and Air National Guard personnel, Air Force Academy nominees/applicants/cadets, Senior and Junior Air Force Reserve Officers, Dependents of military personnel, Foreign Nationals residing in the United States, Exchange Officers, and any other individual in receipt of competent travel orders.

CATEGORIES OF RECORDS IN THE SYSTEM:

Documents include but are not limited to travel vouchers and subvouchers; travel allowance payment lists; travel voucher or subvoucher continuation sheets; vouchers and claims for dependent travel and dislocation or trailer allowance; certificate of nonavailability government quarters and mess; multiple travel payments list; travel payment card; requests for fiscal information concerning transportation requests, bills of lading, and meal tickets; public vouchers for fees and mileage of witnesses; claims for reimbursement for expenditures on official business; claims for fees and mileage of witness; certifications for travel under classified orders; travel card envelopes; statements of adverse effect-utilization of government facilities; and related correspondence.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

37 USC 404-412, Travel and transportation allowances; 5 USC 2105, Employee; 2106, Member of Congress; 5561, Definitions; 5564,Travel and transportation; 5701-5708, Travel and Subsistence Expenses; 5721-5730, Travel and Transportation Expenses; and 5742, Transportation of remains.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to pay travel entitlements and supporting the payment of travel entitlements to military and civilian personnel. Uses made of the records by the paying Accounting and Finance Office, other Air Force and Dept of Defense components include but are not limited to the following: payment of advances; payment of per diem at temporary duty stations; settlement payments upon completion of travel; payment of mileage upon separation or release from active duty; consolidation

of payments; payment of dependents: travel; payment of dislocation or trailer allowance; to support a traveler's entitlement to a specific rate of per diem; to list multiple payments for travel and temporary duty performed under like conditions and circumstances; as a control record of all travel payments made to an individual; to query the United States Army Finance and Accounting Center for information contained on transportation requests, bills of lading, and meal tickets; payment of fees and allowances to civilian witnesses who are not U.S. Government employees; payment of expenses incurred within and around duty stations; supports the travel voucher in lieu of classified orders; updates leave records. Other users and specific uses made by them include but are not limited to Accounting and Finance Officers, who use travel records to pay travel entitlements to military and civilian personnel who perform official travel; traffic management Officers, who use travel orders to support the issuance of transportation requests and to support the movement of household goods or house trailer; Internal Revenue Service, which receives and records information concerning the payment of travel allowances which are subject to federal income tax; General Accounting Office (GAO), which uses travel records for auditing activities and for the settlement of questionable travel claims.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, note books/binders, visible file binders/cabinets, card files, and at Aeronautical Systems Division (AFSC), Wright-Patterson Air Force Base, OH, Sacramento Air Logistics Center (AFLC), and McClellan Air Force Base, CA, on computer magnetic tape, disks and printouts.

RETRIEVABILITY:

Filed by name and Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, safes, vaults, and locked cabinets or rooms. Records are controlled by personnel screening and by visitor registers, and by computer software in the case of machine readable records.

RETENTION AND DISPOSAL:

The original voucher and related supporting documents are stored at the Air Force Accounting and Finance Center, Denver, CO, for 18 months and then moved to the Denver Federal Archives and Records Center for 4 years and 9 months after which they are shredded. Copies of the original voucher and related supporting documents are maintained by field accounting and finance offices for 3 years and then destroyed by burning, shredding, tearing, pulping or macerating. Computer tapes are destroyed by overwriting 90 days after member or employee is transferred.

SYSTEM MANAGER(S) AND ADDRESS:

Director Accounting and Finance United States Air Force. At base level the System Manager is the local Accounting and Finance Officer.

NOTIFICATION PROCEDURE:

Information may be obtained from AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. Requester should be able to provide sufficient proof of identity, such as name, Social Security Number, duty station, place of employment, and specify the accounting and disbursing station number, voucher number, date of voucher, or other information verifiable in the record itself.

RECORD ACCESS PROCEDURES:

Request from individuals should be addressed to AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. Requester should be able to provide sufficient proof of identity, such as name, Social Security Number, duty station, place of employment, and specify the accounting and disbursing station number, voucher number, date of voucher, or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information is acquired from but not limited to the individual traveler; related voucher documents such as those described above in the description of categories of records; Office of the Judge Advocate; the Comptroller; General Accounting Office; Congress; Accounting and Finance Officers; Traffic Management Officers; Consolidated Base Personnel Officers; the Air Force Accounting and Finance Center; and other Air Force and Department of Defense components.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AF AFC C

SYSTEM NAME:

177 AF AFC C Air Reserve Pay and Allowance System (ARPAS)

SYSTEM LOCATION:

Primary system location: Air Force Accounting and Finance Center, Lowry Air Force Base CO 80279; decentralized supporting segments are located at: Air Force Manpower and Personnel Center, Randolph Air Force Base, TX 78150; Air Reserve Personnel Center, Denver, CO 80280; National Personnel Records Center, Military Personnel Records, 9700 Page Boulevard, St. Louis, MO 63132; Air National Guard activities and air Force Reserve units; Accounting and Finance Offices at Air Force bases Servicing individual Air Reserve Forces members; Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices; Denver Federal Archives and Record Center, Bldg 48, Denver Federal Center, Denver, CO 80225; and Records Center Annex GSA, P.O. Box 141, Neosho, MO 64850 (system backup storage).

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Active Air Reserve Forces members in a military pay status and dependents of military personnel except Air Reserve Forces members on extended active duty and members of the Air Force Reserve Officer Training Corps.

CATEGORIES OF RECORDS IN THE SYSTEM:

Military pay account computer records and supporting documentations relating to Air Reserve Forces military pay and allowance entitlements, deductions, and collections. Military pay computer records, including but not limited to, master individual pay account files (containing essential check and member identification data, military pay entitlement and allowance data, accounting data, tax withholding rate and amount data, collection and indebtedness data, and performance data); wage and tax withholding records; records of Air Reserve Forces calendar day performance; check issue, control and cancellations records; transaction input, system reject, and

system recycle records; disbursement and collection report records; accounting report records; and other generated records supporting, substantiating, or authorizing Air Reserve Forces military pay and allowance entitlement, deduction, or collection actions. Military pay documentation records include, but are not limited to, travel orders, requests and performance records; active military duty performance records; statements of tours or performance of military duty; payroll attendance lists and rosters; document records establishing, supporting, reducing, or cancelling entitlements to basic pay; special compensations (such as medical, dental, veterinary, and optometry); special pays (such as foreign duty, hostile fire); allowances (such as basic allowance for subsistence, basic allowance for quarters, family separations, clothing maintenance and monetary allowances); incentive pays; and other entitlements in accordance with the Department of Defense Pay and Allowance Entitlement Manual; certificates and statements changing address, name, military assignment, and other individual data necessary to identify and provide accurate and timely Air Reserve Forces military pay and performance credit; allotment start, stop, or change records; declarations of benefits and waivers; military pay and personnel orders; medical certifications and determinations; death and disability documents; check issuing and cancellation records and schedules; payroll vouchers; money lists and accounting records; pay adjustment authorization records; system input certifications; member indebtedness and tax levy documentation; earnings statements; employees wage and tax reports and statements; casual payment authorization and control logs; punch card transcripts; and other documentation supporting, authorizing, or substantiating Air Reserve Forces military pay and allowance entitlement, deduction, or collection. Inquiry files, sundry lists, reports, letters, correspondence, and rosters including, but not limited to, Congressional inquiries, Internal Revenue Service notices and reports, state tax and insurance reports, Social Security Administration reports, Veterans Administration reports, inter-Department of Defense requests, treasury reports, and health education and institution inquiries.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Title 37 USC, Pay and Allowances of the Uniformed Services.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to ensure accurate and timely military pay and allowances to supported Air Reserve Forces members; provide timely, complete master individual pay account review; document and account for Air Reserve Force military pay and allowance disbursements and collections; and provide account inquiry research response capability. Records are used to determine net military pay and allowances check issues to Air Reserve Force members; or payment to a Financial organization through Direct Deposit/Electronic Fund Transfer Program; to verify and account for system input transactions; to identify, correct, and collect overpayments; to establish, control, and collect member collection and indebtedness notices and levies; to maintain complete accounting records for Air Reserve Forces military pay and allowance disbursements, collections, refunds, and reimbursement actions; and to provide internal and external managers with statistical and monetary reports. Other users and uses include, but are not limited to, record transfers to components of the Department of Defense for system transaction validity and accuracy audit, accounting, and documentation utilization; other federal agencies such as the Internal Revenue Service for wage and tax withholding reporting, accounting, tax audits or levies; Social Security Administration for wage and tax withholding reporting, accounting, or tax audit; Office of Personnel Management for personnel management functions; Veterans Administration for compensation and waiver reporting and audits, life insurance accounting, disbursement and benefit determinations; or local Governmental agencies for reports and accounting utilization; state and local governments for tax and welfare information; educational institutions for verifying scholarship qualifications and performance; charitable institutions and military associations to render recognition for meritorious service; and financial institutions for deposits (checks to banks) and credit references. Pay data is released to computer and accounting service centers upon request of financial organizations designated by individuals to receive money due them. Pay data is also released to Federal Reserve Banks under procedures specified in 31 CFR 210 for Federal recurring payments by means other than by checks. The American Red Cross and Air Force Aid Society use this information to determine needs of a member of his or her dependents in emergency situations.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, note books/binders, card files, on computer and computer output products, and microform.

RETRIEVABILITY:

Filed by name and Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets/safes/vaults, protected by guards, and controlled by personnel screening, visitor registers and computer system software requiring special random input entry identifiers.

RETENTION AND DISPOSAL:

The system contains differing types of records subject to varied retention of from 6 months to 56 years. Records are retired to the Denver Federal Archives and Record Center, and also are stored at the Records Center annex GSA at Neosho, MO for backup storage. Final destruction of records is by shredding.

SYSTEM MANAGER(S) AND ADDRESS:

Director Accounting and Finance, United States Air Force (USAF); managers for geographically dispersed supporting elements to the system are Chief of Air Force Reserve, Headquarters United States Air Force; Director of Air National Guard, Headquarters United States Air Force, Accounting and Finance Officers, Consolidated Base Personnel Officers, Air National Guard Base Comptrollers, Consolidated Reserve Personnel Officers, ARPAS Payroll Officers, and designated representatives thereof.

NOTIFICATION PROCEDURE:

Information as to whether the record system contains Information on an individual may be obtained from AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. Information pertaining to geographically dispersed elements of the record system may be obtained from Documentation Managers at the applicable Air Force component listed in the Department of Defense Directory in

the appendix to the Air Force systems notices. Requesters should be able to provide sufficient proof of identity, such as name, Social Security Number, military status, last Air Reserve Forces unit of assignment, duty status or place of employment, or other information verifiable from the system record itself.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. Information pertaining to geographically dispersed elements of the record system may be obtained from Documentation Managers at the Air Force component listed in the Department of Defense Directory in the appendix to the Air Force systems notices. Requesters should be able to provide sufficient proof of identity, such as name, Social Security Number, military status, last Air Reserve Force unit of assignment, duty status, or place of employment, or other information verifiable from the system record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Record system sources for information include, but are not limited to: Headquarters USAF, Air Force major commands and Air Force installations, Consolidated Base Personnel Offices and Consolidated Reserve Personnel Offices, Air National Guard Base Comptrollers, ARPAS Payroll Offices, other DOD components; the Internal Revenue Service, Social Security Administration, Veterans Administration, and other federal agencies; financial institutions, educational institutions, medical institutions, automated system interfaces, and state and local agencies.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AF AFC D

SYSTEM NAME:

177 AF AFC D Joint Uniform Military Pay System (JUMPS)

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Denver, CO 80279. Air Force Manpower and Personnel Center, Randolph Air Force Base, TX 78150. consolidated base personnel offices at Air Force installations. accounting and finance offices at Air Force bases. At Air Force Data Systems Design Center, Gunter Air Force Station, AL 36114 (for research and test only), Denver Federal Archives and Records Center, Denver, CO 80225 (storage), Records Center Annex GSA, PO Box 141, Neosho, MO 64850 (back-up storage). Information pertaining to geographically dispersed elements of the record system (CBPO's and AFO's) may be obtained from Documentation Managers at the applicable Air Force component listed in the Department of Defense Directory in the appendix to the Air Force system notice.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty military personnel and dependents, retired and separated Air Force military personnel, officers of the Air Reserve and Air National Guard on extended active duty, officers and airmen of the Air Reserve and Air National Guard on active duty where strength accountability remains with the reserve component, and individuals to whom active duty military personnel authorize a direct payment of a portion of their pay.

CATEGORIES OF RECORDS IN THE SYSTEM:

Military pay records and files including but not limited to; master military pay accounts, immediate access storage, six-months history, leave and earnings statements, federal insurance contribution act tax and federal income tax withholding pay authorization control files, central pay authorization file, deferred transaction file, reject suspense file and daily transaction record. Military pay supporting documents and vouchers including but not limited to basic pay; special compensation positions such as medical, dental, veterinary and optometry; special pay such as foreign duty, proficiency, hostile fire and diving duty; status adjustments relating to entrance on active duty, absent-without-leave, confinement, desertion, sick or injured, leave, mentally incompetent, missing, interned, permanent change of station, promotions and demotions; separation, reenlistment bonus; incentive pay such as flying duty, stress duty, demolition duty, parachute jumping duty and submarine duty; allowances, such as basic allowance for subsistence, basic allowance for quarters, family separation allowances, overseas station allowances, clothing monetary allowance; separation payments, death gratuities, time-in-service; allotments of pay; checks-to-banks; federal and state withholding taxes; court-martial sentences and non-judicial punishment; indebtedness resulting from but not limited to overpayment of pay and allowances and allotments, other debts to United States, certain non-government debts, and correspondence pertaining to all of the above. Inquiries files, personal financial records and sundry lists, reports and rosters including but not limited to Internal Revenue reports, state tax reports, Veterans Administration reports, Social Security Administration reports, and Treasury reports.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Title 37 USC, Pay and Allowances of the Uniformed Services; 10 USC 265, Policies and regulations: participation of Reserve officers in preparation and administration; 8033, Reserve components of the Air Force; policies and functions for government of: functions of National Guard Bureau with respect to Air National Guard; 8496, Air National Guard of the United States: commissioned officers; duty in; 9837(d), Settlement of accounts: deductions from pay; 32 USC 708, Property and fiscal officers.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to pay members of the Air Force, to their checking and savings accounts, and their allotments either directly to financial institutions or through Direct Deposit/Electronic Fund Transfer Program, provide members periodic comprehensive statements of their accounts, and to respond to inquiries concerning their accounts at any time. US Air Force components such as Headquarters, Air Force Accounting and Finance Center, Major Commands and Air Force installations use these records to determine pay due military members, to verify pay affecting information, to collect overpayments made to military members, to provide accrual accounting for each covered entitlement of military pay and allowances, and to provide fund manager reports, internal manager reports and external reports. Other users include but are not limited to other components of Department of Defense such as Army and Navy which may pay Air Force members and initiate claims; other federal agencies such as the Internal Revenue Service for tax information on members, Social Security Administration for information regarding Federal Insurance Contribution Act tax deducted from members, Veterans Administration for

information regarding premiums on serviceman's group life insurance, state and local governments for tax and welfare information, insurance companies for allotments made to them by military members, financial institutions for deposits (checks-to-banks) and/or payments, the American Red Cross and the Air Force Aid Society. American Red Cross uses this information to determine needs of a member or his dependents in emergency situations. The Air Force Aid Society uses this information to determine needs of a member or his dependents in emergency situations and for verification of loan applications. The name, rank and Social Security Number of each member of the Armed Services on active duty may be disclosed as a routine use to the Department of Health and Human Services (DHHS). This information shall be extracted from systems of records used for making payment to military personnel on active duty. This information may be sumbitted to the Inspector General of DHHS upon request of that department only for comparison with appropriate rolls reflecting recipients of Aid to Families with Dependent Children (AFDC).

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, note books, binders; visible file binders, cabinets, card files, computer magnetic tapes and computer paper printouts, and on roll mircrofilm and microfiche.

RETRIEVABILITY:

Filed by name, Social Security Number (SSN), or Military Service Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers, cabinets, locked cabinets or rooms, protected by guards, and controlled by personnel screening, visitor registers and computer system software.

RETENTION AND DISPOSAL:

Local retention varies from 3 to 6 years. After that time, records are either destroyed by tearing, shredding, pulping, macerating or burning or transferred by the Air Force Accounting and Finance Center to the Denver Federal Archives and Records Center for varying retention periods up to 56 years. Destroyed by shredding. Back-up records for emergency reconstruction in the event of primary record destruction are retained by the Federal Records Center Annex GSA at Neosho MO. Destruction is by shredding.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Accounting and Finance, United States Air Force.

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Lowry Air Force Base, Denver, CO, 80279, telephone (303) 370-7553. Information pertaining to geographically dispersed elements of the record system may be obtained from Documentation Managers at the applicable Air Force component listed in the Department of Defense Directory in the appendix to the Air Force's systems notices. Requester should be able to provide sufficient proof of identity, such as name, Social Security Number, military status, duty status or place of employment or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Request from individuals should be addressed to AFAFC/DAD, Lowry Air Force Base, Denver, CO, 80279 Denver, CO, 80279, telephone (303) 370-7553. the record system may be obtained from Documentation Managers at the applicable Air Force component listed in the Department of Defense Directory in the appendix to the Air Force system notice. Requester should be able to provide sufficient proof of identity, such as name, Social Security Number, military status, duty status or place of employment or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from financial institutions, automated system interfaces, a state or local government, source documents such as reports, military pay information originating from telephone inquiries telegraph messages and correspondence information from federal agencies and other DOD components and information from Air Force installations, Major Commands and USAF Headquarters.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AF AFC E

SYSTEM NAME:

177 AF AFC E Reports of Survey

SYSTEM LOCATION:

At Air Force Accounting and Finance Center Lowry Air Force Base, Denver CO 80279, Headquarters, of the United States Air Force, major commands and major subordinate commands and Air Force installations. Mailing addresses are listed in the directory following the systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty and retired officer and enlisted personnel, present and former Air Force civilian employees, Air Force Reserve and Air National Guard personnel, Air Force Academy cadets, and Exchange Officers.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records include but are not limited to documentation of facts developed and liability ascertained pertaining to loss of, or damage to, Air Force owned or controlled property. Records are reports of survey; government property lost, damaged (GPLD) survey certificate; reports of survey register, survey officers' reports of investigation, depositions, affidavits, exhibits such as appraisals, reports, record copies, records of property maintenance, historical and other inspection reports, procurement records, security forces investigation reports, fire department and community and state police reports, and Judge Advocate General opinions.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 9832, Property accountability; regulations; and 9835, Reports of survey; 37 USC 1007, Deductions from pay; 32 USC 710, Reports of survey.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to determine responsibility and pecuniary liability and to adjust accountability for the loss, damage, or destruction of public property under Air Force control. Users include but are not limited to: Department of Defense and Air Force components; other federal agencies, such as Department of Justice for criminal prosecution, civil litigation, or investigations; the and the Internal Revenue Service for tax determinations resulting from Air Force adjudications of

pecuniary responsibility; the Office of Personnel Management for personnel management functions. The report of survey is used to record and present facts in support of a determination of pecuniary liability and to serve as, or support, a property adjustment voucher. The GPLD Survey certificate is used to authorize adjustment of property records of government property when a report of survey is not required. The facts recorded may be used in establishing cause of loss or damage to private or government property.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, in note books/binders, in visible file binders/cabinets, in card files.

RETRIEVABILITY:

Filed by other identification number or system identifier. Conventional indices are keyed to name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, in safes, vaults, locked cabinets or rooms. Records are protected by guards. Records are controlled by personnel screening and by visitor registers. Files are given the same protection as the property accountability records with which they are associated.

RETENTION AND DISPOSAL:

Files are destroyed three years after final action if pecuniary liability is not assessed, and three years after collection or ten years after final action, whichever is sooner. Destruction is by shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Accounting and Finance, United States Air Force.

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Denver, CO 80279, telephone (303) 370-7553. Information pertaining to geographically dispersed elements of the record system may be obtained from the documentation manager at the applicable Air Force component listed in the Department of Defense directory in the appendix to the Air Force systems notices. Requester must present sufficient proof of identity, such as full name, Social Security Number (SSN), military or civilian status and grade, and approximate date and location of incident involving report of survey or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Requests should be addressed to AFAFC/DAD, Denver, CO 80279, telephone (303) 370-7553. Requester must present sufficient proof of identity, such as full name, SSN, military or civilian status and grade, and approximate date and location of incident involving report of survey or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from police and investigating officers, the public media, the bureau of motor vehicles, a state or local government, an international organization, a corporation, witnesses, or source documents such as reports from Air Force property records.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AF AFC F

SYSTEM NAME:

177 AF AFC F Civilian Pay Records.

SYSTEM LOCATION:

Accounting and Finance Offices at Air Force bases; Air Force Reserve units and Air National Guard Activities. Addresses are in the appendix to the Air Force's systems notices. Addresses of geographically dispersed units may be obtained by reference to Air Force components listed in the Department of Defense directory in the appendix to the Air Force notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force civilian employees.

CATEGORIES OF RECORDS IN THE SYSTEM:

Individual pay records; Individual leave records; source documents for posting leave and attendance; individual retirement deduction records; source documents maintained in connection with retirement deduction records and control files thereon; wage and separation information files; health benefit records; income tax withholding records; allowance and differential eligibility files, such as, but not limited to clothing allowances and night rate differentials; withholding and deduction authorization files, such as, but not limited to federal income tax withholding, insurance and retirement deductions; accounting document files; input data posting media, such as, but not limited to time and attendance cards and reports and personnel actions affecting pay; accounting and statistical reports and computer edit listings; claims and waivers affecting pay; control logs and collection/disbursement vouchers; listings for administrative purposes, such as, but not limited to health insurance, life insurance, bonds, locator files and checks to financial institutions; correspondence with the Civilian Personnel Office, dependents, attorneys, survivors, insurance companies, financial institutions, other governmental agencies and others; leave and earnings statements; travel records; and separation documents; official correspondence; federal, state and tax reports and/or tapes; forms covering pay changes and deductions, and documentation pertaining to garnishment of wages.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 U.S.C. Chapters 53, 55 and 81.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

The records are used to accurately compute individual employee's pay entitlements and to withhold required and authorized deductions and issue payroll checks for amounts due. Output products are forwarded as required to other subject matter areas to ensure accurate accounting and recording of pay to civilian employees. These records and related products are also used to verify and balance in the civilian pay office and other applicable subject matter areas and to report information to recipients, other government, and nongovernment agencies. Such recipients and agencies include, but are not limited to, the individual employee; banks which credit the employee's account if the employee has requested his check to be sent to the bank; financial organizations which credit the employee's account if the employee has requested a savings allotment; other approved organizations which an employee has designated for an allotment; computer and accounting

service centers upon request of financial organizations designated by individuals to receive monies due them; Federal Reserve Banks under procedures specified in 31 CFR 210 for health benefit carriers to ensure proper credit for the employee authorized health benefit deductions; employee organizations for which the employee has requested a dues deduction (reasons for nondeduction of dues will be benefit deductions; disclosed to officials of labor organizations recognized under Executive Orders 11636 and 11491, as amended, when relevant and necessary to their duties of exclusive representation concerning personnel policies, practices and matters affecting working conditions (including disclosure of reasons for nondeduction of dues, if applicable); the US Treasury, which maintains cash accountability; the Internal Revenue Service for recording withholding and social security information; the Social Security Administration and Office of Personnel Management which credits the employee's account for Federal Insurance Contributions Act or Civil Service Retirement withheld; State revenue departments which credit employee's state tax withholding; State employment agencies which require wage information to determine eligibility for unemployment compensation benefits of former employees; city revenue departments of appropriate cities which credit employees for city tax withheld; any agency or component thereof that needs the information for proper accounting of funds, such as, but not limited to, for-others listings; Office of Personnel Management for assistance in resolving complaints, grievances, etc. Information is also supplied to the Office of Personnel Management for computation of Civil service retirement annuity. Records are also used for extraction or compilation of data and reports for management studies and statistical analyses for use internally or externally as required by the Department of Defense or other Government agencies.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, in note books/binders, in visible file binders/cabinets, in card files, on computer and on computer output products, on roll microfilm, on microfiche, and in microfilm jackets.

RETRIEVABILITY:

Filed by name, Social Security Number (SSN), Civilian Payroll Number, Vehicle Registration or License Number, or other identification number or system identifier.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms, protected by guards, and controlled by personnel screening, visitor registers, and computer system software.

RETENTION AND DISPOSAL:

Records are retained for periods ranging up to 56 years.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Accounting and Finance United States Air Force (USAF); and commanders of Air Force installations.

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Lowry AFB, Denver, CO 80279 telephone (303) 320-7553. Information pertaining to geographically dispersed elements of the record system maybe obtained from Documentation Managers at the applicable Air Force component listed in the Department of Defense directory in the appendix to Air Force system notices. Requester should be able to provide sufficient proof of identity, such as name, Social Security Number, drivers license, civilian identity card, duty station or place of employment or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/DAD, Lowry AFB, Denver, CO 80279, telephone (303) 320-7553. Information pertaining to geographically dispersed elements of the record system maybe obtained from Documentation Managers at the applicable Air Force component listed in the Department of Defense directory in the Air Force system notices. Requester should be able to provide sufficient proof of identity, such as name, Social Security Number, drivers license, civilian identity card, duty station or place of employment, or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers, financial institutions, medical institutions, automated system interfaces, state or local governments, from source documents such as reports, and from other Department of Defense components and other federal agencies such as, but not limited to Social Security Administration, Internal Revenue Service, State Revenue Departments, Department of the Army, Navy or State Department. Correspondence with attorneys, dependents, survivors or guardians may also furnish data for the system.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AFA A

SYSTEM NAME:

177 AFA A Cadet Accounting and Finance System.

SYSTEM LOCATION:

United States Air Force Academy, USAF Academy CO 80840. Air Force Accounting and Finance Center, Denver, CO 80279.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force Academy Cadets.

CATEGORIES OF RECORDS IN THE SYSTEM:

Individual computerized files containing pay data for all USAF Academy Cadets including Establishment/Change in Personal Checking Account, Monthly Report of Contingency Fund Status, Contingency Fund Loan Request, Cadet Pay Order, Document Control Log, Recapitulation of Cadet Pay Account, Cadet Pay Authorization, Cadet Pay Monthly Statement, Cadet Pay Record, Payment/Collection Vouchers, Separation Control Log, Electronic Data Processing Sheets, Microfilm File, Cadet Pay Disk File, Quarterly FICA Report, Transmittal Letter.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 903, United States Air Force Academy and 37 USC 201, Pay grade: assignment to; general rules.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

This system is used to accumulate cadet pay entitlements (basic pay and subsistence), deductions (federal tax, social security, insurance premiums) in order to properly monitor the payments disbursed to the Air Force Cadet Wing (TAFCW). The information is used to determine the correct monthly net pay to be disbursed to each cadet and to charge the cadets for clothing issues and other services from authorized Academy sources. Information is used teo prepare Forms W2 for the Intrnal Revenue Service, report deductions for the Federal Insurance Contribution Act to the Social Security Administration, prepare Standard Form 1049 for release of tax information to the states and to report all expenditures to charges from authorized USAF Academy sources, and the reporting of all expenditures to the Air the Air Force Accounting and Finance Center.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, in visible file binders/cabinets, in card files, on computer and computer output products, and on roll microform.

RETRIEVABILITY:

By Cadet Number or Social Security Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms and in computer storage devices protected by computer system software.

RETENTION AND DISPOSAL:

The original copy of Cadet Pay Record, Cadet Pay Order, Substantiating Pay Documents and Transmittal Letter are forwarded to AFAFC, Denver, CO 80279. Copies of of Cadet Pay Orders are retained one year after annual cutoff in current files area and then destroyed. Document Control Records are destroyed 90 days after close of FY to which they pertain. W-2 listings, quarterly FICA reports and CPITF interest distribution records are retained by Cadet Pay Section six years after CY to which they pertain. Audit registers are destroyed after one academic year. Financial statements, schedules and supporting data is destroyed after 4 years. Pay inquiries are destroyed after two years.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Accounting and Finance, United States Air Force Academy, Colorado, 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AFAFC A

SYSTEM NAME:

177 AFAFC A Accounting and Finance Officer Accounts and Substantiating Documents

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Lowry Air Force Base, Denver, CO 80279. Denver Federal Archives and Records Center, Bldg 48, Denver Federal Center, Denver, CO 80225.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty and retired military personnel and other allotees, Air Force Reserve and Air National Guard personnel, civilian personnel employed at or paid by AF Installations.

CATEGORIES OF RECORDS IN THE SYSTEM:

Individual military pay records; substantiating documents, such as certificates for deductions and retained military pay orders, records of travel payments, financial record data folders, miscellaneous military vouchers and statements, copies of morning or strength reports and personal financial records.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

31 USC 67(b), Retention by executive agencies...of accounts of accountable officers, contracts, vouchers or other documents.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

The system serves as a repository from which information may be retrieved to support claims for or against the government. The categories of users and uses are federal agencies including, but not limited to, the Federal Bureau of Investigation; Internal Revenue Service; and the Office of Personnel Management. Also used by state, local and city governments to substantiate pay, eligibility for welfare and unemployment; for personnel management functions; the general public for garnishment of pay, employment purposes.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and note books/binders, on computer an computer output products and in microform.

RETRIEVABILITY:

Filed by name, Social Security Number (SSN) or Military Service Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms, protected by guards and controlled by personnel screening.

RETENTION AND DISPOSAL:

Records are stored at Air Force Accounting and Finance Center, updated and accessible for 18 months after receipt from Air Force Accounting and Finance Officers world-wide; then retired to the Denver Federal Archives and Records Center where they are retained for a period of 4 years, 9 months. Destruction is accomplished by sale to a salvage company for shredding.

SYSTEM MANAGER(S) AND ADDRESS:

Comptroller of the Air Force, Headquarters United States Air Force and Director Accounting and Finance United States Air Force.

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an

individual may be obtained from AFAFC/DAD Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. Requester should be able to provide sufficient proof of identity, such as name, Social Security number, duty station, place of employment or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/DAD Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. Requester should be able to provide sufficient proof of identity, such as name, Social Security number, duty station, place of employment or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information from Air Force Accounting and Finance Officers.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AFAFC B

SYSTEM NAME:

177 AFAFC B Accrued Military Pay System, Discontinued

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Lowry Air Force Base, Denver, CO 80279, and at Denver Federal Archives and Record Center Bldg 48 Denver Federal Center, Denver, CO 80225 (back-up storage).

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty and retired military personnel, and separated Air Force Personnel Officers of Air Reserve and Air National Guard on extended active duty.

CATEGORIES OF RECORDS IN THE SYSTEM:

Military pay records and related documentation including but not limited to monthly and cumulative six-months histories of pay transactions, wage and tax data, Uniformed Services Savings Deposit Program Records and Federal Insurance Contribution Act tax data contained on hard coy and/or microfilm. Military pay supporting documents and vouchers including but not limited to basic pay, special compensation positions, special pay, status adjustments, separation, reenlistment, reenlistment bonus, incentive pay, allowances, death gratuities, allotments of pay, court-martial sentences, indebtedness, and correspondence pertaining to all of the above. Sundry lists, reports and rosters including but not limited to Internal Revenue reports, Social Security reports, Veterans Administration reports and Treasury reports.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Title 37 USC, Pay and Allowances of the Uniformed Services; 10 USC 265, Policies and regulations: participation of Reserve officers in preparation and administration; 8033, Reserve components of Air Force: policies and regulations for government of: functions of National Guard Bureau with respect to Air National Guard; 8496, Air National Guard of the United States: commissioned officers; duty in National Guard Bureau; 9837(d), Settlement of accounts: deductions from pay; 32 USC 708, Property and fiscal officers.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Provides an audit trail for audit purposes and historical information for inquiries pertaining to past pay record data. It is used primarily by all components of the Air Force for answering inquiries pertaining to information contained in these discontinued records, and for reviews by the Air Force audit agency and Inspector General. Other users may include Internal Revenue Service for tax information on members, Social Security Administration for information regarding tax deducted from members and Social Security entitlements, Veterans Administration for information regarding premiums on servicemens group life insurance, and financial institutions for deposits and/or payments.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders/visible file binders/cabinets and on roll microfilm.

RETRIEVABILITY:

Filed by name and Social Security Number (SSN) or Military Service Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are protected by guards and controlled by personnel screening.

RETENTION AND DISPOSAL:

Local retention varies from 6 months to 10 years; records are either destroyed by tearing shredding, pulping, macerating or burning, or transferred by the Air Force Accounting and Finance Center to the Denver Federal Archives and Records Center where they may be retained for a period up to 56 years. Back-up records for emergency reconstitution in the event of destruction of primary records are stored at the Federal Records Center Annex, GSA, Neosho, MO. Destruction is by shredding or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Accounting and Finance United States Air Force.

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Lowry Air Force Base, Denver, CO 80205, telephone (303) 370-7553. Requester should be able to provide sufficient proof of identity such as name, Social Security Number, military status, duty status or place of employment or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Request from individuals should be addressed to AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. Requesters should be able to provide sufficient proof of identity, such as Social Security Number, military status, duty status or place of employment, or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers, financial and medical institutions, state or local governments, corporations, source documents such as reports, Accounting and Finance Offices (AFO), and Consolidated Base Personnel Offices (CBPO).

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AFAFC C

SYSTEM NAME:

177 AFAFC C Uniformed Services Savings Deposit Program (USSDP)

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Lowry Air Force Base, Denver, CO 80279 and Denver Federal Archives and Record Center, Bldg 48, Denver Federal Center, Denver, CO 80225 and Record Center Annex GSA, P.O. Box 141, Neosho, MO 64850 (backup storage).

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

This notice covers both the discontinued portion of USSDP and the remaining active part of the system. Effective 30 June 1974 the USSDP program was discontinued except for those members declared missing in action (MIA) during the Vietnam conflict. Prior to 30 June 1974, the record system serviced Air Force active duty officers and enlisted personnel serving on a permanent duty assignment outside the United States or its possessions. Effective 1 July 1974, the record system services only Air Force active duty officers and enlisted personnel who have been declared MIA as a result of the Vietnam conflict. Dependents, next of kin, survivors and former spouses of USSDP participants may be included.

CATEGORIES OF RECORDS IN THE SYSTEM:

Includes but is not limited to the master account records for each depositor; transaction records of monetary data (deposits, withdrawals and adjustments); allotment records; name and Social Security number (SSN) change record; settled records; checkwriting and voucher register data records; interest paid records; quarterly statements records; supplemental address for interest refund records. Also includes correspondence files covering requests for information from members, federal agencies, spouses, former spouses, dependents, survivors, widows or widowers, next of kin, the American Red Cross, Congress, and other Air Force and DOD components.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 1035, Deposits of savings.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Provides mechanized and manual account maintenance including updating for deposits, withdrawals, interest accruals, adjustments and summary data for quarterly processing; capability of responding to inquiries regarding the status of each depositors account; capability to settle accounts, issue settlement statements and checks; quarterly statements to depositors showing detailed activity for the current quarters and cumulative balances for prior periods; reconciliation between the Accounting and Finance Officers (AFO) accounts and cash control reports with appropriate audit trails; controls to insure compliance with statutory limitations on amounts deposited, desertion status and conditions under which withdrawals are permitted; and records for storage of historical data on each depositors' account. The users and uses made of the information include but are not limited to the following United States Air Force components use these records to maintain, update, settle, and report on individual members account balances. Other DOD components use various account balances information to process withdrawal requests. Veterans Administration (VA) and Social Security use this information to determine eligibility, entitlements, and addresses of and for USSDP members. Federal Housing Agency (FHA) uses this information in their loan programs. Internal Revenue Service (IRS) uses the information for tax purposes and for levy action in the collection of taxes owed. American Red Cross uses this information to determine needs of a member or his dependents in emergency situations. Widow or widower, dependent, or next of kin of deceased members use this information in settling the affairs of the former member

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in, visible file binders/cabinets/card files, on computer magnetic tapes and computer paper printouts, and on mircrofiche.

RETRIEVABILITY:

Filed by name and Social Security Number (SSN) or Military Service Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, protected by guards and controlled by personnel screening, visitor registers and computer system software.

RETENTION AND DISPOSAL:

All records except correspondence and balancing data (deposit, adjustment, and withdrawal) are retained for 6 years after final settlement. Correspondence is kept for 90 days; balancing data is kept for 1 year after in balance status is reached. Records are stored at Air Force Accounting and Finance Center, at the Denver Federal Archives and Record Center, and at the Record Center Annex, Neosho, MO. Destruction is by sale to salvage company for shredding.

SYSTEM MANAGER(S) AND ADDRESS:

Director Accounting and Finance, United States Air Force (USAF).

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Lowry Air Force Base, Denver CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, date of final settlement, duty station or place of employment, or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Request from individuals should be addressed to AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, date of final settlement, duty station or place of employment, or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and is published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from automated system interfaces other Air Force and DOD components and dependents, next of kin, survivors, and former spouses of USSDP members.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AFAFC D

SYSTEM NAME:

177 AFAFC D Claims Case File - Active Duty Casualty Case Records

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Lowry Air Force Base, Denver, CO 80279 and at the Denver Federal Archives and Record Center, Building 48, Denver Federal Center, Denver, CO 80225.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Deceased active duty and former active duty Air Force members; dependents, beneficiaries, and next-of-kin of deceased Air Force members.

CATEGORIES OF RECORDS IN THE SYSTEM:

Includes but not limited to the following: claim certification and vouchers for death gratuity payments; claim for unpaid compensation of deceased members of the uniformed services; reports of casualty; travel vouchers; travel orders; military pay and allowance vouchers; wage and tax statements; miscellaneous income statements; divorce decrees; guardianship papers; death certificates; birth certificates; military pay records; statements of service; military pay orders; employees' exemption for dependents certificates; authorizations to start, stop or change allotments; mailing address payment options for Joint Uniform Military Pay System (JUMPS); authorizations to start or stop basic allowance for quarters credit; document transmittals (JUMPS); military pay orders transfer in; requests and authorizations to pay basic allowance subsistence and separate rations; records of emergency data; records of accounting and finance office authorized payments, JUMPS; assignments of assistance responsibility; leave and earnings statements; acknowledgments and/or transfers of casualty assistance cases; records of travel payments; special orders; record of courts-martial; per diem work sheets; marriage licenses; proceedings of homicide trials; court records; promotion orders; personal letters from deceased member to claimant; applications for commercial insurance; pay and allotment information on deceased members; affidavits in support of in local parentis relationships; pay adjustment authorizations; bills of lading; affidavits by natural custodian for claim on behalf of minor children; tax certificate statements; paternity admissions statements; Social Security wage adjustment data; leave records; claims for unpaid pay and allowances of deceased member of the uniformed services where there is no designated beneficiary of the claimant; returned check records; allotment reports; proof of adoption; and public vouchers for purchases and services.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 1475-1480, Death gratuity...; and 2771, Final settlement of accounts: deceased members.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to compute death gratuity payments and payments of unpaid pay and allowances and to determine the proper beneficiaries thereof. Copies of records or requested information are furnished to other agencies, such as but not limited to Internal Revenue Service (IRS), Social Security Administration (SSA), and the Veterans Administration (VA), and to state and local agencies. Information is used by such entities to determine any obligations, benefits and privileges under their jurisdiction. Certified copies of past pay records are furnished to attorneys representing potential beneficiaries.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name and Social Security Number (SSN) or military Service Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, protected by guards and controlled by personnel screening and visitor registers.

RETENTION AND DISPOSAL:

Retained at Air Force Accounting and Finance Center for one year after closing date, then forwarded to Denver Federal Archives and Records Center and destroyed six years from final closing date. Destruction is by shredding, tearing, mascerating, pulping, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director Accounting and Finance, United States Air Force (USAF).

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 329-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, drivers license, military status, duty station or place of employment or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Request from individuals should be addressed to AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, drivers license, military status, duty station or place of employment or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from educational and medical institutions, automated system interfaces, police and investigating officers, the public media, state or local governments, witnesses, and source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AFAFC E

SYSTEM NAME:

177 AFAFC E Claims Case File - Corrected Military Records

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Lowry Air Force Base, Denver, CO 80279 and at the Denver Federal Archives and Records Center, Denver Federal Center, Building 48, Denver CO 80225.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty officers and enlisted personnel, and former active duty military personnel; Air Force Reserve and Air National Guard personnel; retired Air Force military personnel; Air Force Academy cadets; surviving dependents of military personnel.

CATEGORIES OF RECORDS IN THE SYSTEM:

Includes but not limited to: retired pay information; reserve pay information; statement of service; travel orders; travel vouchers; leave records; individual military pay records; discharge document; civilian earning statements; civilian earnings, wage and tax statement; income tax returns when provided by individuals to support a claim; copies of court martials; copies of non-judicial punishment, application for correction of military or naval records; requests, authorizations and pay orders for basic allowance for subsistence (BAS), separate rations; record of travel payments; military pay and allowances voucher; bills of lading; supplemental wage and tax statement; dependents: address and name; Social Security Number of deceased retired Air Force members; pay adjustment authorization; medical bills and receipts; correspondence pertaining to above subject matters.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 1552, Correction of military records: claims incident thereto.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to determine the proper payment due based on the correction of military records. Users include, but are not limited to the following: when claimant has his records changed to receive back pay for a period he was drawing unemployment, the amount of the payment is reported to the applicable state unemployment office. The various state unemployment offices may use the information to either institute collection process from the member or to adjust their records. Pay adjustment data and supporting documentation is submitted to the accounting and finance office for payment, and also to the Joint Uniform Military Pay System (JUMPS) for memorandum type entry on master military pay account. Disclosures may also be made to the Internal Revenue Service and to the Social Security Administration for their determination of tax liabilities and Social Security entitlements flowing from corrections of military pay and allowances.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name, Social Security Number (SSN) or Military Service Number

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, protected by guards, and controlled by personnel screening and visitor registers.

RETENTION AND DISPOSAL:

Folder is retained at Air Force Accounting and Finance Center for one year, after which time it is sent to Denver Federal Archives and Record Center and destroyed six years from final closing date. Destruction is by shredding, mascerating, pulping, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Comptroller of the Air Force, Headquarters United States Air Force. Director Accounting and Finance, United States Air Force.

NOTIFICATION PROCEDURE:

Information as to whether the records system contains information on an individual may be obtained from AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, driver's license, military status, duty station or place of employment or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, driver's license, military status, duty station or place of employment or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers, automated system interfaces, and source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AFAFC F

SYSTEM NAME:

177 AFAFC F Claims Case File - Missing in Action Data

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Lowry Air Force Base, Denver, CO 80279 and at the Federal Archives and Record Center, Building 48, Denver Federal Center, Denver CO 80225.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Missing-in-action Air Force members; dependents and next-of-kin of missing Air Force members; and former spouses of missing Air Force members.

CATEGORIES OF RECORDS IN THE SYSTEM:

Includes, but not limited to the following: statements of dependent's expenses; Air Force Office of Special Investigation reports; correspondence requests for dependency determination; travel vouchers; travel orders; marriage certificates; birth certificates; annulments; divorce decrees; adoption papers; allotment documents (starts, stops, and changes); military pay and allowance vouchers; promotion orders; military pay orders; financial statements; reports of casualty; wage and tax statements; guardianship papers; statements of service; records of emergency data; assignments of assistance responsibility; leave and earnings statements; acknowledgments and/or transfers of casualty assistance; records of travel payments; per diem work sheets; pay adjustment authorizations; bills of lading; tax certificate statements; returned check records; public vouchers for purchases and services; notice of premium due from commercial insurance companies; car titles; Judge Advocate General opinions and interpretative memoranda; car insurance policy statements; requests for verification of deposits in Uniformed Services Savings Deposit program; public vouchers for refunds; military pay vouchers; letters of notification of pay increases and decreases; copies of missing member's last will and testament; Uniformed Services Savings Deposit statements; change of mailing address forms; copies of personal checks; breakdown of

expenditures for investment purposes; military pay records of missing member; medical history on dependents; and newspaper clippings.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

37 USC Chapter 10 - Payments to Missing Persons.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used for adjudication and distribution of missing member's funds, and to make determinations of dependent's eligibility and entitlement to pay allowances for parents, wives and children. Data is also disclosed through correspondence with member's dependents pertaining to distribution of monies. Copies of records may on occasion be furnished to other agencies, such as but not limited to Internal Revenue Service (IRS), Social Security Administration (SSA), and the Veterans Administration (VA), and to state and local agencies for their determination for any obligations, benefits and privileges under their respective jurisdictions. Vouchers are provided to the Automated Uniformed Services Savings Deposit Program (USSDP).

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name, Social Security Number (SSN), or Military Service Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, protected by guards, and controlled by personnel screening and visitor registers.

RETENTION AND DISPOSAL:

Records are retained for the entire time member is in a missing or prisoner status. If member is returned to military control, files are returned to military pay jacket (active duty). If member is declared killed-in-action, file is processed as death case, retained at AFAFC for one year, then retired to Denver Federal Archives and Record Center, and destroyed six years after final closing date. Destruction is by shredding, mascerating, pulping, tearing, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Comptroller of the Air Force, Headquarters United States Air Force. Director Accounting and Finance, United States Air Force (USAF).

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, drivers license, military status, duty station or place of employment or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity such as name, Social Security number, drivers license, military status, duty station or place of employment, or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from financial, educational and medical institutions; automated system interfaces; police and investigating officers; the public media; and bureaus of motor vehicles.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AFAFC I

SYSTEM NAME:

177 AFAFC I Loss of Funds Case Files

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Lowry Air Force Base, Denver, CO 80279.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force, Army, Navy and Marine Corps active duty military personnel, Air Force civilian employees and former employees, Air Force Reserve and Air National Guard personnel. Retired Air Force military personnel.

CATEGORIES OF RECORDS IN THE SYSTEM:

Information source documents, reports of investigating officer(s) on losses in Air Force accounting and finance offices: (AFOS) accountability, loss of funds settlement vouchers, material to determine cause of the loss, identification of personnel concerned in the loss, determinations of pecuniary liability, opinions from Judge Advocate General offices, opinions from the Comptroller General and from the General Accounting Office, and final determinations by the Secretary of the Air Force.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

31 USC 95a, Relief of disbursing officers of military departments; 492b, Gains and losses resulting from exchange transactions; offsetting of deficiencies in accounts against gains; and 40 USC Chapter 15 - Government Losses in Shipment.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Loss of funds case files record the chronological history of losses or deficiencies in AFOS money accounts. Data contained in these files are used to prepare reports and statistics, and to develop facts necessary for administrative adjudications of pecuniary responsibility. Users of the records system include, but are not limited to, attorneys, surety companies, and individuals for internal Air Force processing and outside litigation by those named in the case.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets and in safes, protected by guards, and controlled by personnel screening and visitor registers.

RETENTION AND DISPOSAL:

Whenever relief from pecuniary responsibility for a loss is recommended and granted, records are retained at AFAFC for four years and then destroyed by tearing into pieces, shredding, pulping or macerating. Whenever one or more persons are held liable for a loss, and the loss is completely recovered, records are retained in AFAFC files for six years and then destroyed by tearing into pieces, shredding, pulping, or macerating.

SYSTEM MANAGER(S) AND ADDRESS:

Comptroller of the Air Force, Headquarters United States Air Force. Director of Accounting and Finance, United States Air Force (USAF).

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security number, military or civilian status, duty station or place of employment, or other information verifiable in the record itself.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, military or civilian status, duty station or place of employment, or other information verifiable in the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from financial institutions, police and investigating officers, witnesses and source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AFAFC J

SYSTEM NAME:

177 AFAFC J Military Pay Records

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Lowry Air Force Base, Denver, CO 80279; Denver Federal Archives and Records Center, Building 48, Denver Federal Center, Denver CO 80225; Federal Records Center Annex, GSA, PO Box 141, Neosho, MO 64850.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty and separated military personnel.

CATEGORIES OF RECORDS IN THE SYSTEM:

Microfilm of Military Pay Records of individual Air Force personnel on active duty or separated. Military pay records and related documentation including but not limited to monthly and cumulative six-months histories of pay transactions, Federal Income Tax withholding data, Federal Insurance Contribution Act tax data contained on hard copy and/or microfilm. Military pay supporting documents and vouchers including but not limited to basic pay, special compensation positions, special pay, status adjustments, separation, reenlistment, reenlistment bonus, incentive pay, allowances, death gratuities, allotments of pay, court-martial sentences, indebtedness, and correspondence pertaining to all of the above. Sundry lists, reports and rosters including but not limited to Internal Revenue reports, Social Security reports, Veteran's Administration reports, and Treasury reports.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

37 USC 401-403, Allowances; 551-558, Payments to Missing Persons; 10 USC 1475-1480, Death Benefits; 1552, Correction of military records: claims incident thereto; 2771, Final settlement of accounts: deceased members.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Purposes are to furnish pay information from microfilm of Military Pay Records when hard copies of pay records cannot be located in Military Pay Record file. Used as back-up of hard copies of Military Pay Records which are also filed at this location. The purpose of the record system is to retain historical pay data on Air Force and former Air Force members, and to furnish pay information and/or related information to Accounting and Finance Offices (AFOS) and Consolidated Base Personnel Offices (CBPOs), who use this information in answering inquiries and in determining current administrative adjustments. Copies of certified pay records and related documents are disclosed to military courts for court-martial action, and to Civil Courts. Furnish wage and tax statement (Form W-2) for tax purposes to State Revenue Service, Internal Revenue Service, individual members misplacing original form W-2, widows of deceased members, or to verify Air Force service on request from other services.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and on roll microfilm.

RETRIEVABILITY:

Filed by name and Social Security Number or Military Service Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, protected by guards, and controlled by personnel screening and visitor registers.

RETENTION AND DISPOSAL:

Military Pay Records, hard copies, are retained at Denver Federal Archives and Records Center where they are sold to paper salvage companies and destroyed by shredding after a total of ten years after member's separation, or date of final action, whichever is later. Microfilm of Military Pay Records is retained at Air Force Accounting and Finance Center for six years then destroyed by shredding or burning. Copies of microfilm are retained for fifty-six years at Federal Records Center Annex, GSA at Neosho, MO and then destroyed by shredding or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director Accounting and Finance, USAF.

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, service number, military status, duty station or place of employment, or other information which may be determined from the record itself.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/DAD, Lowry Air Force Base, Denver, CO 80205 telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, service number, military status, duty station or place of employment, or other information which may be determined from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers, financial and medical institutions, automated system interfaces; police and investigating officers; state or local governments; corporations; source documents such as reports; Air Force installation Accounting and Finance Pay Offices; Joint Uniform Military System (JUMPS); state agencies; state revenue services; veterans organizations; federal agencies; Internal Revenue Service; Veteran's Administration; attorneys; widows of former members; parents of members; dependents, trustees, and guardians; and other Department of Defense components.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AFAFC K

SYSTEM NAME:

177 AFAFC K Pay and Allotment Records

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Denver CO 80279; Denver Federal Archives and Record Center, Building 48, Denver Federal Center, Denver, CO, 80225.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty and retired military personnel Air Force Reserve and Air National Guard personnel, and Air Force Academy cadets.

CATEGORIES OF RECORDS IN THE SYSTEM:

Applications for Basic Allowance for Quarters (BAQ); request for dependency determinations for benefits; copies of marriage certificates, birth certificates, annulments, divorce decrees and adoption papers; certificate of residence forms; allotment documents (starts, changes and stops); special pay authorizations; copies of allotment vouchers; change of address forms; parent dependency affidavits; correspondence between the Air Force Accounting and Finance Center (AFAFC) and members and their dependents pertaining to allotments (pay information) and determinations of dependency; Comptroller General decisions; General Accounting Office opinions; Judge Advocate General opinions and interpretative memoranda; Air Force Office of Special Investigation (OSI) reports, interpretative memoranda from plans and systems (XS) at AFAFC; status request from office of civilian health and medical program of the uniformed services (CHAMPUS) regarding medical care for children over age 21; correspondence with state and local agencies; American Red Cross; and other material related to dependency determination and eligibility of dependents for pay and allowance purposes and benefits.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

37 USC 401, Definitions; 403, Basic allowance for quarters; 10 USC 1072, Definitions.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Records are used to make final determinations of dependency and or relationship eligibility entitlement to pay allowances for parents, step-children and adopted children who have income in their own right, illegitimate children and all cases where relationship or dependency is questionable; make determinations of dependency and or eligibility entitlement to benefits for parents, parents-in-law, illegitimate children and children over age 21. Copies of affidavits, documents, related correspondence and/or information contained therein may be furnished to the service member, the claimed dependent and/or the person who furnish such information. Copies of affidavits, statements and related correspondence may be furnished OSI to verify information submitted by or in behalf of the claimed dependent. Copies of records may on occasion be furnished to Internal Revenue Service (IRS), Social Security Administration (SSA), Office of Personnel Management, and the Veterans Administration (VA), and to state and local agencies for their own determinations for any obligations, benefits and privileges that come under their jurisdiction. Notify other services (Army, Navy, Marine Corps, Coast Guard) on approvals of BAQ in behalf of parents and illegitimate children to prevent duplicate claims. Notify the American Red Cross of status of claims to inform the member and/or their dependents. On occasion may disclose information to the Air Force Aid Society.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name and Social Security Number or Military Service Number.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, protected by guards and controlled by personnel screening and visitor registers.

RETENTION AND DISPOSAL:

Records for members who have been separated from the service are purged annually and retired to the Federal Archives and Records Center at Denver Federal Center with one exception. Records for which claims are received and/or a dependency determination is made after separation, are retained at the AFAFC for six years after last determination and then sent to the Denver Federal Archives and Records Center. Records are destroyed six years after member's separation from the service or last determination, whichever is later. Destruction is by shredding, tearing or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director Accounting and Finance, United States Air Force, Wash DC 20330

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Denver CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security number, service number, military status, duty station or place of employment.

RECORD ACCESS PROCEDURES:

Request from individuals should be addressed to AFAFC/DAD, Denver CO 80279, telephone (303) 370-7553. The

requester should be able to provide sufficient proof of identity, such as name, Social Security Number, service number, military status, duty station or place of employment.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers, financial and medical institutions, automated system interfaces, police and investigating officers, state or local governments, source documents such as reports; applications and correspondence from members for dependency determination, COLA, and medical care; correspondence from parents, guardians and custodians of dependents, attorneys and the American Red Cross pertaining to dependency determination and support of dependents; information from other components of the Department of Defense.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AFAFC L

SYSTEM NAME:

177 AFAFC L United States Air Force Retired Pay System

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Lowry Air Force Base, Denver CO 80279; Federal Archives and Records Center, Building 48, Denver Federal Center, Denver, CO 80225; Records Center Annex, GSA, P.O. Box 141, Neosho, MO 64850 (backup storage only); Air Reserve Personnel Center and Personal Affairs offices at Air Force installations. Official mailing addresses are in the Department of Defense Directory in the Appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty and retired military personnel, Air Force Reserve and Air National Guard personnel, dependents and survivors of military personnel.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records include, but are not limited to retired pay and annuitant pay master files with supporting documentation relating to entitlements, deductions, collections and alotments Supporting documents include but are not limited to Retirement Orders, retirement pay orders, gross pay statements, statements of employment, employees' withholding exemption certificates, records of emergency data, retired pay allotment authorizations, retirees: United States savings bond authorizations, Air Reserve Forces retirement credit summaries, divorce decrees, computation of retired pay, death certificates, claims for unpaid pay and allowances of deceased members, marriage certificates, adoption papers, guardian papers, birth certificates, election certificates for retired servicemens' family protection plan (RSFPP), election certificates for survivor benefit plan (SBP), documents pertaining to status of childrens' schooling, and income tax withholding statements. Also included are listings of bonds, allotments, retired pay and annuitant pay checks, debts owed the government and direct remittances made by retirees for the costs of the RSFPP and SBP plans, records from dependents of retired military personnel, correspondence related to retirement entitlements such as reports from hospitals and medical review boards, print-outs of members' active duty military pay accounts from the joint uniform military pay system.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapters 61, Retirement or Separation for Physical Disability; 63, Retirement for Age; 65, Retirement for Length of Service; 67, Retired Pay for Non-Regular Service; 69, Retired Grade; 71, Computation of Retired Pay; 73, and 79, Correction of Military Records; 5 USC Chapter 83, Retirement; Title 37 USC, Pay and Allowances of the Uniformed Services; 38 USC 410, Deaths entitling survisors to dependency and indemnity compensation.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to accurately and timely pay the retired members of the Air Force and their survivors; provide members periodic statements of pay; document and account for all disbursements and collections; and to respond to inquiries concerning the retiree and annuitant accounts. Records are used to establish, maintain and close retiree and annuitant pay accounts and prepare related reports; compute retired and annuitant pay and initiate actions for monthly pay and allotment transactions; casualty cases are established upon the death of a member and arrears of pay are computed and disbursed to survivors; upon the death of a retired member, RSFPP and/or SBP accounts are established and survival annuities are paid. Other users include, but are not limited to, any component of the Department of Defense for inquiries, audit and document utilization; other federal agencies such as the Internal Revenue Service for normal wage and tax withholding reporting, accounting, tax audits and levies; Comptroller General and the General Accounting Office for legal interpretations and audits. Disclosures are made to the Veteran's Administration regarding establishments, changes and discontinuances of VA compensation to retirees and annuitants; disclosures are made to the Social Security Administration regarding wages and Federal Insurance Contributions Act Tax withholding; information is furnished the American Red Cross and the Air Force Aid Society for their use in assisting retirees and their survivors. Information is supplied to state and local governments for use as follow-up data in welfare cases and for tax purposes. Also, there is an automated interface with the joint uniform military pay system for data used to compute annuitant payments; retiree's pay and their allotment (checking and savings accounts) payments as well as annuitant's pay are sent either directly to financial organizations or through the Direct Deposit/Electronic Fund Transfer Program. Information is also supplied to the Office of Personnel Management when a retiree waives his military retired pay in order to use his military service for computing his Civil Service Retirement Annuity. Information is supplied to the courts regarding retiree pay in garnishment cases. Disclosures are also made to attorneys, law firms, and other parties acting as executors or administrators of retirees estates and information is provided to trustees of mentally incompetent members and guardians of survivors (children).

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders/note books/binders/visible file binders/cabinets/card files, computer magnetic tapes and paper printouts, and on roll microfilm and microfiche.

RETRIEVABILITY:

Filed by name and Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets/vaults/locked cabinets or rooms, protected by guards, and controlled by personnel screening, visitor registers and computer system software.

RETENTION AND DISPOSAL:

The records are retained for varied periods up to 56 years. Destruction of records is by shredding. Records are maintained at the Denver Federal Archives and Records Center. Duplicate records are maintained at the alternate site at Neosho, MO for storage where destruction is by shredding or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Accounting and Finance, United States Air Force, Washington DC 20330 (USAF). Assistant Deputy Chief of Staff Personnel for Military Personnel, Randolph Air Force Base, TX 78150 for Survivor Benefit Plans Briefing records and spouse notification letters.

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, duty station or place of employment, military status, military grade or other information verifiable from the record itself. For Survivor Benefits Plans Briefing records and spouse notification data, contact the System Manager specified in the preceding category or Personal Affairs officials at the servicing Air Force installation. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/DAD, Lowry Air Force Base, Denver, CO 80279, telephone (303) 370-7553. The requester should be able to provide sufficient proof of identity, such as name, Social Security Number, duty station or place of employment, military status, military grade or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers, financial, educational, and medical institutions, automated system interfaces, state or local governments, source documents such such as reports. Also record sources include but are not limited to, the following: members' survivors, trustees of mentally incompetent members, guardians of survivors (children), private law firms which are executors of estates in casualty cases, the Air Force Manpower and Personnel Center at Randolph Air Force Base, TX, and other government agencies such as the Veterans Administration and the Social Security Administration. Information also obtained from the individual.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F177 AFAFC M

SYSTEM NAME:

177 AFAFC M Indebtedness and Claims.

SYSTEM LOCATION:

Air Force Accounting and Finance Center, Lowry AFB, Denver, CO 80279; Denver Federal Archives and Record Center Bldg 48 Denver Federal Center, Denver, Colorado 80225.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Active duty and retired Air Force military personnel and present and former Air Force civilian employees, Air Force Reserve and Air National Guard personnel, Air Force Academy cadets, Dependents of military personnel, Exchange Officers, Foreign nationals.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records of current and former military members and civilian employees pay accounts showing entitlements, deductions, payments made, and any indebtedness resulting from deductions and payments exceeding entitlements. These records include, but are not limited to, individual military pay records, substantiating documents such as military pay orders, pay adjustment authorizations, military master pay account print out from Joint Uniform Military Pay System (JUMPS), records of travel payments, financial record data folders, miscellaneous vouchers, personal financial records, credit reports, promissory notes, individual financial statements, and correspondence. Applications for waiver of erroneous payments or for remission of indebtedness with supporting documents, including but not limited to, statements of financial status (personal income and expenses), statements of commanders, statements of Accounting and Finance Officers, correspondence with members and employees. Claims of individuals requesting additional payments for services rendered with supporting documents including, but not limited to, time and attendance reports, leave and earnings statements, travel orders, travel vouchers, statements of non-availability of quarters and mess, paid receipts, and correspondence with members and employees. Delinquent accounts receivable from base Accounting and Finance Officers including, but not limited to, returned checks, medical services billings, collection records, and summaries of the Air Force Office of Special Investigation and Federal Bureau of Investigation reports. Reports from probate courts regarding estates of deceased debtors. Reports from bankruptcy courts regarding claims of the US against debtors.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

31 USC Chapter 18-Compromise and Collection of Federal Claims; 10 USC 2774, Claims for overpayment of pay and allowances, other than travel and transportation claims and 9837 (d), Settlement of accounts: remission or cancellation of indebtedness of enlisted members; 5 USC 5584, Claims for overpayment of pay and allowances, other than travel and transportation expenses and allowances and relocation expenses; 12 USC 1715m, Mortgage insurance for servicemen .

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

The information is collected to determine eligibility for waiver of erroneous payments and remission of indebtedness or additional payments for services rendered. Also, information is required to attempt collection of all claims of the United States for money or property arising out of the activities of the United States Air Force. Data necessary to identify the individual involved is disclosed to commercial credit agencies whenever a financial status report is requested for use in the administration of the Federal Claims Collection Act. Claims of the United States may be compromised, terminated, or suspended when warranted by

information collected. The records are used by, but not limited to, Air Force Accounting and Finance Center (AFAFC) Director of Accounting and Finance and Deputy Director of Accounting and Finance (HQ USAF/ACF), Assistant Secretary of the Air Force for Manpower and Reserve Personnel (SAF/MR), United States Air Force Comptroller (HQ USAF/AC), and the Comptroller General. AFAFC/CC uses the information to make final determinations or recommendations to SAF/MR, HQ USAF/AC, or the Comptroller General; to furnish legal advice to operating officials; to establish debts and respond to letters received from individuals. After action is completed, files are closed and filed in individual records. SAF/MR, HQ USAF/AC and the Comptroller General use the files for making final determinations.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and in machine - readable form.

RETRIEVABILITY:

Filed by Name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, protected by guards, and controlled by personnel screening and visitor registers.

RETENTION AND DISPOSAL:

Retained in office files for one year after annual cut-off, transferred to the Denver Federal Archives and Record Center for nine additional years, and then sold to salvage paper companies to be destroyed by shredding, tearing, mascerating, pulping or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director Accounting and Finance United States Air Force (USAF).

NOTIFICATION PROCEDURE:

Information as to whether the record system contains information on an individual may be obtained from AFAFC/DAD, Denver, CO 80279, telephone (303) 320-7553. Requester should be able to provide sufficient proof of identity, such as name, Social Security Number, military status, duty station or place of employment, or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Requests from individuals should be addressed to AFAFC/DAD, Denver, CO 80279, telephone (303) 320-7553. Requester should be able to provide sufficient proof of identity, such as name, Social Security Number, military status, duty station or place of employment, or other information verifiable from the record itself.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from financial and medical institutions; automated system interfaces; police and investigating officers; the public media, a state or local government; and source documents such as reports; credit bureaus; Bureau of Employees Compensation, Veterans Administration; Social Security; Internal Revenue Service; Federal Housing Administration; health insurance companies; U.S. Army Finance and Accounting Center; Navy Finance Center; Base Accounting and Finance Officers, Major Commands; Comptroller General; and correspondence with individual concerned or his representative.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F178 AFSC A

SYSTEM NAME:

178 AFSC A Rome Air Developement Center (RADC) Manpower Resources Expenditure System

SYSTEM LOCATION:

Rome Air Development Center (RADC), Griffiss AFB NY 13441.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Civilian and military personnel assigned to RADC.

CATEGORIES OF RECORDS IN THE SYSTEM:

Personnel identification and job classification data.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to compile statistical reports and for support of manpower and cost accounting systems.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained on computer and computer output products.

RETRIEVABILITY:

Filed by name and Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the records system in the course of their official duties who are properly screened and cleared for need-to-know.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Comptroller, Rome Air Development Center, Griffiss Air Force Base, NY.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager or from RADC/Department of Administration Griffis Air Force Base NY.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35

RECORD SOURCE CATEGORIES:

Obtained from individual and personnel record.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F178 AFSC C

SYSTEM NAME:

178 AFSC C Integrated Management Information and Control System (IMICS)

SYSTEM LOCATION:

Foreign Technology Division (FTD), Wright-Patterson Air Force Base, Ohio 45433.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All personnel assigned to Foreign Technology Division (FTD).

CATEGORIES OF RECORDS IN THE SYSTEM:

Identification data such as name, SSN, address, security access, grade.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Verify security clearances and manpower accounting.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained on computer and computer output products.

RETRIEVABILITY:

Filed by name and Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Commander, Foreign Technology Division (FTD), Wright-Patterson Air Force Base OH 45433.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Systems Manager; FTD Director of Administration, Wright-Patterson Air Force Base OH 45433.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from individual and verified from file.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F190 AF PA A

SYSTEM NAME:

190 AF PA A Special Events Planning - Protocol

SYSTEM LOCATION:

Office of the Secretary of the Air Force (SAF/PAC). At Air Force installations and USAF Recruiting Service offices. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Non-Air Force civilians, generally, but not limited to civilian leaders of the local community. Segments of the system may be specialized; e.g. active and retired military persons identified by special interests, teachers or other persons in governmental agencies qualified or considered to lecture in Air Force training courses, winners of AF-sponsored Science Fairs.

CATEGORIES OF RECORDS IN THE SYSTEM:

Biographical data usually including, but not limited to: name; business and home address and telephone numbers; name of spouse and family; description of positions in business and community affiliations with Air Force-oriented civic organizations; photographs. For Science Fair winners; name/date of fairs; name of school; year in school; name of project; judging category; previous selection as Air Force winner with year and name of fair. May include summaries of circumstances of visits to the installation.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by Public Affairs Officers, Executive Officers, Protocol Officers, or Commanders, as reference for planning official functions, reporting to higher headquarters, selecting lecturers for training courses, and submitting nominations for Air Force or Department of Defense conferences or other functions.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and in note books/binders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Office of the Secretary of the Air Force (SAF/PAC), Washington, DC 20330 or Commander of the Air Force installation concerned. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Office of Public Affairs, for public affairs planning, or the Executive Officer or Office for Protocol, for protocol system segments. Requests regarding systems for selection of lecturer should be addressed to the particular school or training unit, e.g. USAF Special Operations School (EDPT), Eglin AAF 9, FL 32544.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained

from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from the public media, a state or local government, source documents such as reports, Federal agencies staff recommendations, and Science Fair questionaires.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F190 AF PA B

SYSTEM NAME:

190 AF PA B Home Town News Release Background Data File

SYSTEM LOCATION:

United States Air Force Home Town News Center, Tinker Air Force Base, OK 73145. Subsystems of the main system may be located at the Information Office of the Air Force base, or Air National Guard or Air Force Reserve or similar installation to which an individual is assigned.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All Air Force active duty military personnel, Air Reserve or Air National Guard personnel recently selected for promotion, reassigned, awarded a medal or decoration, or who otherwise participated in a newsworthy event.

CATEGORIES OF RECORDS IN THE SYSTEM:

Biographical information including, but not necessarily limited to name, current grade, marital status, local address, name and address of parents, educational background and military history, photographs. Information is usually, but not necessarily, contained in a USAF Home Town News Release Form or similar form.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Preparation of news releases for distribution to newspapers and broadcast stations throughout the United States.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and visible file binders/cabinets.

RETRIEVABILITY:

Filed by name within date of release.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in Home Town News Center files until 90 days after monthly cut-off, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning. Local files may be retained for one year and are then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Public Affairs, Office of the Secretary of the Air Force, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to Commander, USAF Home Town News Center, Tinker Air Force Base, OK 73145. Inquiries about a subsystem should be addressed to the Information Officer at the base or installation of the individual's assignment. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force systems notices.

RECORD ACCESS PROCEDURES:

Individuals can obtain assistance in gaining access from the Commander, USAF Home Town News Center or the installation Information Officer.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35

RECORD SOURCE CATEGORIES:

Information obtained from the individual.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F190 SAFPA A

SYSTEM NAME:

190 SAFPA A Biographies of Officers and Key Civilians Assigned to SAF/PA

SYSTEM LOCATION:

Secretary of the Air Force Office of Public Affairs (SAF/PA), Room 4D926, Washington DC 20330.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Officers and key civilians (grade GS-10 or higher) currently assigned to positions in the Secretary of the Air Force Office of Public Affairs and its component divisions.

CATEGORIES OF RECORDS IN THE SYSTEM:

Biographical information including summary of military service, educational background, marital status and special interests.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Serves as a ready reference of assigned personnel for the Director of Public Affairs, Office of the Secretary of the Air Force; used in preliminary personnel evaluations for reassignment within the Secretary of the Air Force Office of Public Affairs and throughout the Public Affairs field.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in safes.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Public Affairs, Office of the Secretary of the Air Force (SAF/PA).

NOTIFICATION PROCEDURE:

Requests for information should be addressed to the Executive, Secretary of the Air Force Office of Public Affairs (SAF/PA), Washington DC 20330, telephone (202) 695-5227. Personal visit may be made to the system location in

room 4D926, The Pentagon, Washington DC.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance from the Executive, Secretary of the Air Force Office of Public Affairs, address as above.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers, financial institutions, trade associations, automated system interfaces and from the public media.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F190 SAFPA B

SYSTEM NAME:

190 SAFPA B Official Biographies

SYSTEM LOCATION:

Biographies of active duty general officers and high-level civilian personnel of the Department of the Air Force: Air Force Service Information and News Center, Kelly Air Force Base, TX 78241 (AFSINC/IIB). Record system segments or duplicates pertaining to active duty general officers may be found at the Office of Public Affairs, Office of the Secretary of the Air Force, Washington, DC 20330; Headquarters of major commands and at all levels down to and including Air Force installations. Also at Air Force libraries, offices of air attaches to United States Embassies, Air Force sections of Military Assistance Advisory Groups and missions, unified activities and unified commands. Additional locations include the Air Force Chief Historian (AF/CHO), Washington, DC 20330; Assistant for General Officer Matters (AF/MPG) Washington, DC 20330; and the Aerospace Historical Foundation, University of KS. Biographies of retired Air Force general officers are located at the Media Relations Division, Secretary of the Air Force Office of Public Affairs (SAF/PAM), Room 5C879, The Pentagon, Washington, DC 20330, and at the Retired Activities Section, Assistant DCS/Personnel, Air Force Manpower and Personnel Center (AFMPC/AFPMSDMI), Randolph Air Force Base, TX 78150. Biographies of key civilian employees of the Office of the Secretary of the Air Force and of Headquarters, United States Air Force, are located at the Director of Civilian Personnel, Washington, DC 20330. Biographies of key civilian employees at subordinate organizational levels may be found at the office of the Director of Civilian Personnel. Biographies of Air Reserve general officers are at Headquarters USAF/REL, Washington, DC 20330. Record segments or duplicates may be found at the Office of Public Affairs, Headquarters, of the United States Air Force, major commands and major subordinate commands. Air Force Manpower and Personnel Center (AFMPC/DPMYR), Randolph Air Force Base, TX 78150; Headquarters, Air Force Reserve (Commander and Public Information Office), Robins Air Force Base, GA 31098; Air Reserve Personnel Center (Commander and Public Affairs Office), Denver, CO 80280; Headquarters, Military Airlift Command (CSB), Scott Air Force Base, IL 62225; Secretary of the Air Force, Manpower and Reserve Affairs (MRR), Washington, DC 20330; the Reserve Forces Policy Board, Washington, DC 20330; and the offices of all Air Reserve general officers. Biographies of Air National Guard general officers are located at the National Guard Bureau, Washington, DC 20310. Records system segments of duplicates may be found at Department of the Army major divisions and installations. Headquarters of the major commands and separate operating agencies. Army readiness regions; the offices of Army Guard and Air National Guard Liaison Officers; the Aerospace Audio-Visual Service, Norton Air Force Base, CA 92404; the Office of the Secretary of Defense; the Office of the Secretary of the Navy; the Library of Congress; the Air Force Association; the Army Association; the Reserve Officers Association; Air Force libraries; the Air War College, the offices of all National Guard and Air National Guard general officers, and the offices of state Adjutants General. Specific addresses may be obtained from the National Guard Bureau. Biographies prepared under the official biographies program for key military and civilian personnel of other Air Force organizations may be found at the Office of Public Affairs. Headquarters of major commands and at all levels down to and including Air Force installations.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

The Secretary of the Air Force, Under Secretary and assistant secretaries of the Air Force, Air Force general officers on active duty or retired, Air Reserve and Air National Guard general officers, Air Force personnel assigned as pilots to the Manned Space Program, and key military and civilian personnel at all Air Force organizations.

CATEGORIES OF RECORDS IN THE SYSTEM:

Includes, but not limited to, summary of military service (including dates and locations of assignments and dates of promotions), military honors and awards, educational background, date and place of birth, marital status, name of spouse and family, and any additional personal information provided by the individual.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Biographies are prepared to support the Air Force policy to keep its members and the public informed about the Air Force and its leaders. In their final form the biographies are considered published, public domain material and may be released to any requester on an as needed or as requested basis. Biographies may be used as resource documents in preparing news releases or other public information material and are included in the official personnel records of all general officers.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

No specific safeguards required.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Commander, Air Force Service Information and News Center (AFSINC/CC), Kelly Air Force Base, TX 78241.

NOTIFICATION PROCEDURE:

Requests from individuals should be directed to Commander, Air Force Service Information and News Center (AFSINC/CC), Kelly Air Force Base, TX 78241, telephone (512) 925-6161 for all

biographies of active duty general officers and key civilians assigned to the Office of the Secretary of the Air Force or to Headquarters Air Force. Biographies for Air Reserve general officers at Headquarters USAF/REL; Air National Guard general officers at the National Guard Bureau, and retired officers from the Media Relations Division (SAF/PAM), mailing addresses in the Department of Defense directory in the appendix to the Air Force's systems notices. All other biographies: Office of Public Affairs at the appropriate level

RECORD ACCESS PROCEDURES:

Individual can obtain assistance from the Commander, Air Force Service Information and News Center, the National Guard Bureau, Headquarters USAF/REL, Media Relations Division (SAF/PAM) or the Office of Public Affairs at the appropriate level. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from the public media and Information obtained from source documents such as reports. Subject to final review by the individual concerned before publication.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F205 AF A

SYSTEM NAME:

205 AF A Personnel Security Access Records

SYSTEM LOCATION:

Records are normally located at organizational units where individuals are currently assigned or employed. They may be located at offices of installation Chiefs of Security Police and for non-immigrant aliens at headquarters of major commands and major subordinate commands or at the National Personnel Records Center, Military Personnel Records, 9700 Page Blvd, St Louis, Mo., 63132, or Civilian Personnel Records, 111 Winnebago St., St Louis, Mo. 63118. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's Systems Notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force active duty military and civilian personnel, Air Force Reserve and Air National Guard personnel, Air Force Academy cadets, American Red Cross Personnel, Exchange Officers, and Foreign National.

CATEGORIES OF RECORDS IN THE SYSTEM:

System includes documentation requesting, granting and terminating access to classified information.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Records are used to record level of security clearance and level of access to classified information that has been authorized. Information is used by commanders, supervisors, and security managers to insure that individuals who receive classified information have been properly investigated, cleared, have a definite need-to-know, and have been properly debriefed.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders, note books/binders, visible file binders/cabinets or card files.

RETRIEVABILITY:

Filed by Name and/or Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, safes or vaults, or in locked cabinets or rooms, protected by guards, and controlled by personnel screening.

RETENTION AND DISPOSAL:

Retained in office files until reassignment or separation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning. (Exception: Records on non-immigrant aliens are retained for two years after termination of access or employment, then destroyed, as above.) Security Termination Statements are retired one year after termination of service or employment to the National Personnel Records Center, Military Personnel Records, 9700 Page Blvd, St Louis, Mo 63132, or Civilian Personnel Records, 111 Winnebago St, St Louis, Mo, 63118. Records indicating that access to classified information has been withdrawn for cause are forwarded to installation Chief of Security Police for disposition.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Security Police, Headquarters United States Air Force. Commanders of organization units and the Director National Personnel Records Center Military Personn Records, 9700 Page Blvd, St Louis, Mo 63132 or Civilian Personnel Records, 111 Winnebago St. St Louis, Mo 63118.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Write or visit the organizational unit where currently assigned or employed. Written requests must be notarized; personal visits require positive identification. Provide full name, SSN, and military rank or civilian rating.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from medical institutions, from police and investigating officers, or from source documents such as reports.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F205 AF SP A

SYSTEM NAME:

205 AF SP A Special Security Files

SYSTEM LOCATION:

Commanders or Chiefs of Security Police at Air Force installations or units.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force military and civilian personnel including Air Force Reserves and Air National Guard; Air Force

Academy and Air Force ROTC Cadets; Air Force Contractor personnel requiring unescorted entry, Nonappropriated Fund Instrumentality personnel in sensitive positions at Air Force installations.

CATEGORIES OF RECORDS IN THE SYSTEM:

Investigative report, some of which are exempt under the Privacy Act of 1974, incident reports, police and law enforcement reports and records, reports of audit, medical evaluation records and reports, personnel record data or reports, disciplinary or administrative action data, records and reports, correspondence among local Air Force officials and between officials and other Air Force agencies or higher headquarters and/or the Air Force Security Clearance Office.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Files are temporary records used to collect and record data and documentation of actions taken on cases where the individual's security clearance status may be affected. Portions of the records may be referred to investigative agencies for further inquiry; to personnel officials for administrative action to legal personnel for disciplinary or judicial actions; to medical personnel for evaluation, testing or treatment; to commanders for denial or suspension of access to classified information or restricted areas; to other local Air Force officials for review, recommendation, advice, or assistance for resolution of the case file.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name and by Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by custodian of the record system and person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know, and by commanders of medical centers and hospitals. Records are stored in security file containers/cabinets, safes or vaults, protected by guards and controlled by personnel screening.

RETENTION AND DISPOSAL:

Records are temporary and are either sent to the Air Force Security Clearance Office for conversion to Special Security Case Files or are destroyed locally upon favorable determination by tearing into pieces, shredding, pulping or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Security Police, Headquarters Air Force Office of Security Police, Kirtland, Air Force Base, New Mexico 87117.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the Chief of Security Police or the Commander at the installation of current employment or assignment. Write or visit the installation where currently employed or assigned. Written requests must be notorized and must provide the full name, SSN, military or civilian grade or status. Personal visits require positive identification.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager or from the Chief of Security Police or Commander of the installation. Mailing addresses are in the Department of Defense directory in the Appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from investigative reports; incident reports; police, law enforcement and audit reports and records; financial institutions; employers,; local government agencies; legal and judicial reports and records; individuals; witnesses, commanders and local officials.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

Parts of this system may be exempt under 5 U.S.C. 552a(k)(5). For additional information, contact the System Manager.

F205 AFSCO A

SYSTEM NAME:

205 AFSCO A Special Security Case Files

SYSTEM LOCATION:

Air Force Security Clearance Office, Washington, DC 20330. Decentralized segments at the Washington National Records Center.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force civilian employees and applicants, and Air Force military members and prospective members, including Air Force Reserve and Air National Guard, Air Force contractor employees requiring unescorted access, Air Force Academy and ROTC Cadets and applicants, overseas educators involved in the education and orientation of military personnel, Nonappropriated Fund Instrumentality personnel and applicants for sensitive positions, personnel requiring DOD building passes, whose personnel security investigations contain significant unfavorable information, whose cases were previously processed or adjudicated under the Air Force Military or Civilian Security Programs, or who are the subject of Special Security Files initiated by commanders..

CATEGORIES OF RECORDS IN THE SYSTEM:

Files may include (1) requests for clearance, investigation, or waiver of investigative requirements, (2) determinations of eligibility for assignment to sensitive or nonsensitive positions, (3) medical records checks and evaluations, (4) personnel records information, (5) personnel security questionnaires, (6) correspondence between the Air Force Security Clearance Office and the individual, office of assignment, commanders, medical facilities and installations, personnel offices, investigative agencies, Air Staff offices, or offices of the Secretary of the Air Force, (7) clearance records, and (8) summaries, evaluations, recommendations and records of adjudication.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 USC 7531, Definitions; 7532, Suspension and removal; 7533, Effect on other statutes; 10 USC 8012, Secretary of the Air Force: powers and duties; delegation by; Executive Order 10450, Security requirements for government employment; implemented by Department of Defense Regulation 5200-2R, DOD Personnel Security Program.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Files are established to evaluate the security acceptability of Air Force military and civilian and contractor personnel, applicants, enlistees and nominees for appointment, assignment or retention in sensitive positions with

access to classified defense information or to restricted areas and locations in the interest of national security. Files are used to record clearance adjudicative actions, eligibility determinations and investigative data. Investigative case file information may be reviewed by Air Force installation commanders, supervisors, personnel officers, medical, security, and investigative personnel, personnel of Air Staff offices and offices of the Secretary of the Air Force. Case files and cards are also used to answer inquiries from other Air Force offices and agencies, and from investigative, security and personnel representatives of other Federal agencies concerning the clearance status of individuals. Case records are maintained to prepare statistical accounting and to measure the effectiveness of the adjudicative programs and procedures.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Paper records and microfiche maintained in file folders, card files, visible file binders/cabinets and notebooks/binders.

RETRIEVABILITY:

Filed alphabetically by name.

SAFEGUARDS:

Records are stored in vaults, safes and security file containers/cabinets. All records are stored, processed, transmitted and protected as the equivalent of classified information. Records are accessed by the custodian of the records system, by persons responsible for servicing the system in the performance of their official duties and by authorized personnel who are properly screened and cleared for need-to-know.

RETENTION AND DISPOSAL:

Case files which result in a final, favorable adjudicative determination are retained in the office files for one year after annual cut-off then are destroyed by tearing into pieces, shredding, pulping, or burning. Case files resulting in an adverse adjudicative determination are retained in office files for two years after annual cut-off, then are retired to the Washington National Records Center, Washington, DC 20409.

SYSTEM MANAGER(S) AND ADDRESS:

Chief, Air Force Security Clearance Office, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager, and should contain the full name, including any former names, grade, date of birth and Social Security Number.

RECORD ACCESS PROCEDURES:

Individuals can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information is received from investigative reports from federal investigative agencies, personnel and medical records, board reports, correspondence from offices and organizations of assignment, and from commanders, supervisors, witnesses and individuals, from security, and investigative personnel and from Air Staff offices, offices of the Secretary of the Air Force.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

Parts of this system may be exempt under 5 USC 552a(k)(5). For additional information, contact the System Manager.

F205 AFSCO B

SYSTEM NAME:

205 AFSCO B Presidential Support Files.

SYSTEM LOCATION:

Primary System at the Air Force Security Clearance Office, Washington, DC 20330. Decentralized segments are located at security police offices for units having a Presidential Support mission and those units from which personnel are nominated or assigned to Presidential Support duties.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Those Air Force military and civilian personnel who are nominated or assigned to authorized, designated positions involving Presidential Support duties on either a full or part-time basis.

CATEGORIES OF RECORDS IN THE SYSTEM:

Nomination Files include reports of investigation by the Defense Investigative Service and by other Federal investigative agencies; correspondence between the Air Force Security Clearance Office and units, installations, contractors and major commands, investigative agencies, security offices, Air Staff offices and offices of the Secretary of the Air Force, the office of the Military Assistant to the Special Assistant to the Secretary and Deputy Secretary of Defense, the Office of the Director, White House Military Office, medical evaluations, statements by nominees, summaries and evaluations of investigative information. Assignment Record Files include letters of notification of selection and quarterly rosters of all assigned personnel listed alphabetically by organization.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by; implementing Department of Defense Directive 5210.55, Selection of DOD Military and Civilian Personnel and Contractor Employees for Assignment duties; and Department of Defense Regulation 5200-2R, DOD Personnel Security Program.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Nomination files are temporary files used to evaluate the background, character, suitability and qualifications of nominees being considered for selection to positions requiring regular or frequent contact with the President or access to Presidential facilities or modes of transportation. Files are reviewed and evaluated by staff members at each level in the selection process, by medical facility staff members, by the Air Force Security Clearance Office, and and other appropriate Air Staff office, by the Office of the Administrative Assistant to the Secretary of the Air Force, and by the Office of the Military Assistant to the Special Assistant to the Secretary and Deputy Secretary of Defense. Files are reviewed by the Office of the Director, White House Military Office and contractor personnel files may be reviewed by the contractor and by the U.S. Secret Service. Assignment Record Files are originated from data in the Nomination Files to locate, identify, control, manage, and administer individuals selected for assignment to Presidential Support duties, to initiate assignment actions after final selection, to notify medical facilities, and to prepare the quarterly listing of individuals assigned to the program for submission to the Office of the Military Assistant to the Special Assistant to the Secretary and Deputy Secretary of Defense, to major command and units and Security Police offices

having a Presidential support mission, and submission to the Office of the Director, White House Military Office and to contractors. Presidential Support mission. Assignment Record Files at locations other than the Air Force Security Clearance Office are merely duplicate copies of the file copy. File copies are retained at the Air Force Security Clearance Office to permit record access and to record the accountability of disclosures of the Nomination Files.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Paper records maintained in file folders and on computer paper output products.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system, by person responsible for servicing the record system in performance of their official duties, and by authorized personnel who are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets, in safes and vaults.

RETENTION AND DISPOSAL:

Upon completion of final favorable determination of selection, Nomination Files are destroyed by tearing into pieces, shredding, pulping, or burning and are replaced by Assignment Record Files. Assignment Record Files for individuals are retained during the period of assignment or for five years, whichever is longer, as the disclosure accountability record, then are destroyed by tearing into pieces, shredding, pulping, or burning except for the file copy which is kept by the System Manager for five years for disclosure accounting. Assignment Record Files in quarterly roster listing form are destroyed when superseded by the next quarterly roster by tearing into pieces, shredding, pulping, or burning. Nomination Files for personnel not selected are retained in the office of nonselection or at the Air Force Security Clearance Office for one year after the date of nonselection, at which time they are destroyed by tearing into pieces, shredding, pulping, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Presidential Support Security Specialist, Air Force Security Clearance Office, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Requests should contain the full name, military or civilian grade, date of birth, position in unit or contracting firm, the date of nomination or nonselection, or the unit or organization to which assigned, location and period of assignment.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information from the individual, from reports from Federal investigative agencies, military and civilian contractor personnel records, and military medical records, correspondence from military and civilian law enforcement and Security Police offices, major command staff offices, Air Staff offices, offices of the Secretary of the Air Force, the Office of the Military Assistant to the Special Assistant to the Secretary and Deputy Secretary of Defense, Office of the Director, White House Military Office and other Federal agencies and office of the Executive and Legislative Branches.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F205 AFSCO C

SYSTEM NAME:

205 AFSCO C Personnel Security Clearance and Investigation Records

SYSTEM LOCATION:

Air Force Security Clearance Office, Washington, DC 20330, Air Force Manpower and Personnel Center, Randolph Air Force Base, TX 78150, Air Force units, personnel offices, Security Police elements at all Air Force installations, Air Force Academy, CO, and Air Force ROTC Headquarters, Maxwell Air Force Base, AL.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force military and civilian personnel and applicants including Air Force Reserve and Air National Guard personnel, Air Force Academy and Air Force ROTC Cadets, Air Force contractors requiring unescorted entry or special access, Nonappropriated Fund Instrumentality personnel at Air Force installations and overseas educators at Air Force installations.

CATEGORIES OF RECORDS IN THE SYSTEM:

System includes clearance status and eligibility records.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Executive Orders 9838; 10450; and 11652; 10 USC 8012 Secretary of the Air Force: powers and duties; delegation by; as implemented by DOD Regulation 5200.2R, DOD Personnel Security Program.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Records are used to grant access to classified information or unescorted entry to restricted areas; to record completion of investigative requirements for enlistment, induction, appointment, commissioning, assignment to sensitive positions, duty or training; to grant special access for special programs or projects; to determine investigative requirements needed for assignment; to record status of investigative actions; to record date of separation; to record adjudicative determinations of ineligibility for enlistment, induction, commissioning, retention, appointment, assignment, clearance or access.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and on computer and computer output products.

RETRIEVABILITY:

Filed by name and Social Security Number..

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms or in security file containers/cabinets or vaults, and controlled by computer system software and personnel screening.

RETENTION AND DISPOSAL:

Records are retained in computer systems for two years after separation, deleted. Paper records in file folders are destroyed upon separation. A Reserve commitment are retained until

commitment is fulfilled, then Computer printouts are temporary records and are destroyed when replaced by more recent listing. Paper records are destroyed by tearing into pieces, shredding, pulping or burning. Computer storage devices are overwritten or erased.

SYSTEM MANAGER(S) AND ADDRESS:

Chief, Air Force Security Clearance Office, Washington, DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Provide full name, including maiden name if applicable, and Social Security Number.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from the individual, investigative reports, medical facilities, police and law enforcement offices, personnel documents, Air Force Special Security Files and Special Security Case Files.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F205 AFSP A

SYSTEM NAME:

205 AFSP A Requests for Access to Classified Information by Historical Researchers

SYSTEM LOCATION:

SAFPA Pentagon, Room 4C-914, Washington DC 20330

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All persons outside the Executive Branch of the United States Government who request access to classified information for historical research purposes.

CATEGORIES OF RECORDS IN THE SYSTEM:

Basic biographical data on the requestor, letters of requests, letters granting access or denial and statement signed by the requestor explaining the conditions governing access.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used to determine the trustworthiness of individuals for whom access is requested, authorize or deny access based on this determination and prescribe locations, schedules and circumstances in which research may be conducted. Biographical data is disseminated to the Defense Investigative Service, the Department of Justice, the Air Force Office of Special Investigations and the Air Force Security Clearance Office.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly cleared for need to know. Records are stored in safes.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Security Police, Headquarters United States Air Force. Chief Magazine and Book Branch Secretary of the Air Force Office of Public Affairs.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager. Chief Magazine and Book Branch Secretary of the Air Force Office of Public Affairs. Written requests should be notarized. Personal visits require positive identification such as Military ID card, drivers license, SSN, date of birth, etc.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from the individual, police and investigating officers, and the Department of Justice.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F212 AFA A

SYSTEM NAME:

212 AFA A Library/Special Collections Records

SYSTEM LOCATION:

USAF Academy Library, United States Air Force Academy, CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Cadets, Air Force active duty personnel, members of boards and committees associated with Academy operations (Board of Visitors, General Officer Advisory Committee, etc.), faculty, staff and graduates of USAF Academy.

CATEGORIES OF RECORDS IN THE SYSTEM:

This system consists of the following categories of information or subsystems: (1) Index by name to persons in historical photographs and on official officer rosters; (2) historical rosters of cadet wing, cadet class rosters, files of orders, grade lists contained in historical course materials, athletic squad rosters; (3) index by name, date of service on each board or committee; (4) dissertations, theses, books, articles, published reports furnished by individual concerned.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 903, United States Air Force Academy.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

(1) To identify an individual with his period of service at the academy and his connection with historic Academy events as recorded in photographs and/or biographical data. (2) Used by faculty, staff and cadets working on history and operation of the Academy. (3) To identify an individual's service on official Academy boards and committees. (4) Publication collection is

a traditional library function to indicate scholarly achievements of an institute of higher education, for use in accreditation reports, and as a central reference resource.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in card files, photographs, file folders, visible file binders/cabinets and on roll microfilm.

RETRIEVABILITY:

Card catalog by individual's name is maintained. Historical files: No direct name access is available from a library catalog. Individual would have to know his name is in a particular roster.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Catalog is not available when staff or branch personnel are not present.

RETENTION AND DISPOSAL:

Permanent Library Collection, USAF Academy Library, USAF Academy, CO 80840.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Academy Libraries, USAF Academy, CO 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Card catalog is prepared manually by Library personnel from photograph identification captions, officer rosters, historical materials and records. Materials generated by Superintendent, Dean of Faculty agencies, Commandant of Cadet agencies, Director of Athletics, Registrar, Staff Agencies. Publications are supplied by individuals concerned.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F212 AFA B

SYSTEM NAME:

212 AFA B Library Authorized Patron File

SYSTEM LOCATION:

USAF Academy Library (DPSLB), United States Air Force Academy, CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All Academy military and civilian personnel and cadets, specially authorized non-base library patrons.

CATEGORIES OF RECORDS IN THE SYSTEM:

Social Security Number, name, base or home address, type of patron code, expiration date for special borrower privileges.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 903, United States Air Force Academy.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used by Library personnel to fully identify patron to whom library material is charged in operation of the Library's automated circulation control system.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Will be used by Library staff to identify person to whom material is charged, to follow up on delinquent borrowers by generation of overdue notices, and to clear departing patrons and delete their name from the authorized borrower file. Issue library cards. Maintained in computer.

RETRIEVABILITY:

Filed by Social Security Number.

SAFEGUARDS:

Records are accessed by person(s) responsible for library circulation control operation in the performance of their office duties. Microfiche printout is stored in locked room when not in use by circulation desk staff during hours when the Library is open.

RETENTION AND DISPOSAL:

Patron data is deleted from master files maintained on computer when outgoing clearance is accomplished. Microfiche lists of patrons are destroyed by tearing into pieces, shredding, pulping, macerating, burning or burial, when update is received.

SYSTEM MANAGER(S) AND ADDRESS:

Director of Academy Libraries, USAF Academy, CO 80840.

NOTIFICATION PROCEDURE:

Request from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Individual input on library circulation authorization form.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F213 MPC A

SYSTEM NAME:

213 MPC A Air Force Educational Assistance Loans

SYSTEM LOCATION:

Air Force Military Personnel Center, Randolph Air Force Base, TX 78150.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

1961, 1962 and 1963 dependents of active duty Air Force military members who received educational assistance loans.

CATEGORIES OF RECORDS IN THE SYSTEM:

Files contain loan agreement documents made with loan recipients, related documentation between Air Force Manpower and Personnel Center (AFMPC/Executive Secretariat/Air Force Welfare Board (DPMSS)) and college/university registrars, retained copies of documents and correspondence received from or sent to loan recipients; and individual ledger cards reflecting accounting data.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Used for loan follow-up action.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in visible file binders/cabinets.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties who are properly screened and cleared for need-to-know. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Files are retained until paid in full at which time the original loan agreement is returned to the loan recipient.

SYSTEM MANAGER(S) AND ADDRESS:

Assistant Deputy Chief of Staff/Manpower and Personnel for Military Personnel, Randolph Air Force Base, TX 78150.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Original loan agreements generated by the loan recipient; correspondence received from or sent to loan recipients; certifications from college/university registrars as to receipt of payment for tuition, school supplies and other educational expenses.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F265 AFA A

SYSTEM NAME:

265 AFA A Cadet Chaplain Records

SYSTEM LOCATION:

United States Air Force Academy, CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force Academy Cadets.

CATEGORIES OF RECORDS IN THE SYSTEM:

Religious affiliation, background and religious interests and choir audition consisting of musical capabilities.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 9331, Establishment; Superintendent; faculty, and 9337, Chaplain.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

(1) Identify incoming Fourth Class Cadets religious affiliation, religious background data and religious interests. Cadet Chaplains use this information to organize cadet lay participation as ushers, choir members, lay readers, lectors, commentators, and religious education teachers. Cadet Chaplains and Chapel Managers assigned to the USAF Academy Cadet Chaplain's Office use this information. (2) Choir audition record identifies incoming Cadet's musical capabilities and the music directors use this information.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained on computer and computer output products and in card files.

RETRIEVABILITY:

Filed by name and Social Security Number .

SAFEGUARDS:

Records are accessed by the custodian, by person(s) responsible for servicing the record system in the course of their official duties, and by authorized personnel who are properly cleared for need to know. Records are stored in locked rooms and on computer storage devices protected by computer system software.

RETENTION AND DISPOSAL:

Retained in offices for one year after graduation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

USAF Academy Command Chaplain.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from individual cadet.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F265 HC A

SYSTEM NAME:

265 HC D Non-Chaplain Ecclesiastical Endorsement Files

SYSTEM LOCATION:

Records maintained at the Office of the Chaplain for the installation where employed. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Military/civilians authorized to function as Lay Leaders, Auxiliary Chaplains, Ushers, Lectors, etc.

CATEGORIES OF RECORDS IN THE SYSTEM:

Certification from religious denomination that the indivisual is qualified to function as Lay Leader or Auxiliary Chaplain.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Determining qualifications of individuals to serve as Lay Leader or Auxiliary Chaplain.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning. Returned to issuing denomination if requested.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Chaplains, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Request access from Senior Installation Chaplain.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Denominational agency endorsing individual to function.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F265 HC B

SYSTEM NAME:

265 HC B Chaplain Personnel Roster

SYSTEM LOCATION:

Headquarters United States Air Force, Washington DC 20330. Air Reserve Personnel Center, Denver, CO 80280. Headquarters of the major commands and separate operating agencies. Official mailing addresses are in the Department of Defense directory in the appendix to the Air Force's sytems notices.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Air Force civilian employees, Air Force Reserve and Air National Guard personnel.

CATEGORIES OF RECORDS IN THE SYSTEM:

Organization and station, manpower authorization records, statistical grade codes, Air Force specialty codes, name, Social Security Number, current rank, date of current rank, religious denomination code symbol, date of separation or service commitment, date of birth, effective date of current assignment.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Insuring adequate manning of Reserve, Air National Guard, and civilian auxiliary authorizations.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and note books/binders.

RETRIEVABILITY:

Filed by name. Filed by Social Security Number (SSN).

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation, then destroyed by tearing into pieces, shredding, pulping, macerating, or burning.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Chaplains, Headquarters United States Air Force, Washington DC 20330.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Request for access may be made to the Major Command Chaplain of the nearest major command. Mailing addresses are in the Department of Defense directory in the appendix to the Air Force's systems notices.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from automated system interfaces and from individuals.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F265 HC D

SYSTEM NAME:

265 HC D Records on Baptisms, Marriages and Funerals by Air Force Chaplains

SYSTEM LOCATION:

Washington National Records Center, Washington DC 20409. 1955 to 1958 Records Group, Modern Military Branch, Military Archives Division, National Archives Service, Washington, DC 20408; 1949 to 1955 Records Group.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Military and civilian personnel, marriages, military and dependent personnel, baptisms, military and dependent personnel, funerals.

CATEGORIES OF RECORDS IN THE SYSTEM:

Record of baptisms, marriages and funerals performed by Air Force Chaplains.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Records of rites performed by Air Force Chaplains used to verify rites performed for individuals.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in card files.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Fifty-year retention 1955 to 1958, Washington National Records Center, Washington, DC 20409; Year Group 1949 to 1955 retained at Modern Military Branch, Military Archives Division,

National Archives Service, Washington, DC 20408; system discontinued after 1958.

SYSTEM MANAGER(S) AND ADDRESS:

Chief of Chaplains, Headquarters United States Air Force.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information from individuals and Air Force Chaplains reporting rites.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F900 AFA A

SYSTEM NAME:

900 AFA A Cadet Awards Files

SYSTEM LOCATION:

United States Air Force Academy, USAF Academy CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Relatives of deceased persons who are memorialized through cadet awards and any former USAF Academy cadet who has been honorably discharged because of being crippled, disabled, or blinded while enrolled at the USAF Academy, or because of the discovery of a physical defect after entering the USAF Academy.

CATEGORIES OF RECORDS IN THE SYSTEM:

Cadet Awards files by award area, including background on person memorialized, donor financial arrangements, record of award winners and administrative history and military, academic and medical information on individual considered for award, financial status of parents or guardian and/or candidate.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 USC Chapter 903, United States Air Force Academy.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

For continuing award sponsorship business with donors, which consist of private individuals, patriotic and veteran organizations, and major air command and used by Cadet Awards Council to aid in their selection of individuals to receive annual award presented to disabled former cadets.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders.

RETRIEVABILITY:

Filed by name.

SAFEGUARDS:

Records are accessed by person(s) responsible for servicing the record system in performance of their official duties. Records are stored in security file containers/cabinets. Awards Council Chairman and appointed project officer are only persons reviewing financial statements.

RETENTION AND DISPOSAL:

Records are maintained five year in office area before retiring to base staging area for 45 additional years.

SYSTEM MANAGER(S) AND ADDRESS:

Dean of Faculty, USAF Academy, CO 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from educational institutions, from individual or next of kin.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

F900 AFA B

SYSTEM NAME:

900 AFA B Thomas D. White Defense Award

SYSTEM LOCATION:

United States Air Force Academy, CO 80840.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Living U.S. citizens who have contributed significantly to the National Defense and security of the United States.

CATEGORIES OF RECORDS IN THE SYSTEM:

Nominations and supporting biographical information on nominees for the Thomas D. White Defense Award.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 U S C 8012, Secretary of the Air Force: powers and duties; delegation by.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Data pertaining to the Thomas D. White Defense Award is used by a selection board in identifying an appropriate recipient for the award.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Maintained in file folders and on microfiche.

RETRIEVABILITY:

By Name.

SAFEGUARDS:

Records are accessed by custodian of the record system and by person(s) responsible for servicing the record system in performance of their official duties are properly screened and cleared for need-to-know. Records are stored in security file containers/cabinets and in locked cabinets or rooms.

RETENTION AND DISPOSAL:

Retained in office files until superseded, obsolete, no longer needed for reference, or on inactivation.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Chief of Staff/Personnel, USAF Academy, CO 80840.

NOTIFICATION PROCEDURE:

Requests from individuals should be addressed to the System Manager.

RECORD ACCESS PROCEDURES:

Individual can obtain assistance in gaining access from the System Manager.

CONTESTING RECORD PROCEDURES:

The Air Force's rules for access to records and for contesting and appealing initial determinations by the individual concerned may be obtained from the System Manager and are published in Air Force Regulation 12-35.

RECORD SOURCE CATEGORIES:

Information obtained from previous employers and from the individual.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

NONE

[FR Doc. 84-15 Filed 1-4-83; 9:56 am]

BILLING CODE 3910-01-M

federal register

Thursday
January 5, 1984

Part IV

Federal Reserve System

12 CFR Part 225

Bank Holding Companies and Change in Bank Control; Revision of Regulation Y

FEDERAL RESERVE SYSTEM

12 CFR Part 225

[Docket No. R-0470]

Bank Holding Companies and Change in Bank Control; Revision of Regulation Y

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: On May 19, 1983, the Board proposed for comment a revision of 12 CFR Part 225, Regulation Y, its regulation implementing the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841 *et seq.*) and the Change in Bank Control Act of 1978 (12 U.S.C. 1817(j)). The Bank Holding Company Act requires prior Board approval for a company to become a bank holding company or for a bank holding company to acquire more than five percent of the voting shares of a bank or a bank holding company. The Act also regulates the nonbanking activities of bank holding companies and of foreign banking organizations that control U.S. banks or have U.S. offices. The Change in Bank Control Act requires generally that persons and certain companies give notice to the Board prior to acquiring shares representing control of a bank holding company or state member bank.

After considering the comments received, the Board is adopting the revision of Regulation Y with some significant modifications. The final regulation reduces regulatory burden by eliminating various application requirements, particularly in the nonbanking area, and by accelerating the processing schedules for all applications. In addition, the final regulation incorporates Board interpretations of significant provisions of the Bank Holding Company Act and Change in Bank Control Act to improve understanding of the Board's policies. The regulation also has been comprehensively reorganized and rewritten for clarity in order to enhance the usefulness of the regulation to the reader.

Finally, the Board has amended the regulation to add five nonbanking activities to the list of those permissible for bank holding companies. The Board will publish a separate **Federal Register** notice seeking public comment on amendments to Regulation Y regarding the scope of permissible insurance activities for bank holding companies under Title VI of the Garn-St Germain Depository Institutions Act of 1982 (Pub. L. 97-320, 96 Stat. 1469, 1536-38). The Board will also seek comment on a number of other nonbanking activities that were suggested by commenters on the proposed revision.

EFFECTIVE DATE: February 6, 1984, except for the procedural provisions of §§ 225.14 and 225.23, which will be effective for all applications and notices submitted to the Board on and after January 1, 1984.

FOR FURTHER INFORMATION CONTACT: J. Virgil Mattingly, Associate General Counsel (202/452-3430), Bronwen Mason Chaiffetz, Senior Counsel (202/452-3564), or Carl V. Howard, Senior Counsel (202/452-3786), Legal Division; David Kulig, Senior Counsel (202/452-2347) or Lily T. Pilgrim, Senior Attorney (202/452-2421) Regulatory Improvement Project; Don E. Kline, Associate Director (202/452-3421), or Sidney M. Sussan, Assistant Director (202/452-2638), Division of Banking Supervision and Regulation.

SUPPLEMENTARY INFORMATION: The Bank Holding Company Act of 1956, as amended ("BHC Act"), governs the acquisition of control of banks by companies and regulates the nonbanking activities of bank holding companies or covered foreign banking organizations. It was enacted to prevent the undue concentration of banking resources, to separate banking and commerce, and to ensure that the performance of nonbanking activities of bank holding companies is consistent with certain basic prudential limitations in the Act regarding risk, safety and soundness, conflicts of interest, and the maintenance of impartiality in the granting of credit. Section 5(b) of the BHC Act (12 U.S.C. 1844(b)) authorizes the Board to adopt regulations to effect the purposes of the BHC Act and to prevent evasions of its provisions.

The Change in Bank Control Act of 1978 ("Bank Control Act") imposes a 60-day prior notice requirement on persons seeking to acquire control of a bank holding company or an insured state-chartered bank that is a member of the Federal Reserve System ("state member bank"). The Board is authorized to adopt regulations to implement the Bank Control Act (12 U.S.C. 1817(j)(13)).

I. Background and Summary

The proposed revision of Regulation Y was issued under the Board's Regulatory Improvement Project, which conducts periodic reviews of the Board's regulations (See Statement of Policy Regarding Expanded Rulemaking Procedures. 44 *Fed. Reg.* 3957 (1979)), and under the Financial Regulation Simplification Act of 1980 (12 U.S.C. 3521). The review of Regulation Y focused on reducing regulatory burden and on clarifying and simplifying the regulation consistent with the terms and purposes of the BHC Act and the Bank Control Act. Specifically, the Board reexamined all of its current requirements concerning transactions for which applications must be filed to identify those application requirements that could be eliminated from the current regulation. In addition, the Board's formal and informal procedures and schedules for processing applications were reviewed to determine ways in which applications might be acted on more promptly and processing delays eliminated. Finally, the current regulation, which was initially adopted in 1971 and has been amended only infrequently since that time, was reviewed to determine whether it accurately reflected the Board's current interpretations of the provisions of the BHC Act.

As a result of this analysis, the proposed revision contained a number of provisions that were designed to reduce or eliminate regulatory burden. The regulation was also reorganized to reflect the provisions of the BHC Act, and a number of Board interpretations of provisions of the Act were incorporated in the regulation, including the terms "deposits that a depositor has the legal right to withdraw on demand" and "commercial loan" contained in the definition of "bank" in section 2(c) of the BHC Act. The Board requested comment on the proposed revision of Regulation Y, including the definitions of terms, as well as five proposed new nonbanking activities for addition to the Regulation Y list of permissible nonbanking activities. The Board also requested suggestions for other nonbanking activities that might be considered to be closely related to banking and that should be added to the Regulation Y list of permissible nonbanking activities.

The Board has also reviewed its application forms to simplify them by eliminating duplicative information and information already available to the Board. The Board expects these measures to reduce by 40 to 60 percent the number of pages contained in applications required under this regulation.

The comments generally favored the procedural aspects of the proposed revision designed to reduce burden, eliminate unnecessary applications and avoid duplication and delay. Commenters particularly favored the provisions: a) eliminating most applications for *de novo* expansion of approved nonbanking activities; b)

exempting certain nonbank asset acquisitions from prior approval under the Act; c) providing a 15-day notice procedure for small acquisitions of nonbanking concerns; d) establishing expedited processing schedules for all applications; and e) adding the five proposed new nonbanking activities. The commenters urged the Board to implement these improvements as rapidly as possible.

The Board agrees with the commenters that the procedural changes would result in substantial benefits and should be implemented immediately. Accordingly, the provisions of section 553 of the Administrative Procedure Act (5 U.S.C. 553) relating to deferred effective date have not been followed in connection with adoption of the procedures set forth in sections 225.14 and 225.23. Most of the procedures, particularly the new processing schedules contained in §§ 225.14 and 225.23, will become effective for applications and notices submitted to the Board on and after January 1, 1984, while the remainder of the provisions will become effective within 30 days of publication of this notice in the **Federal Register.**

On the other hand, a number of commenters opposed the incorporation into the proposed regulation of the Board's interpretation of the terms "demand deposit", "commercial loan", and "voting securities" in the BHC Act; the proposed revised interpretation of the servicing exemption in section 4 of the Act; the proposed revision of the stock redemption rules; the reaffirmation of the provisions governing the nonbanking activities of subsidiary banks of a bank holding company and the nonbank subsidiaries of such banks; and certain other provisions of the proposed regulation.

The issues raised by the commenters together with the changes made in the final regulation (except for technical and editorial changes) are discussed later in this notice under the relevant provisions of the revised regulation. The following is a summary of the major issues that were raised and the Board's determination on each issue:

(1) *De novo expansion of nonbanking activities.* The current Regulation Y requires prior Board approval each time a bank holding company seeks to open a new office of a nonbank subsidiary or to expand the service area of such a subsidiary. The Board proposed two alternative approaches with respect to *de novo* expansion of nonbanking activities. Under the first approach, a bank holding company would be allowed to open offices *de novo* without the Board's prior approval within any state or states where the company had previously received approval to engage in the specified nonbanking activity. Alternatively, the Board proposed to eliminate all application requirements for *de novo* expansion in the United States once the bank holding company received initial Board approval to engage in the nonbanking activity. Most comments favored the alternative proposal, although there were objections to both proposals.

The Board's experience with the administration of the BHC Act and Regulation Y has indicated that *de novo* expansion is procompetitive and that there is no evidence of any significant adverse effects associated with *de novo* expansion. Accordingly, and in view of the absence of any requirement in the BHC Act for an application in such cases, the Board is adopting the alternative to eliminate all applications for *de novo* expansion of previously approved nonbanking activities in the United States. Thus, once a bank holding company has received approval to engage in a nonbanking activity, it may expand that activity anywhere in the United States by opening new offices or expanding its service area without further Board approval. (See section 225.23(b)). The Board, however, is retaining the authority to require an application where, for example, a bank holding company is not in sound financial condition and expansion may not be consistent with sound banking practice.

Because prior Board approvals under section 4(c)(8) were limited to the geographic area stated in the application, and potential opponents may have withheld protest because they were not affected by the limited geographic scope of the application, bank holding companies will be required to file a one-time notice to expand a nonbanking activity beyond the geographic areas previously approved by the Board under the current Regulation Y. These notices may be processed under the 30-day notice procedure for *de novo* expansion.

(2) *Notice for De Novo Entry.* The Board is retaining the present procedure of the regulation that allows a bank holding company to file a simple notice with the Reserve Bank to engage in a permissible nonbanking activity. The applicant may engage in the activity 30 days after filing the notice unless a substantive adverse comment is received or the Reserve Bank finds that the proposal is inconsistent with the statutory criteria. The notice period has been reduced from the present 45 days to 30 days. (Section 225.23(a)(1)).

(3) *Notice procedure for small nonbanking acquisitions.* The proposed revision contained an expedited 15-day notice procedure for small acquisitions of going concerns engaged in permissible nonbanking activities. The commenters generally favored this proposal as substantially remedying unnecessary delays imposed by the section 4(c)(8) prior approval requirement that place bank holding companies at a competitive disadvantage with respect to their nonbank competitors. Some suggestions were made to broaden the criteria for use of this procedure and to provide notice in the **Federal Register** rather than in a newspaper. The Board has incorporated these suggestions in the final regulation and has also clarified that the expedited procedure may not be used, and a full application is required, where the applicant bank holding company is not in sound financial condition and does not meet the Board's Capital Adequacy Guidelines. (See section 225.23(f)).

(4) *Exempt nonbanking asset acquisitions.* Most commenters favored the Board's proposal to exempt from prior approval requirements under the BHC Act acquisitions of offices and other assets of consumer finance and mortgage companies. They stated that this would enhance competitive equality between bank holding companies and their nonbank consumer finance and mortgage company competitors. Several suggestions were made to modify the provision to broaden its applicability and to include the acquisition of the assets by an industrial banking office. The Board is adopting a number of these suggestions in the final regulation, but is making the procedure available only if the acquiring bank holding company meets the Board's Capital Adequacy Guidelines. (See § 225.22(c)(8)).

(5) *List of permissible nonbanking activities.* The Board proposed to add five new activities to the Regulation Y list of permissible nonbanking activities: issuing money orders, arranging commercial real estate equity financing, underwriting and dealing in government obligations and certain money market obligations, providing foreign exchange advisory and transaction services, and acting as a futures commission merchant. The Board has previously approved these activities by order in a number of cases. The commenters supported these activities, and the Board is adding them to the list of permissible activities in the final regulation. The Board had adopted the suggestions of the commenters to eliminate a number of the conditions

from the regulation proposed with respect to the conduct of these activities. (See § 225.25(14) and(18)).

In addition, there was support for a substantial expansion of the Regulation Y list of nonbanking activities permissible for bank holding companies. Several bank holding companies suggested that the Board defer action on the revision until proposals for new activities were developed. However, most of these commenters also urged prompt implementation of the procedural improvements in the proposed revision. In view of the expected benefits from the procedural improvements, the Board does not believe that it should delay final adoption of the regulation.

The Board made four decisions with respect to adding new nonbanking activities suggested for addition to the Regulation Y list in response to the Board's proposal to revise Regulation Y. First, the Board will publish a separate **Federal Register** notice seeking comment on an amendment to Regulation Y that defines the scope of insurance activities that are permissible under the authority of Title VI of the Garn-St Germain Depository Institutions Act of 1982 (Pub. L. 97–320, 96 Stat. 1469, 1536–38) ("Garn-St Germain Act"). Second, certain of the suggested activities, particularly certain securities and real estate activities, the operation of a thrift institution and certain activities of a financial nature, are the subject of or related to bills currently pending in Congress, particularly, the Administration's proposed Financial Institutions Deregulation Act (S. 2181), the proposed Financial Services Competitive Equity Act introduced by Senator Garn (S. 2134), and the proposed Depository Institutions Holding Company Act Amendments introduced by Senator Proxmire (S. 2134). The Board does not believe that it is appropriate to commence a regulatory proceeding that would overlap with Congressional consideration of whether these activities should be performed by bank holding companies and, accordingly, it is not publishing these activities for comment at this time. Third, the Board will publish a separate **Federal Register** notice seeking public comment on a number of activities that the Board has previously approved by order in individual cases or that are similar to approved activities. Fourth, the Board will consider in the near future publishing for comment an additional number of activities that were suggested by commenters, have not previously been considered by the Board, and are not the subject of pending Congressional consideration.

(6) *Expedited processing schedules for all applications.* The proposed revision contained regulatory deadlines for each step of the applications process, including pre-acceptance review, acceptance, publication of notice, and final action. These deadlines represent a substantial reduction in the current informal schedules for processing applications—from 45 to 30 days for delegated applications and from 90 to 60 days for Board action on applications. The deadline for pre-acceptance review by the Reserve Banks has also been shortened to a maximum period of 30 days.

The comments supported the expedited processing schedules and the Board is adopting them as proposed. Under current procedures, more than 90 percent of all applications are processed under delegated authority. Based on this experience, the Board expects that, under the new procedures, most cases will be acted on under delegated authority within 30 days from acceptance. In this regard, the Board's decision to publish notice of receipt of the application immediately upon its submission to the Reserve Bank (rather than after acceptance of the application) will allow for approval of many cases within a few days of the acceptance of the application. (See §§ 225.14 and 225.23).

(7) *Stock redemptions.* More than 600 of the comments addressed the proposed changes concerning the redemption by a bank holding company of its own securities. The comments uniformly opposed the Board's proposed amendment, stating that it would adversely affect the transferability of ownership of small one-bank holding companies. The Board has decided to retain the current stock redemption notice procedures, including the rule that no notice is required unless redemptions within a 12-month period amount to 10 percent or more of the company's net worth. The Board has modified the regulation to specify the standards under which the Board will review a proposed redemption transaction for which notice is given. These standards are those generally applied by the Board in applications filed under the BHC Act, including the Board's Capital Adequacy Guidelines and the Board's standards for small one-bank holding companies. However, stock redemptions should not be made that would substantially impair an institution's capital or prevent the attainment of the capital and debt projections submitted in connection with bank holding company formations. (See § 225.4(b).)

(8) *Servicing subsidiaries of bank holding companies.* The Board proposed to modify its existing interpretations of sections 4(a)(2) and 4(c)(1)(C) of the BHC Act, which permit a holding company to own a servicing subsidiary that acts as agent for the holding company and its bank or nonbank subsidiaries in providing their services to the public. Under the proposed amendment, servicing subsidiaries would have been limited to providing services for the internal operations of the holding company and its subsidiaries. This provision was designed to address situations in which bank holding companies had used the servicing exemption to purchase nonbank companies and, in effect, to engage as principal in providing nonbank services to the public without complying with section 4(c)(8) of the BHC Act.

A number of comments were received objecting to the proposal as contrary to the Board's longstanding interpretations on which many companies had relied. Accordingly, the Board is modifying the proposed provision to reaffirm its longstanding interpretation that, although a servicing subsidiary may not act as principal in providing nonbank services to the public, it may act as agent for its affiliates in furnishing services to the public. The Board will rely on its supervisory authority under the Act to address problems in this area. (See § 225.22(a).)

(9) *Definition of "voting securities."* A number of the comments objected to the proposed definition of "voting securities," stating that it would include preferred shares, partnership interests, and shares with contingent voting rights. The Board has previously determined that preferred shares do not constitute voting securities if the voting rights are limited, generally by state law, to those necessary to protect the investment and do not otherwise provide the holder with control. The Board is clarifying the proposed definition to reflect this position. (See § 225.2(1).)

(10) *Definition of "bank."* The Board proposed to include in the revision its existing interpretations of the terms "deposits that the depositor has a legal right to withdraw on demand" and "commercial loans," the two essential elements of the definition of "bank" for the purpose of establishing coverage under the BHC Act. (See *First Bancorporation (Beehive Thrift and Loan)*, 68 *Federal Reserve Bulletin* 253 (1982) and Board ruling of December 10, 1982, regarding the Dreyfus Corporation.

Federal Reserve Regulatory Service 4–363.2.)

A number of commenters opposed the definitions. The Independent Bankers Association supported the definition of bank, as interpreted by the Board, and the American Bankers Association supported the definition of "commercial loan."

After careful consideration of the comments and for the reasons set out in Supplementary Information Appendix A to this notice, which follows the text of the regulation, the Board has determined to adopt the "bank" definition with minor modifications, including the definitions of "demand deposit" and "commercial loan." The Board believes these interpretations are consistent with the terms and legislative history of the Act, and reflect the equivalency between demand deposits and NOW accounts and between commercial loans and commercial paper and the other instruments referred to in the definition. In the Board's judgment, any other interpretation of these important terms would produce a result that is plainly at variance with the purposes of the BHC Act and would preempt Congressional discretion to determine the proper delineation between banking and commerce in this country as well as the permissible limits for interstate banking.

(11) *Permissible activities for subsidiaries of banks.* The proposed revision included the current provision of section 225.4(e) of Regulation Y that generally permits a subsidiary state bank of a bank holding company to acquire or retain the shares of a nonbank subsidiary engaged in activities that the bank may perform directly, subject to all limitations applicable to the bank. A number of comments were received challenging the Board's authority to adopt this provision. The Board plans to consider the comments on this issue separately in connection with certain pending bank holding company applications that directly raise the issue of the appropriateness of this provision and the scope of the Board's authority to adopt it. The Board believes that implementation of the other provisions of the regulation, which reduce regulatory burden and have widespread support, should not be delayed pending resolution of this issue. Until the rulemaking on this provision is complete, the provisions of former § 225.4(e) of Regulation Y remain in effect and have been reprinted as § 225.22(d) of the final regulation.

Revision of current interpretations

It will be necessary to revise some of the Board's published interpretations to reflect the changes being made in the regulation; and, in that connection, the Board will try to accommodate the views of those who favor a commentary or other format that would make other Board positions readily available. In the interim, the Board will republish this **Federal Register** notice in the Federal Reserve Regulatory Service to provide a convenient source of guidance on the final regulation.

Regulatory Flexibility Act

The Board certifies that none of the proposed changes will have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). A number of commenters asserted that the amendments regarding bank holding company redemption of securities would have a disproportionate impact on a large number of small entities. However, as noted above, the Board is modifying its proposed amendments to the bank holding company stock redemption provisions. Thus, the Board believes that no further analysis under the Regulatory Flexibility Act is necessary with respect to these amendments to Regulation Y.

Some commenters objected that there was no analysis under the Regulatory Flexibility Act regarding the impact of the definition of "bank" on small entities. In this regard, the Board notes that the bank definition incorporated by the Board in the final regulation represents the Boards's existing interpretations of terms in the BHC Act and would be applicable even if the definitions were not included in Regulation Y. The BHC Act contains no exemption from the bank definition for small institutions, and indeed such an exemption was affirmatively rejected by Congress when it amended the statute in 1970. Thus, the Board believes it would be inconsistent with legislative intent and the prudential policies of the Act to attempt to exempt some identifiable class of small institutions. Unlike some other statutes that the Board administers, the BHC Act does not generally give the Board discretionary authority to make adjustments and exceptions in the statutory coverage for particular classes of institutions so as to relieve compliance burdens.

Since the Board concludes that the definition is required to carry out the purposes and to prevent evasions of the BHC Act and that an exemption for small entities is not consistent with the BHC Act, an analysis of the impact on small entities is unnecessary. Nonetheless, to the extent it has been argued that some institutions covered by the definition would not be considered "banks" if the Board adopted another interpretation, the Board has considered the impact of the regulation on this group of institutions.

The impact of the definition would be felt in two ways: (1) eligibility for ownership of the institution would be affected; and (2) the institution itself would be required to obtain FDIC insurance if it is owned by a company.

For the most part, the organizations that will be affected by the Board's commercial loan definition are the large commercial, industrial, insurance, and securities companies that have recently acquired so called "nonbank banks" based upon a narrow reading of the bank definition in the Act or that may wish to do so in the future. These companies would become bank holding companies and would have to terminate nonconforming activities or divest the bank (or terminate the bank's demand deposit and NOW accounts or commercial lending activity). To date, such organizations have been large and do not include a "substantial number of small entities" within the meaning of the Regulatory Flexibility Act. Most of the banks that have been acquired by such large organizations already have FDIC insurance.

With respect to the FDIC insurance requirement, it appears that the impact would be primarily on industrial banks and similar institutions. Of course, these institutions would be affected only if the are subsidiaries of other companies. Moreover, the Board notes that the impact of this definition on such institutions results not from the definition *per se*, but from recent changes in state laws or interpretations thereof that have authorized these institutions to offer NOW accounts or other checking accounts and to make commercial loans. Prior to 1980, industrial banks did not typically offer checking accounts or make commercial loans, and data provided by trade associations indicate that only a few states authorize industrial banks to offer NOW accounts. Indeed, the legislative history of the BHC Act is clear that when Congress acted to exempt such institutions from the Act in 1966, it did so on the basis of testimony from the industrial banking industry that industrial banks did not offer checking accounts or make commercial loans. (See Supplementary Information Appendix A to this notice). The effect of these changes in state laws, which have rendered industrial banks "banks" for purposes of the statute, may be avoided if the institution in question discontinues either the commercial lending or NOW

account activities that were recently commenced.

The Board notes that there are approximately 1,200 industrial banks or industrial loan companies operating in about 21 States. However, only about 100 of these institutions accept NOW or other checking accounts. In addition, about half of the states that authorized industrial banks or industrial loan companies do not permit them to offer transaction accounts, limiting the institution to the issuance of thrift notes, investment certificates and similar instruments or passbook savings accounts. The Board also notes that in some states that industrial bank must obtain FDIC insurance in order to offer NOW accounts. The Board received specific comments concerning the impact of the proposal in the States of Hawaii, where NOW accounts are not authorized, and Rhode Island, where eleven industrial loan companies operate, of which approximately 5 accept NOW accounts. No specific comment was received regarding the impact in any other State, although there were a number or comments regarding the impact of the rule generally. In view of the limited number of institutions engaged in accepting NOW accounts, it does not appear that the regulation would leave a significant economic impact on a substantial number of small entities.

Companies that control such banks would have 180 days to register with the Board and the institutions owned by such companies would have two years to obtain Federal Deposit Insurance. This two year period would lessen the impact of the regulation of these institutions and provides an opportunity for Congress to consider amending section 3(e) of the BHC Act to provide for other types of insurance as an alternative to FDIC insurance.

Finally, as discussed in § 225.2(a) below, the Board is adopting a procedure to exempt from the nonbanking prohibitions of the BHC Act and certain other requirements of this regulation companies that acquired a "bank", as defined in this final regulation, on or before December 10, 1982, on the basis of a narrow interpretation of the term "demand deposit" or "commercial loan." This provision will significantly reduce the burden of this regulation on companies that qualify for this exemption.

For these reasons, the Board believes that no further analysis under the Regulatory Flexibility Act is necessary with respect to the "demand deposit" or "commercial loan" definitions in Regulation Y.

II. Subpart A—General Provisions

No significant comments were received regarding § 225.1 ("Authority, purpose, and scope"), § 225.3 ("Administration"), § 225.5 ("Registration, reports, and inspections"), and § 225.6 ("Penalties for violations"). In § 225.2(e) of the final regulation the Board has incorporated the definitions of the terms "foreign banking organization" and "qualifying foreign banking organization" from § 211.23 of its Regulation K (12 CFR 211.23). In addition, the definition of "United States" contained in § 225.2(a)(1)(iii) of the proposed regulation appears at § 225.2(k) of the final regulation. Finally, the Board has clarified in paragraph (a) of § 225.5, that a company that has obtained the Board's prior approval to become a bank holding company may complete the registration process by filing its first annual report with the Board.

The remaining paragraphs in this subpart, § 225.2 ("Definitions") and § 225.4 ("Corporate Practices") were the subject of numerous comments, as discussed below.

Section 225.2—Definitions

The following definitions received comments:

Section 225.2(a) "Bank". Section 2(c) of the BHC Act defines "bank" as "any institution * * * which (1) accepts deposits that the depositor has a legal right to withdraw on demand, and (2) engages in the business of making commercial loans." In its proposed revision, the Board interpreted the demand deposit aspect of the "bank" definition as including NOW accounts and other transaction accounts and the commercial loan aspect as including the purchase of commercial paper, certificates of deposit and bankers acceptances, the sale of federal funds and similar transactions. For the reasons set out in detail in the Supplementary Information Appendix A, the Board is adopting, with some modifications, the definitions of these two aspects of the bank definition as proposed in the revision, and in addition, is incorporating in the "commercial loan" definition the purchase of retail installment loans.

As is explained in the Supplementary Information Appendix A, the Board has clarified the scope of the regulation it is adopting since it has determined that at present it is unnecessary to regard as demand deposits such accounts as money market deposit accounts, preauthorized transfer accounts, telephone transfer accounts, savings accounts that do not have checking capability, accounts accessible through ATM machines, bill-payer accounts, and credit balance accounts accessible by negotiable check or draft. Also as is explained in the Supplementary Information Appendix A, the Board does not at this time believe repurchase transactions involving government securities or non-interest bearing demand deposits should be regarded as within the meaning of the term "commercial loan."

The Board received and has considered requests for hearings to explore the extent of the Board's authority to adopt the bank definition, the appropriateness of such action in light of pending judicial and Congressional actions, and the consistency of the definition with the terms of the Act. The Board believes that the opportunity presented for comment on the definitions through the submission of written materials provided as adequate method for interested persons to express their views regarding the legal issues and other matters raised by the proposed revision and that hearings on these issues are neither required nor appropriate.

The Board also has considered requests that the Board republish notice of the proposal providing greater specificity regarding the proposed definitions and the reasons for the definitions. In publishing the revision for comment, the Board stated that it was proposing to incorporate its interpretations of the BHC Act's provisions into Regulation Y to prevent evasions of the Act and specifically referred to its decisions in *First Bancorporation* and *The Dreyfus Corporation*, which contain detailed discussions of the basis for the Board's interpretations of the demand deposit and commercial loan aspects of the bank definition. Accordingly, the Board believes that adequate notice of the proposal has been given and has decided not to republish for comment the definitions of demand deposit or commercial loan.

The Board received several comments urging the Board to delay inclusion of the demand deposit and commercial loan definitions in Regulation Y in view of pending litigation regarding the Board's *First Bancorporation* decision and Congressional consideration of the types of institutions that should be subject to the Act. The Board emphasizes, however, that its decision to incorporate these definitions into Regulation Y is intended to bring the regulation into conformity with previous orders of the Board interpreting the Act

and to carry out the purposes and prevent evasion of the Act. Amendments will be made as necessary in the light of any legislative or judicial action.

The Board notes that, under section 5 of the BHC Act, any company that controls an institution that is a bank under the BHC Act must, within 180 days of becoming a bank holding company, register with the Board and, under section 4 of the Act, must within two years either conform its activities to those permissible under section 4 of the Act or divest its subsidiary bank or cause the bank to cease being a "bank" under the Act. In the future, any company that seeks to acquire a "bank" must, in compliance with section 3 of the Act, file an application and obtain the Board's prior approval for the acquisition.

The Board recognizes that some companies may have prior to December 10, 1982, acquired banks on the basis of a narrow interpretation of the terms "demand deposit" or "commercial loan" and without objection by the Board. Accordingly, the Board has adopted a provision in the final regulation (section 225.21(b)(4)) under which the Board will consider grandfather rights for acquisitions accomplished, or banking operations commenced, prior to December 10, 1982, the date the Board issued its commercial loan interpretation in connection with the *Dreyfus* proposal. The Board will consider modifying the effect of the regulation on the basis of petitions from such companies that demonstrate that application of the regulation without a transition period to permit compliance would be unfair or represent an unreasonable hardship and that exclusion from coverage as a bank holding company would be consistent with the purposes of the BHC Act and the Bank Holding Company Act Amendments of 1970. The Board will promptly act on such petitions upon receipt of all necessary information regarding the petition.

The basis for the Board's actions is further described in detail in Supplementary Information Appendix A to this statement. Supplementary Information Appendix A is not part of the regulation, and is not codified in CFR.

Section 225.2(c) "Company". One commenter objected to including limited partnerships in the definition of "company," arguing that the regulation exceeds the scope of section 2(b) of the BHC Act. The statute defines "company" as "any corporation, partnership, business trust, association, or similar organization." (12 U.S.C. 1841(b).) The legislative history of the BHC Act indicates that limited partnerships as well as general partnerships are covered as companies under the Act. (H.R. Rep. No. 91–387, 91st Cong., 1st Sess. 22 (1969).) Accordingly, the Board is adopting the definition of "company" as proposed.

Section 225.2(d) "Control" of bank or company. Among other things, the definition of "control" in section 225.2(d) of the proposed regulation specifies that the Board may determine that a company controls another company if it finds that the company has the "power to exercise a controlling influence." This definition is based on sections 2(a)(2)(C) and 2(d)(3) of the BHC Act.

Some commenters objected to this provision on the basis that section 2(a)(2)(C) of the BHC Act defines control as the *actual* exercise of a controlling influence, rather than the *power* to exercise a controlling influence. However, section 2(d) of the Act in defining subsidiary for the purposes of the BHC Act, defines control to include the power to exercise a controlling influence. The proposed revision reconciles these two sections of the BHC Act. The Board notes that, because section 2(d) establishes the test for when a bank or company is a subsidiary of a bank holding company, the test in that section would be applicable when a bank holding company seeks to acquire a bank or other company. Thus, the proposed definition of control does not impose a more stringent standard on companies that are bank holding companies.

In addition, as indicated in its previous decisions regarding this matter, the Board believes that, to a large extent, this debate is one of semantics and not substance. (See, *e.g.*, *Patagonia Corporation*, 63 *Federal Reserve Bulletin* 288 (1977).) The critical question is whether the Board may determine in advance that, as a result of a particular transaction, a company would be able to exercise a controlling influence over a bank or other company. It is the Board's belief that it may make such determinations in advance, and that it need not wait until a transaction is consummated in a manner that would frustrate the Act's purposes. Such advance determinations would also enable companies to avoid expending substantial resources on transactions that may ultimately be determined to be unlawful under the controlling influence provisions.

Based on the foregoing discussion, the definition of control is being adopted as proposed. The Board is also adopting the suggestion of a number of commenters to include in the regulation the presumptions of non-control in sections 2(a) (3) and (4) of the BHC Act. These presumptions have been included in section 225.31 of Subpart D of the final regulation.

Section 225.2(f) "Management official". The proposed definition of "management official," which is relevant to control and divestiture determinations under Subpart D, included advisory and honorary directors, as well as all officers. The Board's proposed definition was derived from its interpretation concerning the presumption of continued control under section 2(g)(3) of the BHC Act in divestiture situations. (12 CFR 225.139.)

Some comments suggested that the definition of management official specified in Regulation L (12 CFR Part 212) should be adopted in Regulation Y. The Board does not believe that the Regulation L definition of management official should be used here because it is derived from the Depository Institutions Management Interlocks Act (12 U.S.C. 3201), which has different purposes from the control provisions of the BHC Act.

A number of commenters objected to the proposal on the grounds that advisory and honorary directors do not have voting rights, and that not all officers have policy-making functions. Section 2(g)(3) of the BHC Act relating to divestitures and the presumptions of control in Regulation Y covers all officers and directors, regardless of whether they exercise policy-making functions. The Board's interpretation of section 2(g)(3) explicitly covers honorary and advisory directors. The Board does not believe this coverage should be limited because the divestiture and control provisions of the BHC Act are designed to prevent a control situation from developing or continuing and, in any event, are presumptions that may be rebutted upon a showing that control does not, in fact, exist.

One comment also objected to including employees with policy-making functions in the definition because the presumptions of control for use in control determinations do not now specifically include such employees. The Board does not believe this represents a substantive change in the current provisions because the Board regards an employee of a company with policy-making functions as an officer of the company even if the employee is not designated as an officer. (12 CFR 225.139(a)(2).)

Based on the foregoing, the Board is adopting the definition of management official as proposed.

Section 225.2(l) "Voting securities". The Board proposed to define "voting

securities" as common and preferred stock, partnership interests, and other similar interests, if the holders are entitled (under statute, charter, or in any manner) to vote for or select directors, trustees, or partners, or to vote on significant corporate matters. A number of commenters objected to the inclusion of preferred stock and limited partnership interests in the definition of voting securities.

With respect to limited partnership interests, commenters stressed that limited partners do not have voting rights comparable to those of common stock, and that the business of a limited partnership is managed by the general partner and not by the limited partners who may only be passive investors. Commenters also pointed out that in order to preserve their limited liability status, limited partners may not actively participate in the business affairs of the partnership.

In 1970, the BHC Act was amended to include partnerships within the definition of the term "company." Accordingly, when the BHC Act refers to shares of a company throughout section 4, the term includes partnership interests. The Board has previously recognized that the term shares as used in section 2(g)(3) of the Act includes general as well as limited partnership interests. (12 CFR 225.139 (c)(3) (1983).)

Many commenters also objected to including in the definition nonvoting preferred stock that has limited or contingent voting rights, pointing out that such preferred stock does not have the right to vote regularly for election of directors or on other corporate matters. The commenters did not believe that nonvoting preferred stock should be defined as a voting security under the BHC Act merely because it often has limited voting rights. For example, under some state corporate statutes, preferred stock often has the right to vote as a class on dissolution, mergers, the payment of dividends, or the issuance of additional preferred stock. Similarly, to qualify under New York Stock Exchange rules, preferred stock as a class must have the right to elect two directors if six quarterly dividends are not paid.

The Board continues to believe that the term "voting shares" in the BHC Act includes equity securities, partnership interests, or similar interests that entitle the holder to vote for or select directors, trustees, or partners or to vote on or direct the management of company affairs. However, the Board has modified the proposed definition to meet some of the concerns of the commenters. Under the modified definition, preferred stock, limited partnership interests and similar interests will not be considered voting securities if they have limited voting rights that: (i) Are of the type customarily provided by statute solely with regard to matters that adversely and significantly affect the rights or preference of the stock or other interest; (ii) do not select or vote for the election of directors, general partners, or trustees; and (iii) do not otherwise constitute control. For example, preferred stock would not be viewed as a voting security if it may vote on a merger that would adversely affect its rights or preference or that involves the issuance of additional amounts or classes of senior securities, or the alteration of charter or by-laws that would adversely affect the preferred stock. On the other hand, preferred stock that may vote on any merger regardless of whether its preferred status would be affected, could be viewed as a voting security. Similarly, arrangements under which the limited partner may select the general partner or control the investments or policies of the partnership could constitute the partnership interest as a voting security.

With respect to nonvoting preferred stock that has the right to elect directors upon failure to pay preferred dividends, the **Federal Register** notice accompanying the proposed revision stated that such nonvoting stock would be considered a voting security only at the time the right to vote arises. Moreover, in a number of cases where the holders have committed that they will not exercise the right, or will only do so after obtaining the Board's prior approval, the Board has indicated that such action is appropriate to ensure compliance with the BHC Act. The Board, however, emphasizes that this position applies only in this particular circumstance. The Board has consistently held that a company may not purchase voting common stock on the basis that it will not exercise the voting rights associated with these securities or where the voting rights are extinguished while the company holds the securities. (*See, e.g.*, Policy Statement on Nonvoting Equity Investments by Bank Holding Companies, 12 CFR 225.143(d)(6)(iii); Board letter dated, August 30, 1974, Federal Reserve Regulatory Service ("FRRS") 4–550.)

Finally, investments in nonvoting preferred stock and limited partnership interests that are not voting securities under the terms of the regulation may raise issues under the Board's Policy Statement on Nonvoting Equity Investments by Bank Holding Companies (12 CFR 225.143). The Board has taken the position that such investments generally should not exceed 25 percent of the equity of the company issuing the securities. (12 CFR 225.143(d)(4) and (5); *Security Bancorp., Inc.*, 66 *Fed. Res. Bull.* 977 (1980); *United Midwest Bankshares, Inc.*, 68 *Fed. Res. Bull.* 774 (1982).) The foregoing rules are not intended to prevent bank holding companies from making venture capital investments that are consistent with these rules. As a result of the numerous inquiries on this subject, the Board is preparing an interpretation of these rules as they apply to venture capital investments.

Section 225.4—Corporate Practices

There were no substantive comments from the public on paragraph (a) ("Bank holding company policy and operations"), paragraph (d) ("Tie-in arrangements"), or paragraph (e) ("Acting as transfer agent, municipal securities dealer, or clearing agent"). The only comments on paragraph (c) ("Deposit insurance") were based on objections to the scope of the definition of "bank," which is discussed in § 225.2(a). The comments on paragraph (b) ("Purchase or redemption by a bank holding company of its own securities") are discussed below.

Section 225.4(b) Purchase or redemption by a bank holding company of its own securities. The proposed revision prohibited purchases and redemptions by a bank holding company of its own securities unless, after giving effect to the transaction, the holding company and subsidiary banks meet the minimum primary capital-to-total-assets ratios (based on size) contained in the Board's Capital Adequacy Guidelines. In addition, a bank holding company with banking assets of $150 million or less must have a consolidated debt-to-equity ratio of less than 30 percent after the redemption. There would be an exception to the prohibition for *de minimis* redemptions totalling less than one percent of the holding company's net worth. Also, a bank holding company could seek the Board's prior approval for a proposed redemption on the basis of unusual circumstances.

The current regulation requires a bank holding company to give 45 days' notice to the Board of a proposed redemption if the purchase price would exceed 10 percent of the holding company's net worth, or would exceed that amount when aggregated with all redemptions made in the previous twelve-month period. Under this procedure, the Board may institute cease and desist proceedings to present the redemption if the Board finds it would be unsafe or unsound.

More than 600 comments objected to the removal of the exemption for purchases totalling 10 percent or less of net worth in a twelve-month period on the grounds that it would discourage local ownership of small banks and would interfere with the use of bank holding companies as estate planning vehicles. They stated that a small bank holding company often provides a market for its securities where no other market exists, and that under the proposed redemption provisions, bank holding companies would effectively be prevented from performing this function, resulting in the sale of the stock of small banks to larger banking organizations or other persons outside the local community.

Based on the comments, the Board has determined to modify the proposal in the following manner. First, the 10 percent exemption contained in the current regulation will be retained, and no notice will be required for redemptions involving less than 10 percent of net worth in any twelve-month period. This modification will significantly reduce the burdens associated with the proposed revision because it would exempt a large number of transactions.

Bank holding companies are cautioned, however, against the use of this exemption for repeated redemptions that do not require notice but undermine the capital position of the banking organization. Such situations will be closely examined by the Board to ensure that they do not constitute an unsafe or unsound practice. Also, the exemption should not be used by companies that do not meet the Board's capital guidelines for redemptions that would significantly reduce their capital, and by a small one-bank holding company to increase it debt-to-equity ratios significantly from the projections relied on by the Board in approving its application to become a bank holding company.

Two other modifications will also reduce the burden associated with these provisions. The final regulation reflects the modification of both the standards used in judging a proposed redemption transaction and the procedure for objecting to such transactions. Under the current regulation, a bank holding company is notified if it is determined that a proposed redemption is unsafe or unsound, or would violate any applicable law, rule, regulation, order, or any written agreement with the Board. The Board may then commence a cease-and-desist proceeding to prevent the transaction. The Board is modifying this provision to provide that, prior to the end of the notice period, the Board will advise the bank holding company that the proposed purchase or redemption has been approved or disapproved.

The standards for disapproval will be the same as those set forth in the current regulation; however, the final regulation provides that the safety and soundness of a proposed redemption transaction will be judged under the Board's Capital Adequacy Guidelines. The Board's Capital Adequacy Guidelines are contained in Appendix A to the final regulation. With respect to bank holding companies with banking assets of $150 million or less, if debt is incurred in connection with a proposed redemption, the amount and repayment of such indebtedness generally will be governed by the Board's standards for small one-bank holding company formations. (Policy Statement for Formation of Small One-Bank Holding Companies, FRRS 4–855 and FRRS 4–856.) This policy statement is contained in Appendix B to the final regulation.

The Board is authorized by the Financial Institutions Supervisory Act to issue rules prescribing practices that are unsafe or unsound. (12 U.S.C. 1818(b), (n)), and the courts have confirmed this authority. (*Independent Banker Association* v. *Heimann*, 613 F. 2d 1164 (D.C. Cir. 1979).) The Board has similar authority under section 5(b) of the BHC Act to issue rules to carry out the purposes of the Act, one of which is to assure that bank holding companies maintain adequate financial resources. Finally, section 908 of the recently enacted International Lending Supervision Act of 1983 (Title IX of Pub. L. 98–181), authorizes the appropriate federal banking agency to establish minimum levels of capital for banking institutions and to require institutions to achieve and maintain such minimum levels. The Board is also authorized under that provision to consider the impact of a holding company's proposals on its subsidiary bank's progress in achieving its minimum capital level and, under section 910(a)(2) of that statute, to apply the provisions of the statute to bank holding companies in order to promote uniform application of the statute and to prevent evasions thereof.

The information to be provided in connection with prior notice to the Board of a proposed redemption is being consolidated from eight to three items. In addition, the period for reviewing the notice is being reduced from 45 to 30 days, unless the notice is referred to the Board for decision, in which case the review period will be 60 days, in order to conform to the processing requirements for applications under the BHC Act.

III. Subpart B—Acquisition of Bank Securities or Assets

Section 225.11—Transactions Requiring Board Approval

This section of the proposed regulation, which is based on section 3(d) of the BHC Act, sets out the following transactions for which prior Board approval is required: (a) formation of a bank holding company; (b) acquisition of a subsidiary bank; (c) acquisition by a bank holding company of control of more than 5 percent of the voting securities of a bank or a bank holding company; (d) acquisition of bank assets; (e) merger or consolidation of bank holding companies; and (f) any other transaction that the Board determines in a particular case requires prior approval under the BHC Act. The majority of the comments on this section addressed paragraphs (c), (d) and (f), as discussed below.

Generally, the acquisition by a bank or bank holding company of its own voting securities or those of its parent bank holding company would not require the Board's prior approval under this section of the regulation, unless there is an evasion of the BHC Act or other adverse effects. Such an acquisition may, however, require notice under section 225.4(b).

In the **Federal Register** notice accompanying the proposed revision, the Board stated that a redemption of securities by a bank or bank holding company that increases the proportional interest of a holder of such securities will be regarded as an "acquisition" of bank securities and will require the holder to file an application for prior Board approval under paragraph (a) or (c) of this section. For example, an application would be required under this section if the redemption results in the holder becoming a bank holding company because its proportional interest has increased to 25 percent or more of any class of voting securities of a bank or bank holding company.

Some commenters objected that there might not be sufficient time to obtain the Board's approval in advance when a redemption increases a shareholder's percentage ownership beyond a regulatory threshold. They suggested that the regulation specifically permit the filing of retention applications within a reasonable period after the redemption has occurred. The Board is not amending the regulation as suggested, because section 3 of the BHC Act specifies that the Board's approval

is required prior to acquisitions of bank and bank holding company stock under that section. However, the Board has in similar situations accepted applications to retain shares acquired by a company for which it was impossible to obtain approval in advance. In the redemption situation, where the holder does not cause the redemption and does not have sufficient prior notice of it to file an application, the Board would consider 90 days after the redemption as an appropriate period within which to file an application (or to divest the necessary number of shares to bring it into compliance with the Act).

Section 225.11(c) Acquisition of control of bank or bank holding company securities. Under this provision, a bank holding company must apply for the Board's prior approval to acquire voting securities of a bank or bank holding company if, after the acquisition, the bank holding company would hold more than 5 percent of any class of voting securities of the bank or holding company.

Several commenters objected to applying this prior approval requirement to acquisitions of the voting securities of a bank holding company. The commenters argue that if a bank holding company does not acquire 25 percent or more of the voting shares of the other bank holding company, it cannot be presumed to indirectly control any of the bank shares held by the other bank holding company because the acquiring holding company would not control the acquired holding company under the BHC Act.

It is the Board's view that the same rationale that prompted Congress to require an application when a bank holding seeks to acquire more than 5 percent of a bank's shares, whether or not the interest acquired provides the holder with control, supports a similar rule when a bank holding company seeks to acquire more than 5 percent of the voting shares of another bank holding company. The Board has consistently required an application in such circumstances. Accordingly, the Board is adopting the proposed provision requiring an application for the acquisition by a bank holding company of voting securities of another bank holding company that would result in it holding more than 5 percent of the voting securities of the other bank holding company.

Commenters also objected to the requirement of prior approval where a bank holding company acquires more than 5 percent of any class of voting securities. They point out that section 3(a)(3) of the BHC Act only requires prior approval for the acquisition of more than 5 percent of the outstanding voting securities. Thus, they suggest that all voting securities should be aggregated to determine whether the five percent limitation has been met. The Board does not agree with this interpretation.

The requirement for an application in such a circumstance is intended to reconcile section 3(a)(3) with the control provisions of section 2(a)(2)(A) of the BHC Act. The 1970 Amendments to the BHC Act added the concept of a class of voting securities to the definition of control in section 2(a) of the BHC Act. The Board believes that, while corresponding changes were not made in all other sections of the BHC Act, such changes were intended and are necessary. Any other interpretation would allow a bank holding company to acquire 25 percent or more of a class of voting securities, and thereby to acquire control of a bank as defined in section 2(a)(2)(A) of the BHC Act without filing an application under section 3 of the BHC Act, whereas under section 3(a)(1) of the BHC Act a company that is not a bank holding company would have to file an application for the same acquisition. Such a result would produce an anamolous situation, imposing less stringent controls on bank holding company acquisitions of additional banks than on bank holding company formations under section 3(a)(1) of the BHC Act.

In addition, the Board believes that, because under corporate law various classes of stock may be given different voting rights, control of shares of a particular class of voting securities may provide a holder with disproportionate influence in the affairs of the target company or bank, and may present the concerns that the prior approval requirement of section 3(a)(3) of the BHC Act was meant to address, even though the amount of shares acquired may be less than 5 percent of all classes of voting securities of the target company or bank. The Board also believes that its clarification of the definition of "voting securities" to exclude preferred stock with only limited voting rights addresses in major part the concerns of the commenters about imposing the prior approval requirement on the acquisition by a bank holding company of more than 5 percent of a class of voting securities of a bank or bank holding company, because no application would be required if the preferred or other shares are not "voting securities."

Accordingly, the Board is adopting in the final regulation the proposed provision requiring an application for the acquisition of more than 5 percent of any class of voting securities of a bank or bank holding company.

Section 225.11(d) Acquisition of bank assets. This provision requires the Board's prior approval for an acquisition by a bank holding company or a nonbank subsidiary of all or substantially all the assets of a bank. Although several commenters requested the Board to quantify the percentage of assets that would require an application, in view of the absence of any questions arising concerning the interpretation of this provision in the almost 30 years it has been in place, the Board is adopting the provision as proposed.

Section 225.11(f) Other acquisitions. Under this provision, the Board proposed a procedure for determining when other acquisitions of securities of a bank or bank holding company require the Board's prior approval under section 3 of the BHC Act, after notice to the acquiring company. This proposal was based on the Board's responsibility for administration of the BHC Act, and its purpose was to avoid unnecessary filings with other agencies under the Bank Control Act and differing and conflicting interpretations of the BHC Act. Several commenters objected that adoption of the provision would exceed the Board's authority because there is no comparable provision in section 3 of the BHC Act. In view of the Board's action in adopting the definition of "bank," which specifies by regulation those institutions the acquisition of which require prior approval under the BHC Act, the Board does not believe that adoption of this provision is necessary to ensure compliance with and prevent evasions of the Act. Thus, the Board is not adopting this provision in the final regulation.

Section 225.12—Transactions Not Requiring Board Approval

This section specifies transactions for which prior Board approval is not required under section 3(a) of the BHC Act. No substantive comments were received concerning paragraph (c) ("Acquisition of securities by a bank holding company with majority control"); and paragraph (e) ("Holding securities in escrow"). Paragraphs (a), (b) and (d) are discussed below.

Section 225.12(a) Acquisition of securities in fiduciary capacity. This paragraph provides that Board approval is not required for a company (including a bank) to acquire voting securities of a bank or bank holding company in good faith in a fiduciary capacity, unless (1) the company has sole discretionary authority to vote the securities and will retain that authority for more than two

years, or (2) the acquisition is for the benefit of the company, its shareholders, employees, or subsidiaries.

Under section 3(a) of the BHC Act, a company must apply to retain voting securities of a bank or bank holding company acquired in a fiduciary capacity with sole discretionary voting authority within 90 days of receiving such shares. The proposes regulation specified that no application is required unless the company proposed to retain the shares with sole discretionary voting authority beyond the two-year grace period provided in section 3(a) of the BHC Act. The Board is reaffirming the position reflected in the proposed regulation.

There was a request for an extension of the two-year grace period to file an application when the acquiring bank or company decides belatedly that it wishes to retain the shares in a fiduciary capacity. The BHC Act specifies a maximum grace period of two years, and the Board believes that if a company has any doubts about its plans regarding retention of fiduciary shares, it should file an application in time for Board action before the expiration of the grace period.

One commenter objected to excluding from the fiduciary exemption voting securities held in a fiduciary capacity for the employees of a company's subsidiaries. However, authority for this exclusion is clearly set forth in section 3(a)(A)(i) of the BHC Act, which excludes from the fiduciary exemption in that section, shares acquired as provided in section 2(g)(2) of the Act. Section 2(g)(2) provides that shares held by trustees for the benefit of the employees of a company are controlled by the company. Section 2(g)(1) of the BHC Act provides that shares owned or controlled by a subsidiary of a bank holding company are controlled by the bank holding company.

While the exception contained in section 3 of the BHC Act for the acquisition of bank or bank holding company securities or assets in a fiduciary capacity is limited to such acquisitions made by a bank, the regulation extends the exception for fiduciary acquisition of bank and bank holding company securities to those made by a nonbank company. This interpretation recognizes the fact that there are nonbank companies, including nonbank subsidiaries of bank holding companies, that are engaged in fiduciary activities and would receive securities or assets in a fiduciary capacity.

The fiduciary exemption in the BHC Act and the regulation does not exempt the acquisition of bank or bank holding company shares or assets by a bank as fiduciary for a trust that is a "company" as defined in § 225.2(c) of Subpart A. Thus, an application must be filed by such a trust if it proposes to make an acquisition of bank or bank holding company securities or assets covered under § 225.11 of the proposed regulation. In this situation, however, an application would not also be required from the fiduciary or its parent, if the fiduciary meets the requirements for the exemption described in § 225.12(a) of the proposed regulation.

The BHC Act also does not provide an exemption where the fiduciary receives shares from a selling company that is deemed to continue to control the shares after the diverstiture under section 2(g)(3) of the BHC Act.

Based on the foregoing, the Board is adopting the provision as proposed.

Section 225.12(b) Acquisition of securities in satisfaction of debts previously contracted. This paragraph exempts from prior approval under the BHC Act the acquisition by a bank or other company of voting securities of a bank or bank holding company in the regular course of securing or collecting a debt previously contracted in good faith so long as the company divests the securities within two years of acquisition.

Several commenters sought clarification about when the holding period begins to run. While the Board is adopting this provision as proposed, it believes clarification is appropriate. For example, in the Board's view, the pledge of more than 5 percent of the voting securities of a bank as collateral for a loan does not represent an acquisition that would start the holding period if the lender does not acquire voting rights to the pledged securities. On the other hand, if the lender acquires ownership or control of pledged voting securities as a result of a default on the loan, the transaction would be an acquisition under this paragraph and the two-year holding period would commence, regardless of whether the lender votes the securities.

While the statutory exception is limited to acquisitions made by banks, the final regulation extends the exception to any company that acquires bank securities in good faith in satisfaction of a debt previously contracted.

Section 225.12(d) Transactions subject to Bank Merger Act. This paragraph generally exempts from prior approval under the BHC Act a merger involving a subsidiary bank of a bank holding company if the merger is subject to approval under the Bank Merger Act. This exemption was proposed to implement section 3(a)(4) of the BHC Act, which does not require Board approval for the acquisition of bank assets by a bank. However, as one commenter noted, the Board would continue to retain jurisdiction over a transaction subject to the Bank Merger Act if the transaction would have a significantly adverse financial or other impact on the parent bank holding company. The Board has not found it necessary to exercise its authority in such cases, but the regulation has been clarified to reserve the Board's authority to do so when appropriate to effect the purposes of the Act. The Board has also clarified that a merger or consolidation of bank holding companies, which requires the Board's prior approval under section 3(a)(5) of the BHC Act, is not exempted from that requirement by this paragraph.

Section 225.13—Factors Considered in Deciding Applications Under Subpart B

Section 225.13(a) Prohibited anticompetitive transactions. Paragraph (a) of this section incorporates the antitrust standards in section 3(c) of the BHC Act, and paragraph (c) contains the prohibition against interstate bank acquisitions of section 3(d) of the Act. There were no significant comments regarding either of these provisions, and they are being adopted substantially as proposed with technical changes to conform to the language of the BHC Act. The comments on paragraph (b) ("Other factors considered") are discussed below.

Section 225.13(b) Other factors considered. This paragraph, which is based on section 3(c) of the BHC Act, outlines the factors considered by the Board in acting on all applications for acquisitions of banks and bank holding companies under this subpart. The factors include financial and managerial resources and the convenience and needs of the communities to be served. In view of objections raised by the commenters to including competitive considerations under the convenience and needs standard, the Board is deleting the reference in that provision to "existing and potential competition and the concentration of banking resources."

Several commenters objected to consideration of the financial and managerial resources of the subsidiaries of an applicant in connection with an application under section 3 to acquire an additional bank. They urge the Board to consider only the financial and managerial resources of the applicant and the bank to be acquired. Under section 3(c) of the BHC Act, the Board is directed to consider the financial and

managerial resources of "the banks concerned." In a proposed acquisition by a bank holding company to acquire an additional bank, the Board believes that each of its existing subsidiaries is necessarily affected by the proposal, particularly since the bank holding company would be diverting financial and managerial resources from existing subsidiaries to the proposed new subsidiary.

Section 225.14—Procedures for Applications, Notices, and Hearings

This section sets forth the procedures for applications, notices, and hearings with respect to applications for the Board's prior approval of acquisitions of bank securities and assets. In an effort to expedite the processing of applications, the proposed regulation established time constraints for: (i) Accepting an application for processing or notifying the applicant that the application is incomplete and seeking additional information; (ii) publishing notice of the application in the **Federal Register**; and (iii) acting on the application. Similar provisions appear in section 225.23 with respect to applications for nonbanking activities under section 4(c)(8) of the BHC Act.

The procedural changes reflected in this section were favored by most commenters. Some commenters suggested that these procedural rules not be included in the regulation or that they be included elsewhere, such as the Board's Rules of Procedure (12 CFR Part 262). The Board believes that it is appropriate to include the procedural rules in Regulation Y, rather than the Rules of Procedure, because they relate specifically to applications under the BHC Act. Thus, incorporation of the procedural rules in Regulation Y will provide a more convenient source of guidance to those referring to the application provisions of the regulation. Accordingly, the Board is adopting the procedural rules as proposed with some modifications discussed below.

There were no significant comments on paragraph (a) ("Filing application"), paragraph (e) ("Hearings"), and paragraph (g) ("Exceptions to notice and hearing requirements"), and these provisions are being adopted as proposed. A new paragraph (e) has been added reflecting the statutory requirement that the Board notify the United States Attorney General of approval of an application under section 3 of the BHC Act. Accordingly, paragraphs (e), (f), (g) and (h) of section 225.14 of the proposed revision are renumbered as paragraphs (f), (g), (h) and (i) in the final regulation. The comments on the other paragraphs are discussed below.

Section 225.14(b) Notice. The majority of commenters favored the proposed prompt publication of the notice. Several commenters expressed concern that the provision in the proposed revision that calls for publication of notice in the **Federal Register** upon receipt of the application, rather than upon acceptance, would result in **Federal Register** publication of an application that ultimately may not be processed.

The object of the early notice provision was to allow an adequate **Federal Register** comment period (25 to 30 days), while at the same time enabling Reserve Banks to meet the 30-day processing schedule for delegated applications. Based on its experience with newspaper notices, which are published in advance of acceptance of the application, the Board does not believe that publication of **Federal Register** notice prior to acceptance of the application will result in any significant difficulties. Accordingly, the Board is adopting the notice provision as proposed in the revision.

Section 225.14(c) Accepting application for processing. Under the proposed revision, the Reserve Banks are allowed 10 calendar days from the date an application is filed to review the application and either to accept it, or if the application is found to be incomplete, to seek additional information. A number of commenters objected to beginning the time schedule for substantive review of an application from the date that the application is accepted by the Reserve Bank rather than from the date the application is filed, arguing that this delay will create uncertainty about the deadline for action on an application. Some commenters maintained that an application should be accepted immediately if it is responsive to each item on the application form, and that if additional information is needed, it can be obtained later.

In the Board's experience, many applications require additional information, and the time within which this information is furnished depends on the applicant. The time period for the pre-acceptance review process has been substantially shortened. Moreover, under the new application processing procedures, a Reserve Bank may only seek additional information once, and must review such information within 5 business days. If the application is not complete at that point, the application will be returned as incomplete. Establishing an earlier date for the processing schedule for an application would not reduce the processing time but would, instead, create uncertainty in processing deadlines, since the deadlines would often have to be extended in order to request additional information. Therefore the pre-acceptance review period is being retained in the final regulation. However, a modification is being made, at the suggestion of Reserve Banks, to state the time period for acceptance in business days, rather than calendar days, to ensure uniformity in the review process.

There were also requests for the Board to define the circumstances under which an application may be considered incomplete by the Reserve Bank. Because of the diversity of proposals made in applications to the Board under the BHC Act, the Board believes the better approach is to continue a case-by-case review of the information submitted in response to application forms, and to establish and adhere to very short time frames for the review of applications and supplemental material prior to acceptance.

Section 225.14(d) Action on applications. There was general approval of the proposed reduction in the processing time for applications to 60 days for those acted on by the Board and 30 days for those approved by the Reserve Banks. One commenter suggested that the Board processing period should be reduced to 45 days and that a special expedited schedule should be provided for tender offers. Another commenter questioned whether 60 days would allow sufficient time to develop the issues on an application for Board consideration.

The Board believes that the reduction of processing time by 33 percent represents the maximum reduction consistent with the Board's responsibility under the BHC Act to evaluate each application under the statutory factors, without resorting to frequent extensions of the processing periods. Also, the Board notes that the proposed timeframe for Board action is consistent with recent legislation, such as the Bank Control Act and the Bank Export Services Act (12 U.S.C. 1843(c)(14)). Of course, if a particular application can be processed more quickly than the period provided, it will be. A few applications that present protested or significant issues will take more than 60 days to process, but under the new procedures, the Board is required to advise the applicant in such cases of the reason for delay. The decision to extend the 60 day period for

Board action on an application will be made by an appropriate Board member.

Under the proposed revision, the Reserve Bank could, after giving notice to the applicant, extend the 30-day period for acting on an application for an additional 15 days, for a total processing period of 45 days. Several Reserve Banks expressed concern that this limited extension period may not provide sufficient time to obtain necessary information from the applicant, another regulator, or a protestant. Some recommended authorizing them to extend the processing period for an indefinite time pending receipt of needed information. As noted above, one of the purposes of incorporating processing periods into the regulation is to provide more certainty concerning the date of final action on an application. An indefinite extension may interfere with this objective. However, the Board also agrees that the 15-day extension may not be sufficient where the Reserve Bank is awaiting receipt of information necessary to its decision. Accordingly, the extension provision is being clarified to indicate that where the Reserve Bank is waiting for requested information, the 15-day period does not begin to run until the date the information is received by the Reserve Bank.

Section 225.14(g) Approval through failure to act. This provision incorporates judicial constructions of the 91-day rule in the BHC Act, which provides that an application shall be deemed approved if the Board fails to act within 91 days after the date that the record on the application is complete. A number of commenters favored the inclusion in Regulation Y of a provision explaining the 91-day rule, since it would clarify a confusing subject. The Board is adopting this provision as proposed with minor modifications, as discussed below.

The 91-day rule is the legal maximum for the Board to make its decision on an application. More than 90 percent of all applications filed with the Board currently are approved in less than 46 days. Under the procedures set forth in the regulation, it is expected that most applications will be acted upon within 30 days of acceptance.

In conformity with established rules for computing time periods, such as the Federal Rules of Civil Procedure, the first day of the 91-day period is the day following completion of the record. Under this method of computations, the date the record is completed is day zero and the Board must act within 91 days thereafter. The regulation also specifies that Board act includes issuance of an order stating that the Board has approved or denied the application, reflecting the votes of the Board members, and indicating that a statement of the reasons for the action will follow.

The regulation specifies that the record on an application will not be considered complete before: (1) The date the Board receives an application accepted for processing by a Reserve Bank; (2) the last day of the formal comment period specified in any notice required under the regulation; (3) the date of the receipt of the last relevant, noncumulative information needed for the Board's decision on the application from a source outside the Federal Reserve System; or (4) the completion of any hearing required on the application.

Information from a source outside the Federal Reserve System includes any information submitted by the applicant in response to a request by the Board during the processing period as well as information from a government agency. If the Board has requested information that the Board believes is necessary for its decision, the record is not complete until the Board receives that information.[1] Similarly, the Board has previously stated that if it is awaiting the results of an examination of any bank involved in the application, or if issues raised by the application are the subject of pending litigation, legislation or rulemaking, the Board may appropriately suspend decision on an application. In such cases the record on the application is not deemed to be complete until the results of the examination are received or the collateral proceeding has been terminated. The purpose of the 91-day rule is, in the Board's view, to guard against unjustified delay resulting from inefficiency in the processing of applications, and is not to prevent the Board from withholding decision on an application when compelling reasons lead the Board to conclude that the public interest would be served by doing so. S-letter No. 2299, dated December 1, 1975, *reprinted in* [1978–1979 Transfer Binder] *Fed. Banking L. Rep.* (CCH), paragraph 96, 708.

Some commenters asserted that the 91-day period should start with the acceptance of the application by the Reserve Banks rather than the close of the comment period. However, this view of the statute is inconsistent with the legislative history, judicial precedent, and the Board's established construction of the 91-day rule. Thus, the Board is not accepting this suggestion. The notes, however, that the requirement for publication of notice in the **Federal Register** upon submission of the application (rather than acceptance) means that in many cases the 91-day period will in fact commence upon or shortly after acceptance of the application.

One commenter suggested that the Board notify an applicant when it receives information that would restart the 91-day period. The Board's procedures already provide that an applicant is to receive copies of materials from outside parties. Moreover, an applicant or other interested person may ask Board staff for advice on the calculation of the 91-day period in a particular application. Board staff will inform the applicant or other party of the last date provided in any notice for comment on the application and the last date that any relevant information concerning the application has been received from outside the Federal Reserve System.

There were objections to the provision that allows the Board to issue a statement of reasons for its action after the 91st day, if it issues an order by the 91st day. These commenters contend that parties adversely affected by an action of the Board would be deprived of the full 30 days to pursue judicial review of a Board action under the BHC Act. However, judicial decisions of similar statutory review provisions indicate that the period for judicial review does not commence until the statement of reasons in issued. *Airline Pilots Association* v. *C.A.B.*, 509 F. 2d 964 (D.C. Cir. 1975).)

There were also suggestions that the Board incorporate in the regulation the rules governing protests and the treatment of late comments. The Board's policy regarding comments and protests are set forth in the Board's Rules of Procedure (12 CFR Part 262). Since comments and protests are received on applications other than those under the BHC Act, the Board believes that its protest rules should remain in the Rules of Procedure, which apply to all types of applications the Board considers.

Section 225.14(i) Waiting period. Under section 11(b) of the BHC Act, a transaction that has been approved under section 3 of the Act, either as a result of Board approval or the 91-day rule, may not be consummated until 30 days after approval of the application. Emergency and failing bank acquisitions are generally exempt from the 30-day waiting period. The purpose of the

[1] See *Tri-State Bancorporation, Inc.* v. *Board of Governors*, 524 F.2d 562 (7th Cir. 1975); *North Lawndale Economic Development Corp.* v. *Board of Governors*, 553 F.2d 23 (7th Cir. 1977); *Central Wisconsin Bankshares, Inc.* v. *Board of Governors*, 583 F.2d 294 (7th Cir. 1978); *Republic of Texas Corp.* v. *Board of Governors*, 649 F.2d 1026 (5th Cir. 1981).

waiting period is to afford the United States Department of Justice an opportunity to review the proposal and determine whether it conforms to the antitrust laws.

The Board requested comment on the desirability of an amendment to Regulation Y that would allow this waiting period to be reduced with the concurrence of the Department of Justice where the proposal does not present any anticompetitive effects. For example, one-bank holding company formations generally do not present anticompetitive effects and are not the type of proposals for which the 30-day waiting period was designed. This proposal was favored by a large number of commenters. The Department of Justice endorsed the Board's suggestion in principle, but took the position that an amendment to the BHC Act would be necessary to implement the proposal. Accordingly, the Board will recommend such a proposal to the Congress.

IV. Subpart C—Nonbanking Activities and Acquisitions By Bank Holding Companies

Section 4 of the BHC Act, which embodies one of the primary purposes of the BHC Act, the separation of banking and commerce, limits the nonbanking activities in which a bank holding company and its subsidiaries may engage and prohibits the acquisition of voting shares of nonbanking entities unless the acquisition is specifically exempted. This subpart of the regulation implements section 4 and applies to any bank holding company as defined in Subpart A (including certain foreign banking organizations).

The subpart sets forth the limitations on nonbanking activities and describes the major exemptions contained in the BHC Act. It does not include the statutory exemption in section 4(a)(2) of the BHC Act (relating to retention of real estate holdings acquired prior to 1970), and the limited exemption in section 4(c)(10) (for a bank that is a bank holding company) because of their limited applicability. Also not included are (i) the provisions of section 4(c)(12) of the BHC Act which pertain to the expansion of nonbanking activities that were required to be divested by 1980; and (ii) the statutory exemptions in sections 4(c) (9), (13) and (14) of the BHC Act, which generally pertain to international banking and export trading company activities and which are implemented in various provisions of Regulation K ("International Bank Operations," 12 CFR Part 211).

Section 225.21—Prohibited Nonbanking Activities and Acquisitions; Exempt Bank Holding Companies

There were no substantive comments concering paragraph (b) ("Exempt bank holding companies"). As noted above, the Board has added a new paragraph (b)(4) to his section, which provides a procedure to exempt certain companies that acquired a so-called "nonbank bank" prior to December 10, 1982, on the basis of a narrow interpretation of the term "demand deposit" or "commercial loan" in the definition of "bank" in section 2(c) of the BHC Act. The comments on paragraph (a) are discussed below:

Section 225.21(a) Prohibited nonbanking activities and acquisitions. This paragraph contains the prohibitions of section 4(a) of the BHC Act that a bank holding company may not (i) acquire or retain the voting securities or assets of a company that is not a bank unless the company qualifies for one of the exemptions to the Act or (ii) engage in any activity other than those of banking or managing or controlling banks or activities otherwise deemed permissible under the BHC Act. The statutory exemptions to this prohibition, including the authorization for activities determined by the Board to be closely related to banking, are set forth in §§ 225.22 and 225.25 of Regulation Y, respectively.

This paragraph also sets forth the principal exception to the nonbanking prohibitions of section 4 of the BHC Act, under which a bank holding company may, with the prior approval of the Board, engage in, or acquire or control voting securities or assets of a company engaged in, activities that the Board has determined by order or regulation to be so closely related to banking or managing or controlling banks as to be a proper incident thereto.

Section 4(c)(8) of the BHC Act imposes a "two-step" test for determining the permissibility of nonbanking activities for bank holding companies, that is, whether the activity is closely related to banking and a "proper incident" to banking; and whether the benefits of a particular bank holding company engaging in a specific nonbanking activity outweigh the possible adverse effects. (*Board of Governors* v. *Investment Co. Institute*, 450 U.S. 46 (1981); *Nat'l Courier Ass'n.* v. *Board of Governors*, 516 F.2d 1229 (D.C. Cir. 1975).) The factors considered by the Board under the net public benefits test are set out in § 225.24 of the final regulation.

The **Federal Register** notice accompanying the proposed revision stated that the Board has found the guidelines set forth by the court in *National Courier* to be useful in determining whether an activity is closely related to banking. Several commenters asked the Board to expand the criteria beyond the *National Courier* tests, arguing that those guidelines do not allow sufficient flexibility and limit holding companies essentially to activities that have been traditional for banks. They urge the Board to look to other factors in evaluating activities under section 4(c)(8), including the changing competitive environment, particularly the expanded services offered by unregulated financial organizations.

The Board notes that the *National Courier* criteria are not considered exclusive, and the **Federal Register** notice accompanying the proposed revision stated that the Board has wide discretion under section 4(c)(8) of the BHC Act in making its closely related to banking determinations. The notice referred to judicial decisions stating that the Board may consider other factors in determining whether activities are closely related to banking. (*Alabama Ass'n of Ins. Agents* v. *Board of Governors*, 533 F.2d 224, 241 (5th Cir. 1976), *cert. denied*, 435 U.S. 904 (1978); *Board of Governors* v. *Investment Co. Institute*, 450 U.S. 46, 55 (1981).) In acting on a request to engage in a new nonbanking activity, the Board will consider, in addition to the *National Courier* criteria, any other factor that an applicant may advance to demonstrate a reasonable or close connection or relationship of the activity to banking or managing and controlling banks. Moreover, the Board agrees that the banking environment is changing and has indicated that it will reconsider any activity previously denied if it is demonstrated that circumstances have changed.

One commenter objected that section 4(a)(1) of the BHC Act does not require Board approval for acquisitions of assets. The Board has indicated, in its discussion of § 225.22 below, the circumstances under which an aquisition of assets will not be subject to the prior approval requirement of this section of the regulation. The Board believes that prior approval is required for the acquisition of assets to prevent a company from engaging in an impermissible nonbanking activity represented by the acquired assets in violation of section 4(a) of the BHC Act. Moreover, the Board views the acquisition of all or substantially all of the assets of a company as being equivalent to the acquisition of voting

securities, a transaction that would be prohibited without prior approval under section 4(c)(8) of the BHC Act.

The **Federal Register** notice accompanying the proposed revision stated that the prohibition against engaging in a nonbanking activity also applies to a bank holding company or subsidiary becoming a partner in a partnership (or acquiring voting securities in a partnership) that is engaged in nonbanking activities. (See *Central Colorado Co. & C.C.B., Inc.*, 66 *Federal Reserve Bulletin* 665 (1980).) Similarly, the prohibition applies to acquiring an interest in a joint venture (either in corporate or partnership form) where the joint venture is engaged in a nonbanking activity.

Several commenters objected to the statement that section 4(a) of the BHC Act prohibits a bank holding company from becoming a partner in a firm engaged in impermissible nonbanking activities, arguing that a limited partnership interest is not a voting security, that only the acquisition of voting securities is prohibited under section 4(a), and that a finding of control of the partnership is necessary for a nonbanking partnership interest to be prohibited under section 4(a).

The Board believes that these objections are addressed in its clarification of the definition of "voting securities," (see section 225.2(1)), which would not include preferred stock or similar interests with certain limited voting rights. However, the Board notes that a bank holding company may be presumed to be engaged in the business of a partnership, or may have established a control relationship over the partnership, because of (i) the size of its equity investment in the partnership (ii) its selection, or ability to select or to vote for the selection, of the general partner; (iii) limitations imposed on the management discretion of the general partner over the affairs or assets of the partnership; or (iv) the particular facts and circumstances of a case. In addition, the Board believes that a bank holding company that is a general partner in a partnership should be regarded as engaging in the activities of the partnership.

Commenters questioned the meaning of paragraph (a)(1) of this section regarding "banking" activities of bank holding companies. One commenter suggested that nonbanking activities (such as making loans) may also be "banking" functions and could be performed under section 4(c)(8) of the BHC Act or § 225.23 of the regulation without prior Board approval. Another commenter suggested that paragraph (a)(1) empowers bank holding companies to engage in banking.

The Board has previously limited the exception now contained in paragraph (a)(1) by interpreting it to mean that a bank, which is or becomes a bank holding company, may continue to function as a bank (FRRS 4–510). Thus, paragraph (a)(1) does not authorize a bank holding company to become a bank, nor does it authorize a bank holding company that is not a bank to perform any bank functions.

One commenter asked whether paragraph (a) of this section prohibits the holding of shares of a namesaver company. It does not because a namesaver company is not engaged in any activity and is merely a corporate shell.

Based on the foregiong, the Board is adopting section 225.21(a) substantially as proposed with some editorial amendments.

Section 225.22—Exempt Nonbanking Activities and Acquisitions

A bank holding company may engage in an activity or acquire shares of a nonbanking company without prior Board approval, if the activity or acquisition falls within one of the exemptions set forth in this section. The exemptions are derived from those set forth in section 4(c) of the BHC Act, and from interpretations issued by the Board.

There were no substantive comments concerning paragraph (b) ("Safe deposit business"), paragraph (c)(2) ("Securities or assets required to be divested by subsidiary"), paragraph (c)(3) ("Fiduciary investments"), paragraph (e) ("Activities and securities of new bank holding companies"), and paragraph (g) ("Securities or activities exempt under Regulation K"), and these paragraphs are being adopted as proposed. Comments were received on the following paragraphs:

Section 225.22(a) Servicing activities. This section of the proposed regulation interpreted sections 4(a)(2) and 4(c)(1)(C) of the BHC Act, which allow a bank holding company to furnish services to and perform services for its subsidiaries. The provision also reflected sections 4(c)(1) (A) and (D) of the BHC Act, which allow a bank holding company to form or acquire a company to hold and operate properties for the use of the bank holding company and its subsidiary banks, and to liquidate assets acquired from the bank holding company and its subsidiary banks, respectively. The proposed servicing provision limited a bank holding company to providing services only for the internal operations of the bank holding company and its subsidiaries, and enumerates the services that could be provided under this exemption, such as insurance, accounting, advertising and data processing. Under the proposal, a servicing subsidiary could not act as agent for the holding company or its subsidiaries in providing services to the public. The proposed limitation was intended to prevent the use of servicing subsidiaries to circumvent the requirements of section 4(c)(8) of the BHC Act by acquiring going concerns or providing services for customers as principal.

The Board received numerous comments on this provision, which objected to the proposed limitation as reversing the Board's longstanding position regarding section 4(c)(1)(C) subsidiaries, and not accurately reflecting the language and legislative history of the servicing exemptions in sections 4(a)(2) and 4(c)(1)(C) of the BHC Act. In light of these concerns, the Board is modifying the proposed provision and is reaffirming and clarifying its longstanding position that servicing subsidiaries may not deal with the public as principal, but may deal with outside parties provided they are acting only as agent for the holding company or its subsidiaries. (12 CFR 225.104, 225.109, 225.118, 225.122, 225.123, 224.141.) The Board believes its supervisory authority is sufficient to prevent abuse of the servicing exemption and that the proposed modification is not necessary. In this regard, bank holding companies that seek to acquire going concerns to furnish services under this exemption should consult with the appropriate Reserve Bank to ensure that the acquisition is exempt under this paragraph.

Several commenters objected to the requirement that the holding company own all the shares of the servicing subsidiary, as is the case under the Board's operations subsidiary ruling (12 CFR 225.141). The Board agrees that section 4(c)(1)(C) of the BHC Act, which authorizes a bank holding company to form or acquire a company to furnish services to its subsidiary banks, does not require the ownership of all the shares of a servicing subsidiary. However, section 4(a)(2) of the BHC Act, which permits a bank holding company to provide services for both its bank and nonbank subsidiaries, does not specifically authorize a bank holding company to establish or acquire shares of a company to perform such services. The Board has interpreted section 4(a)(2) to allow a bank holding company to establish a subsidiary to provide

services to the holding company's bank and nonbank subsidiaries under section 4(a)(2) of the BHC Act if the servicing subsidiary is wholly-owned (12 CFR 225.141). This requirement is based in part on the Board's interpretation under section 9 of the Federal Reserve Act (12 U.S.C. 335) that a state member bank may establish and hold shares of operations subsidiaries to perform activities that the member bank could perform directly or through a department or division of the bank (12 CFR 250.141).

In response to comments, the Board is deleting the requirement in the regulation that a servicing subsidiary must be wholly-owned. However, in accordance with 12 CFR 225.141, the ownership requirement continues to apply to a subsidiary that provides services to nonbank subsidiaries of the bank holding company. The Board will continue to review whether a similar requirement should be imposed on servicing subsidiaries established under section 4(c)(1)(C) to provide services exclusively to bank subsidiaries of the holding company, and will amend the regulation and its interpretation accordingly.

In connection with the question of the ownership requirement for servicing subsidiaries, the Board notes that a servicing subsidiary may not engage in impermissible nonbanking activities in addition to its servicing functions. For example, a holding company may not acquire on the basis of the servicing exemption a 10 per cent interest in a data processing company that, in addition to serving the internal needs of the holding company and acting as agent for the banking subsidiaries, offers data processing services to others. Thus, the regulation specifies that a servicing subsidiary may engage solely in permissible servicing functions.

The Board also notes that there is an exemption from the lending restrictions of section 23A of the Federal Reserve Act (12 U.S.C. 371c) for loans by a member bank to affiliates organized under section 4(c)(1) of the BHC Act. Thus, a servicing subsidiary exempt under § 225.22(a) of this regulation that provides services exclusively to the holding company or its subsidiary banks is not subject to the lending restrictions of section 23A. However, a servicing subsidiary exempt under this provision of the regulation that provides services in whole or part to or for the nonbanking subsidiaries of the bank holding company is subject to the lending restrictions of section 23A of the Federal Reserve Act.

A number of commenters stated that the list of activities servicing subsidiaries are authorized to perform for the internal operations of the bank holding company should not be exhaustive. Although the list was preceded by the word "include," and was clearly meant to be illustrative, the provision has been modified to make this clearer. At the suggestion of some commenters, the Board is also expanding the list of servicing activities to include activities identified in the legislative history of section 4(c)(1)(C), such as auditing, appraising, advertising and public relations. The Board is also incorporating in the list data processing and courier services for the internal operations of the bank holding company, which are permissible servicing activities contained in § 225.23 (b)(7)(i) and (b)(10)(i) of the proposed revision. The commenters favored this change, which clarifies that there is no prior approval requirement to engage in these servicing activities. The Board emphasizes that, these activities may be provided only for the internal operations of the holding company, unless the activities are authorized for the nonbanking subsidiaries of a bank holding company under section 4(c)(8) or for its banking subsidiaries under appropriate banking laws.

The only activity on the proposed list of permissible servicing activities that drew significant comment was insurance. Some commenters contended that the only authority for bank holding company insurance activities is section 4(c)(8) of the BHC Act, and objected to allowing bank holding companies under the servicing exemption to act as agent or to underwrite insurance on their own risks (*e.g.*, blanket bond insurance or employee group insurance plans).

The Board believes that sections 4(a)(2) and 4(c)(1)(C) provide general authority for bank holding companies to engage in activities necessary for their internal operations. While the legislative history indicates that the Congress did not intend servicing subsidiaries to be used as a means of supplanting section 4(c)(8), that section is relevant only when a bank holding company provides services to the public. The prohibition on insurance activities now contained in section 4(c)(8) as a result of the Garn-St Germain Act has no bearing on the internal operations of a bank holding company.

The purchase of group health insurance for a company's employees or property and casualty insurance for a company's buildings and equipment is a normal internal operating activity for most businesses, including bank holding companies. If the most economical or efficient way for a bank holding company to secure such insurance is to act as agent or underwriter, the Board believes that this is authorized under the servicing exemption. Accordingly, the Board is retaining this activity on the list of permissible servicing activities.

Section 225.22(c) Nonbanking acquisitions not requiring prior Board approval. This paragraph sets forth a number of exemptions to the prohibition of section 4 of the BHC Act against the acquisition of the voting securities or assets of a company engaged in nonbanking activities. In some situations, more than one exemption may apply to a particular acquisition. A bank holding company is entitled to rely on any applicable exemption. Thus, a bank holding company that acquires voting securities in satisfaction of a debt previously contracted is entitled to retain up to five percent of these securities under section 225.22(c)(5) of this regulation, notwithstanding the requirement of section 225.22(c)(1) of this regulation to divest DPC property within 2 years.

Section 225.22(c)(1) DPC acquisitions. The proposed regulation exempted from the prior approval requirement of section 4(c)(8) of the BHC Act a holding company's acquisition of securities and real or personal property in satisfaction of debts previously contracted ("DPC property"), so long as the company disposes of such property within two years of acquisition. The Board may extend the two-year period upon request for three additional one-year periods, for a total holding period of five years. Also, with regard to real property the Board may grant an additional five-year holding period, for a total of 10 years. The proposed regulation was based on the Board's published interpretation that while acquisitions of assets "dpc" may be regarded as necessary and incidental to the business of lending, prudent banking practice and the BHC Act require that such assets be liquidated and not held for an extended period of time (12 CFR 225.140).

Some commenters objected that this provision should apply only to voting shares, and that the BHC Act does not prohibit the ownership or control of assets. The Board's longstanding position has been that the nonbanking prohibitions of the BHC Act cover certain assets held by a bank holding company, such as real estate. (Liberty National Corporation, 38 FR 31054 (1973).) Moreover, in exempting certain real estate from the nonbanking prohibitions of section 4(a) of the BHC Act, section 4(a)(2) of the BHC Act expressly recognizes that real estate, or interests in real estate, held by bank

holding companies is covered by the nonbanking prohibition of the Act. The applicability of the nonbanking prohibitions of the BHC Act to the ownership of particular property depends upon whether that ownership constitutes engaging in an activity, which is a question resolved on the basis of the facts and circumstances of the particular case. The Board believes it is necessary to retain the reference to property in this paragraph in order to allow holding companies an appropriate period of time to comply with section 4 of the Act and effect a divestiture where the holding of DPC property would constitute engaging in an impermissible activity.

One commenter requested that the Board also allow extensions beyond 5 years for the holding of personal property, as well as for real estate. The Board's interpretation provides a maximum 5-year holding period for property other than real estate. The Board does, however, believe that where personal property has value and marketability characteristics similar to real estate, an additional extension for up to five years may be appropriate. The Board is adopting the proposed paragraph with this modification.

Another commenter suggested specifying that the divestiture period commences only when the bank holding company acquires title to and possession of the property. The Board believes that such questions depend on the facts and circumstances of a particular case, and companies with such questions should consult the appropriate Reserve Bank.

Section 225.22(c)(4) Securities eligible for investment by a national bank. This exemptive provision, which is derived from section 4(c)(5) of the BHC Act, permits a bank holding company to own securities of the kinds and amounts that are explicitly eligible by federal statute for investment by a national bank. The Board proposed to limit this exemption by excluding investments in companies authorized under the Bank Services Corporation Act ("BSCA") (12 U.S.C. 1861 *et seq.*). Under the BSCA, banks may invest in bank service corporations, which may, with the prior approval of the Board, engage in nonbanking activities on the Regulation Y list of activities permissible for bank holding companies. Under the proposed provision, a bank holding company would have to obtain the Board's prior approval under section 4(c)(8) of the BHC Act to invest in a bank service corporation just as a bank must now obtain prior approval to invest in such a corporation. If investments authorized under the BSCA were not excluded from the section 4(c)(5) exemption, bank holding companies would be permitted to make such investments and engage in nonbanking activities without complying with either the section 4(c)(8) or BSCA prior approval requirements. In order to ensure that the exemption in section 4(c)(5) does not supplant the requirements of section 4(c)(8) and the BSCA, the limitation as proposed is necessary and is being adopted.

A question was raised as to the status of bank service corporations owned by bank holding companies under the provisions of the BSCA prior to the amendments made by the Garn-St Germain Act. An earlier Board interpretation (12 CFR 225.115) stated that section 4(c)(5) could be used as authority for a bank holding company to own such a corporation. The types of activities authorized in the earlier Bank Service Corporation Act are now contained in section 3 of the amended BSCA, which is codified at 12 U.S.C. 1863. The Board has determined that bank holding companies may, on the basis of section 4(c)(5) of the BHC Act and without the Board's prior approval, invest in a bank service corporation whose activities are limited to those allowed under section 3 of the BSCA. However, the Board notes that in using this authority the other requirements of the BSCA with respect to notice, services, and prices would apply. Of course, a bank holding company may also apply under section 4(c)(8) of the BHC Act to invest in a bank service corporation engaged in activities under section 4 of the BSCA (12 U.S.C. 1864).

Section 225.22(c)(5) Securities or property representing 5 percent or less of a company. This paragraph implements section 4(c)(6) of the BHC Act, which allows a bank holding company to acquire and retain shares in a nonbanking company that do not exceed 5 percent of its outstanding voting shares. There were three objections to the Board's proposed interpretation of section 4(c)(6) as discussed below.

First, some commenters objected to limiting the exemption to ownership of 5 percent of any *class* of voting securities, whereas section 4(c)(6) of the BHC Act does not specifically impose such a limit. As discussed in § 225.11(c) of this notice regarding the acquisition of bank shares, the Board believes that the concept of a class of voting securities was intended to be incorporated in all the sections of the BHC Act dealing with acquisitions of voting securities. The Board has previously so construed this section.

Second, there was an objection to including property in the exemption on the ground that the nonbanking prohibitions of section 4 of the BHC Act do not extend to real estate or other assets, and thus there is no need for a 5 percent exemption for property. As explained with regard to DPC acquisitions (section 225.22(c)(1)), the Board believes the BHC Act encompasses interests in property in some circumstances. Moreover, the Board believes that section 4(c)(6) of the BHC Act reflects the concept found elsewhere in the Act that a 5 percent or less interest generally does not constitute engaging in an activity. Since this is a regulatory exemption to the general prohibition against acquiring nonbank shares or engaging in nonbank activities, it does not necessarily prohibit larger nonvoting interests that (i) are passive; (ii) do not involve engaging in an activity; and (iii) do not establish a control relationship. (*See* discussion of section 225.21(a).) If the ownership of property constitutes engaging in an activity, the holding company is limited to a 5 percent interest, as it would be if it were investing in voting securities of a company that is engaged in nonbanking activities.

Third, some commenters objected to including the requirement, derived from a current Board interpretation, that the investment be held as a "passive investment," arguing that such a requirement is not in section 4(c)(6) and creates uncertainty because it is subjective in nature. The Board agrees that there have been few problems in this area, and that the Board's interpretation (12 CFR 225.137) and the control provisions of the BHC Act are sufficient to address any problems that may arise. Accordingly, the Board is replacing this requirement in the final regulation, with a reference to its interpretation of section 4(c)(6) of the BHC Act.

Section 225.22(c)(6) Securities of investment company. The only substantive comments on this paragraph concerned the requirement that an exempt investment company may not hold more than 5 percent of any *class* of voting securities. The Board is retaining this requirement for the reasons discussed in sections 225.11(c) and 225.22(c)(5) of this notice.

Section 225.22(c)(7) Assets acquired in the ordinary course of business. This paragraph incorporates a Board interpretation (12 CFR 225.132) of the BHC Act as not requiring prior approval for certain acquisitions of assets in the ordinary course of business, as long as

the acquisition is not of all or of substantially all of the assets of a going concern, or of a subsidiary, division, department or office of the company, and provided that the assets acquired relate to activities previously approved by the Board. The primary comments on this provision asked that the regulation quantify or clarify the meaning of "all or substantially all of the assets of a company."

The Board's interpretation provides flexibility to determine whether an acquisition of assets constitutes an exempt acquisition in the ordinary course of business or whether it constitutes the acquisition of all or substantially all the assets of a company. A primary consideration in determining if an application is required would be whether there is a purchase of a substantial portion of the assets in the particular line of nonbanking activity in which the seller is engaged. There are other equally important considerations outlined in the Board's interpretation, including the size of the proposed acquisition in terms of the acquiror's assets, whether the acquisition of assets is for resale and the resale would not be a normal business activity of the acquiror, and whether the purpose of the acquisition is to hire employees or gain expertise. The Board believes that establishing an arbitrary number to define the phrase "substantially all the assets" is not appropriate. In addition, the following paragraph of Regulation Y, § 225.22(c)(8), which exempts from prior approval requirements certain asset acquisitions by consumer finance or mortgage companies, addresses in substantial part the concerns expressed by the commenters.

Finally, the Board believes its interpretation provides the Reserve Banks with sufficient flexibility to review, on a prompt basis, asset acquisition proposals with due regard for the purposes of the Act and the competitive situation of bank holding companies with respect to nonbank competitors in this area. Accordingly, the Board is modifying the proposed language of this regulatory provision in favor of the more flexible procedures of the Board's interpretation.

Section 225.22(c)(8) Asset acquisitions by a consumer finance or mortgage company. Under this paragraph, an application for prior approval is not required under section 4(c)(8) of the BHC Act for acquisitions of all or substantially all of the assets of an office that relate solely to consumer and residential mortgage finance activities and that do not involve the acquisition of voting securities. The comments generally favored this provision, but suggested a number of changes. The Board is adopting the provision as proposed with some modifications as discussed below.

Several commenters suggested expanding this exemption to include all nonbanking activities on the Regulation Y list of those permissible for bank holding companies. This provision was designed for those industries where asset acquisitions are a normal part of the business operations, and where bank holding companies have indicated they are at a particular competitive disadvantage because of the section 4(c)(8) prior approval requirement. Based on the Board's experience, it appears that, with the exception of industrial banking, which the Board is adding to this provision, there are no other permissible activities where asset acquisitions are a normal part of business operations. The Board will consider including other nonbanking activities in this provision if it is demonstrated to be appropriate.

A number of commenters stated that exempting acquisitions only where the assets acquired relate "solely" to making, acquiring, or servicing consumer or residential mortgage loans limits the usefulness of the exemption because in many cases a company will also have nonconforming assets such as commercial loans among the qualifying assets. To address this issue, the Board is modifying the provision to require that substantially all of the assets (rather than all of the assets) relate to qualifying loans. Thus, a nonconforming asset acquired pursuant to this provision may be held until it is repaid in accordance with its terms. This modification does not authorize a bank holding company to expand the activity represented by the nonconforming assets and thereby engage in a nonbanking activity for which the company does not have approval under section 4(c)(8).

Some commenters stated that the amount of assets that may be purchased under the exemption should be increased. The limitations in the proposed revision (10 percent of the acquiring company's assets or $10 million, whichever is less) were based in part on a 1971 provision regarding asset acquisitions. The Board agrees with the commenters that these limits should be increased to 25 percent of the acquiring bank holding company's assets or $25 million, whichever is less. The Board believes that this increase is appropriate in view of provision (v) of this paragraph, under which the Board may notify a bank holding company that it may not acquire assets under this section, if, for example, it is experiencing financial problems or has expanded too rapidly. In addition, the regulation is being clarified to indicate that the percentage and dollar limits are annual limits on aggregate purchases from all companies, rather than limits on purchases from any single company during the year.

The proposed exemption limits the assets acquired to no more than 50 percent of the assets of the seller. Some commenters recommended the elimination of this condition, arguing that the proportion of the seller's assets that are acquired should not concern the Board. This provision was designed to ensure that the acquisition does not represent the acquisition or elimination of a competitor, and is being retained in the final regulation.

Some commenters noted that, in some cases, one or more offices of the selling company may be separately incorporated and thus, the acquisition of the office represents the acquisition of 100 percent of the assets of a company. To address this problem, the Board is modifying this condition to clarify that it refers to the consolidated assets of the ultimate selling company engaged in the line of the business being acquired, rather than the assets of a separately incorporated office.

It should also be noted that under a current Board interpretation, (12 CFR 225.140), a company that has obtained the Board's approval to engage in a nonbanking activity in a particular geographic area may form and acquire a shell corporation for the purpose of acquiring assets, the direct acquisition of which would be permissible under this paragraph. Similarly, a bank holding company may acquire assets under this provision and then form and acquire a subsidiary to hold the assets without prior approval if the bank holding company previously received the Board's approval to engage in the activity. If, however, the seller holds the assets to be acquired in a separate subsidiary corporation, and the bank holding company proposes to acquire the shares of the subsidiary corporation, an application for prior Board approval is required under section 4(c)(8) of the BHC Act. Several commenters suggested that the exemption be expanded to permit "asset acquisitions" effected by stock purchases. However, the Board does not believe acquisitions of voting shares are exempt from the prior approval requirements of section 4(c)(8) of the BHC Act. The Board has addressed the issue of small acquisitions by providing the expedited

15-day notice procedures in § 225.23(f) of the proposed revision, which would be available in the case of an acquisition of the voting securities of a going concern.

Several commenters objected to the provision reserving the right to revoke, upon notice, a bank holding company's authority to make acquisitions under this provision and to require applications for such acquisitions, on the ground that the regulation does not set forth standards for the Board's use of this revocation authority. As discussed below (in § 225.23(a)(1)), the Board intends to exercise this authority only where, for example, the holding company is not in sound financial condition. In this regard, the Board believes that this exemption should only be available where the bank holding company meets the Board's Capital Adequacy Guidelines, and is so modifying the final regulation.

Section 225.22(d) Acquisition of securities by subsidiary banks. This paragraph restates § 225.4(e) of the current regulation, which was adopted in 1971, and provides an exemption (set out in paragraph (d)(2) of the revision) from the prohibitions of section 4 of the BHC Act for a state-chartered bank that is a subsidiary of a bank holding company to make the same kinds of investments explicitly eligible for national banks. In addition, the paragraph authorizes the state bank to acquire or retain shares of a company that engages solely in activities in which the parent bank may engage directly, at the same locations and subject to the same limitations as if the bank were engaged in the activity directly. Paragraph (d)(1) of the proposed revision provides that national bank subsidiaries of holding companies may acquire or retain subsidiaries in accordance with the rules of the Comptroller of the Currency.

The Board received numerous comments urging the Board not to adopt paragraph (d)(2) of this provision. These comments were based on conflicting theories, with some commenters contending the Board has no authority to exempt the nonbank subsidiaries of a bank from the nonbanking provisions of section 4 of the BHC Act, while others asserted that the Board has no authority to regulate the nonbanking activities or subsidiaries of a subsidiary bank of a bank holding company.

The provision regarding nonbank subsidiaries of state banks, which has not presented any substantive issues since its addition to the current regulation in 1971, has assumed major importance as a result of state legislation being enacted or considered that would authorize state-chartered banks to engage directly or through subsidiaries in nonbanking activities that are not permissible for bank holding companies under the Act. For example, the State of South Dakota has authorized banks chartered under its laws to engage in all facets of the insurance business. As noted, Title VI of the Garn-St Germain Act generally prohibits bank holding companies from engaging in insurance agency and underwriting activities under section 4(c)(8) of the BHC Act.

There are pending before the Board applications by a number of bank holding companies to acquire state banks in South Dakota that raise the issue of the scope of the nonbanking restrictions of the BHC Act relative to nonbank subsidiaries of state banks that are owned by bank holding companies. The Board has received requests for hearing on these applications and, as noted above, believes it appropriate to consider this provision of the proposed revision and the comments thereon in connection with its consideration of these applications and hearing requests. The Board does not wish to delay final action on Regulation Y and, accordingly, is postponing further consideration of paragraph (d) of this provision at this time. The provisions of § 225.4(e) of Regulation Y, which have been reprinted in this section, will continue in effect pending completion of the rulemaking on this provision.

Section 225.22(f) Grandfathered activities and securities. This paragraph reflects the Board's interpretation of sections 4(a)(2) and 4(c)(11) of the BHC Act, which provide grandfather privileges to a "company covered in 1970" (i.e., a company that become a bank holding company as a result of the 1970 Amendments to the BHC Act and would have been a bank holding company on June 30, 1968, if the amendments had been in effect then). Generally, such a company may hold interests and engage in activities that it held or engaged in continuously since June 30, 1968, and may expand such activities *de novo*, including the formation of new subsidiaries to engage in such activities.

One comment asserted lack of authority to permit unlimited *de novo* expansion of grandfathered activities, including the formation of new subsidiaries. The provision is being adopted as proposed because the legislative history of the BHC Act clearly indicates that it was the intent of Congress that the Board limit grandfathered activities only when it determines, after notice and opportunity for a hearing, that it is necessary to prevent undue concentration of resources or other specified adverse effects.

Section 225.23—Procedures for Applications, Notices, and Hearings

This section sets out the procedures for the filing of notices and applications, the acceptance of notices and applications, and action with regard to notices and applications to engage in nonbanking activities. In the final regulation, the Board is eliminating the provision of proposed § 225.23(a), ("Nonbanking activities requiring Board approval") because that section was redundant of the provisions of § 225.21(a) ("Prohibited nonbanking activities and acquisitions"). The Board is also moving the list of permissible nonbanking activities from § 225.23(b) of the proposed regulation to § 225.25 of the final regulation.

The comments regarding the following paragraphs, which parallel provisions of § 225.14 of Subpart B relating to acquisition of banks, have been discussed in connection with that section: paragraph (c) ("Accepting application for processing"), paragraph (d)(1) ("**Federal Register** notice—listed activities"), paragraph (e) ("Action on applications"), and paragraph (h) ("Approval through failure to act; 91-day rule"). No significant substantive comments were received regarding paragraph (i) ("Emergency thrift institution acquisitions"). The remaining paragraphs in this section are discussed below.

Section 225.25(a) Application or notice required for nonbanking activities. This paragraph sets out the circumstances and procedures under which a bank holding company may apply for the Board's prior approval to engage in, or acquire or control the voting securities or assets of a company engaged in, nonbanking activities that the Board determines are so closely related to banking or managing or controlling banks as to be a proper incident thereto. An application is generally required to acquire a company engaged in activities that the Board has previously added to the list of permissible nonbanking activities for bank holding companies (section 225.23(a)(2)), or to engage *de novo*, or to acquire a company engaged, in activities that the Board has not added to the list of permissible activities (section 225.23(a)(3)). In the latter case, the application must contain evidence demonstrating that the activity is so closely related to banking as to be a proper incident thereto.

The Department of Justice recommended that the Board use "notice" procedures for initial entry by a particular company into an activity previously determined to be closely related to banking. Thus, instead of a full application, a notice would be required that would be considered approved if the Board failed to disapprove it within a fixed period of time.

The Department's recommendation is essentially contained in the present § 225.4(b)(1) of the Board's Regulation Y. Under this provision, a bank holding company is permitted to engage *de novo* in a nonbanking activity that is on the Board's list of permissible activities in Regulation Y, 45 days after filing a notice with the appropriate Reserve Bank unless within that period the company is advised that it may not consummate the proposal because of the receipt of adverse comments of a substantive nature or because the proposal is not appropriate under the Board's Rules Regarding Delegation of Authority. The Board proposed to omit this provision in the revision because it did not appear to have any practical effect in view of the Board's current and proposed operating procedures. However, based on the Department's comments, the Board is retaining the notice procedure in such cases, and is also reducing the notice period from 45 to 30 days. The Board is authorizing the Reserve Banks to extend for 15 days this 30-day notice period (§ 225.23(a)(1)).

Section 225.23(b) Notice to expand or alter nonbanking activities. In this paragraph, the Board proposed to modify the requirement of the current regulation that a bank holding company obtain the Board's prior approval each time it opens a new office of a nonbanking activity or expands the service area for that activity on a *de novo* basis.

The Board proposed two alternative approaches with respect to such *de novo* expansion. Under the first approach, a bank holding company would be allowed to open offices *de novo* without the Board's prior approval within any state or states where it had previously received approval to engage in the specified nonbanking activity. Alternatively, the Board proposed to eliminate all application requirements for *de novo* expansion once the bank holding company received initial Board approval to engage in the activity. Under the latter approach, a bank holding company that wished to engage in consumer finance activities, for example, would be required to file a one-time application to engage in the activity. Once the bank holding company received Board approval for that activity, no further applications to the Board under section 4 of the Act would be required to expand that activity *de novo* through the opening of new offices, the expansion of the service area of the activity, or the incorporation of new subsidiaries to engage in the activity. Under both approaches, the Board reserved the right, upon notice, to require applications for *de novo* expansion under certain circumstances as discussed below. Expansion through the acquisition of a going concern engaged in a nonbanking activity would continue to require an application, although the Board also has proposed expedited notice procedures for certain small acquisitions (§ 225.23(f)).

This paragraph of the proposed revision received a large number of comments, almost all of which urged the Board to adopt the alternative eliminating all applications for *de novo* expansion. In view of the comments and the Board's experience with applications involving *de novo* expansion, the Board is adopting the alternative to eliminate any requirement for an application for *de novo* expansion by a bank holding company in an activity in which it has previously received Board approval to engage. In the Board's view, this approach will substantially reduce regulatory burden.

The Board imposed the office-by-office approval requirement in 1971 to monitor the significant expansion authorized by the 1970 Amendments to the BHC Act, both with respect to the new types of nonbanking activities permitted for bank holding companies and the interstate scope of such activities. In the more than 5,000 applications involving *de novo* expansion decided since 1971, not one application has been denied on the merits. Based on its experience, the Board believes the requirement for an application for *de novo* expansion is no longer warranted except, perhaps, in certain cases where the holding company is experiencing financial problems. The Board will continue to monitor *de novo* expansion in connection with its ongoing supervision of each bank holding company.

Some comments objected that adoption of this alternative is inconsistent with the requirements of section 4(c)(8) of the BHC Act, contending that the Board is required to consider the public benefits and adverse effects associated with each *de novo* office. Section 4 of the BHC Act requires that the Board's prior approval be obtained by a bank holding company to engage in, or acquire shares of a company engaged in, nonbanking activities that the Board has determined to be closely related to banking. The courts have interpreted this provision as a two-step test: first, that the Board determine, after notice and opportunity for hearing, that a nonbanking activity is closely related to banking and a proper incident thereto; and second, that the Board determine whether performance of a particular nonbanking activity by a particular bank holding company will result in net public benefits.

The Board believes that the alternative being adopted is consistent with the requirements of section 4(c)(8). The provision allowing geographic *de novo* expansion of nonbanking activities applies only to activities listed in Regulation Y that the Board has already determined are closely related to banking and a proper incident thereto. Second, this provision does not eliminate the requirement of section 4(c)(8) of the BHC Act, as interpreted by the courts, that a bank holding company apply to the Board to engage in a particular nonbanking activity. However, once a bank holding company has obtained approval to engage in an activity determined to be closely related to banking, and the Board has found that the public benefits associated with the performance of that specific activity by the bank holding company outweigh any reasonably likely adverse effects, the Board does not believe that separate approval for individual offices is specifically required under section 4(c)(8) of the BHC Act. In this regard, section 4(c)(8) specifically provides that in regulations issued under that section, the Board may distinguish between nonbanking activities commenced *de novo* and those commenced by the acquisition of a going concern. The United States Department of Justice, in its comment on the proposed revision, also noted that prior approval is not required under section 4(c)(8) for individual new offices.

The proposed regulation requires that a holding company must exercise its authority to engage in an activity within two years. If it fails to consummate the proposal within this time period, a new application would be required. Several commenters suggested allowing periods longer than two years. The Board believes that a proposal should be consummated within a relatively short period of time in order to preserve the factual situation on which the approval was based. The Board is eliminating the two-year period from the regulation in favor of a case-by-case determination by the appropriate Reserve Bank of the

time within which a proposal should be consummated. Under current practice, this period is normally 90 days. Because the Board has eliminated the requirement for *de novo* expansion in most cases, this should not impose an undue burden on applicants.

The modification of the regulation to allow *de novo* expansion without further applications is prospective only. Consequently, holding companies that have received approval to engage in a particular activity within a limited geographic area (e.g., a particular state or local market) may not expand *de novo* outside of that geographic area without filing an additional notice, which will be processed on an expedited basis under the *de novo* notice procedure in this regulation. Once the additional notice to expand throughout the country is approved, no further notice or application would be required for new offices. A holding company that previously received approval to solicit business on a nationwide basis from any office engaged in the relevant activity could open additional offices nationwide without a further notice, on the basis of the geographic area authorized previously. This requirement is contained in § 225.23(b)(1) of the final regulation.

Under the amended provision, the Board may notify a company that it must file an application for prior approval of *de novo* expansion. Some commenters requested the Board to establish guidelines indicating when it might withdraw the authority of a company to rely on this provision of the regulation to expand *de novo*. As discussed in connection with a similar provision in § 225.22(c)(8) concerning asset acquisitions, the Board expects that its authority under this provision will be used sparingly, and that guidelines in the regulation would not be practicable or desirable. In general, the authority will be invoked when the Board believes that the holding company is not in sound financial condition or does not meet the Board's Capital Adequacy Guidelines; or where the Board wishes to monitor the expansion of a particular activity more closely.

The Board is also transferring § 225.25(f) of the proposed regulation regarding nonbanking activities conducted outside of the United States, to § 225.23(b)(2) of the final regulation.

Section 225.23(b)(3)—Alteration of nonbanking activity. The proposed revision specified that "nonbanking activities shall not be altered in any significant respect from those considered by the Board in acting on the application, nor provided in any states other than those specified in the notice published with respect to such application." The Board is clarifying that an application or notice is required only where the alteration would represent a material, rather than significant, change from the activity as approved by the Board. This provision is also being modified to reflect the Board's decision not to require applications for *de novo* expansion on a state by state basis.

One commenter asked the Board to clarify that if a bank holding company or any nonbanking subsidiary has permission to engage in an activity, then the holding company may engage in that activity through any other nonbanking subsidiary. An outstanding Board interpretation of section 4(c)(8) of the BHC Act states that a holding company may shift authorized activities from one subsidiary to another without any additional approval (12 CFR 225.123), and the Board does not believe it is necessary to modify the regulation. The Board notes, however, that in some instances, the activities of different subsidiaries could not be combined where such combination would otherwise be inconsistent with the BHC Act or the Board's regulations.

Section 225.23(d)(2) Federal Register notice—unlisted activities. This paragraph sets forth the procedures for publication in the **Federal Register** of proposals by bank holding companies to engage in nonbanking activities that have not previously been found by the Board to be closely related to banking. Under the current regulation, the Board will publish notice of a new nonbanking activity only if the applicant demonstrates a reasonable basis for believing that the activity is closely related to banking. No time period is specified for publishing notice of a proposal to engage in a new nonbanking activity, and the decision whether to publish notice of an unlisted activity is currently made in every case by the Board at a formal Board meeting. As a result, processing of such proposals has at times been delayed.

The Board asked for comment on two alternative procedures, both of which were designed to expedite publication of notice of applications for new activities not on the Regulation Y list. Under the procedure in the proposed regulation, the Board would publish notice in the **Federal Register** of every such application, within 10 business days, unless there is no basis to believe that the activity is closely related to banking. Alternatively, the Board suggested in the **Federal Register** notice accompanying the proposed revision that it retain discretion to extend the 10-day period for an additional 30 days to allow the Board to decide whether to publish notice of the application. If the Board decides not to publish notice of the proposal, the Board will notify the applicant of the reasons for its decision. Under either procedure, the Board expects that a prompt decision will be made whether to publish notice of an application for a new activity.

Most of the commenters favored the procedure for automatic publication of notice of applications to engage in new activities. The Board, however, believes that it should retain the discretion to review applications for proposed new activities in order to determine whether there is a reasonable basis for believing that the activity is closely related to banking. The proposed alternate procedure addresses the concern of the commenters for more expeditious publication of new nonbanking activities by requiring a Board decision on publication within a maximum of 40 days as well as the concerns regarding the desirability of publishing an activity for comment whether or not there is any prospect for its adoption under the standards of section 4(c)(8) of the BHC Act.

Some commenters questioned whether an application is necessary in order for the Board to consider adding a new activity to the list of new activities in the regulation. Under the Administrative Procedure Act, any party may petition for amendment of a regulation at any time (5 U.S.C 552(b)), although the time frames specified in this section for processing applications to engage in new activities would not apply to a petition for rulemaking.

Section 225.23(f) Expedited procedure for small acquisitions. In response to requests that the Board reinstitute the simplified procedures contained in the current regulation (which were suspended in 1971) and to establish a procedure for expedited consideration of small acquisitions that raise no significant issues, the Board proposed in this paragraph to adopt an expedited 15-day notice procedure for small acquisitions involving permissible nonbanking activities.

Under this paragraph of the proposed revision, a bank holding company may acquire voting securities or assets of a company engaged in nonbanking activities on the Regulation Y list by filing with the Reserve Bank a brief description of the proposed transaction and a notice of the proposed acquisition that appeared in a newspaper of general circulation in the area(s) to be served as a result of the acquisition. As proposed, the procedure would apply only to an

acquisition where the book value of the assets acquired or the gross consideration paid for the securities or assets is $10 million or less, and the bank holding company had previously received approval to engage in the activity in the relevant State. Within five business days after the close of the comment period, the Reserve Bank would notify the bank holding company that the proposed acquisition has been approved pursuant to delegated authority, or that the application has been referred to the Board because the application is not eligible for action under delegated authority.

While this proposal was supported by bank holding companies as well as the Department of Justice, a number of commenters suggested modifications to the provision. Some commenters objected to publishing notice of a proposal in a newspaper of general circulation, since in 1978 the Board eliminated that method of giving notice under section 4(c)(8) of the BHC Act in favor of **Federal Register** notice. However, one commenter recognized that the use of newspaper notice might be the only way for the Board to adopt an expedited application procedure and at the same time satisfy the notice requirement of the BHC Act, because publication of a notice in the **Federal Register** is more time-consuming and may not be feasible on the proposed expedited basis.

To address the concerns of the commenters, the Board is amending the provision to provide for notice in the **Federal Register** as an alternative to newspaper notice. Thus, an applicant may choose the type of notice most suitable to its needs and objectives. The Board notes that publication of notice in the **Federal Register** will extend the application process under the expedited procedure by about 15 additional days.

There were a variety of suggestions for raising the maximum limit on acquistitions that may be made under the expedited procedures. On the other hand, some commenters suggested that a percentage limitation also be applied because an absolute dollar limitation may represent a significant investment for many bank holding companies.

The Board is responding to these suggestions by raising the maximum amount from $10 million to $15 million, the amount suggested by most commenters. The Board does not believe that a percentage limitation is necessary, because in the case of an application filed under the expedited procedure that raises financial or other issues, the Reserve Bank is authorized to require a full application and to refer the application to the Board for decision. In this regard, the Board is also specifying in the regulation that this procedure may not be used unless the bank holding company meets the Board's Capital Adequacy Guidelines.

Finally, in view of the fact that the Board is not adopting the proposal to require bank holding companies to file applications for new offices of previously-approved nonbanking activities on a state by state basis, there is no reason to require, as a condition of eligibility for the expedited notice procedures, that the company have received prior authority from the Board to engage in the particular activity in the area served by the company to be acquired. Accordingly, the final regulation is being modified to require only that the acquiring company previously must have received Board approval to engage in the particular activity. While some commenters favored use of expedited procedures for a bank holding company's entry into a new nonbanking activity by acquisition of a going concern, the Board does not believe that the 15-day notice period would allow sufficient time to consider the financial, managerial and other factors specified in the BHC Act.

Section 225.23(g) Hearing. This paragraph indicates that the Board may order a hearing or other proceeding in connection with an application. Several commenters suggested that in order to avoid delay, requests for hearing should be presented to the Board for decision as soon as they are received, rather than when the staff completes its analysis of the application. In view of the shortened processing schedules that are being adopted by the Board, the suggested procedure would not save much time in most cases and in fact might unduly lengthen the application process. Accordingly, the Board believes that it is more efficient under the new processing schedules to evaluate the merits of the protest and hearing request in the context of the evaluation of the application. The Board will, however, take the opportunity in applications raising major issues in which a hearing is required to order the hearing at the earliest possible time.

Some commenters objected that the proposed revision did not include detailed procedures for handling protests. They argued that such procedures are necessary to avoid substantial delays in deciding protested cases. The Board's procedures for handling protested applications are already set forth in its Rules of Procedure (12 CFR Part 262), and there appears to be no reason to transfer them to Regulation Y, since the protest procedures also apply to other types of applications. The Board notes that adoption in 1980 of revised protest procedures have been useful in reducing delays in processing protested applications. In addition, the Board is continuing to study improvements that may be made in processing protested applications.

Section 225.24—Factors Considered in Acting on Nonbanking Applications

This section describes the factors the Board considers in deciding applications under section 4(c)(8) of the BHC Act to engage in nonbanking activities. The Board has consolidated the three paragraphs of this section in the proposed regulation into one paragraph in the final regulation.

This section incorporates the statutory test in section 4(c)(8) of the BHC Act, which requires the Board, in its consideration of an application, to weigh the public benefits against the possible adverse effects that are likely to result from a bank holding company's proposal to engage in a specific nonbanking activity. This paragraph also reflects the general finding of the Board that performance of an activity by a bank holding company on a *de novo* basis is likely to yield public benefits, which is based on section 4(c)(8) of the BHC Act, allowing the Board to differentiate between nonbanking activities commenced *de novo* and those commenced through the acquisition of a going concern.

The comments supported the presumption in the regulation that *de novo* entry will result in benefits to the public through increased competition. The provision is being adopted as proposed.

This section also reflects the Board's practice in acting on applications under section 4(c)(8) of the BHC Act to consider the financial and managerial resources of the bank holding company, its subsidiaries, and the company to be acquired, and the effect of the transaction on their resources. For example, a proposal that may detract from the financial condition of the applicant bank holding company would be weighed as an adverse factor in the Board's overall evaluation of the application under section 4(c)(8).

Some commenters urged deleting these criteria because section 4(c)(8) of the BHC Act does not explicitly list financial and managerial considerations among the factors the Board is required to consider. Section 4(c)(8) specifically mentions "unsound banking practices" under the adverse effects to be considered, and the list of adverse effects and public benefits in section

4(c)(8) is illustrative rather than exhaustive. The Board regards consideration of financial and managerial factors in connection with applications for nonbanking activities as included within the required net public benefits analysis under section 4(c)(8) of the BHC Act.

Section 225.25—List of Permissible Nonbanking Activities

This section, which was proposed as § 225.23(b) of the revision, lists the nonbanking activities that the Board has determined by regulation to be closely related to banking under the BHC Act. Generally, an application involving a listed activity may be acted on by the Reserve Banks under delegated authority, whereas an application involving an unlisted activity is considered by the Board. In addition, an applicant may file a simple notice under a 30-day procedure to engage *de novo* in a listed activity, whereas a full application is required for an unlisted activity.

This section, as proposed, essentially restated the current list of permissible activities, but combined two of the activities (making and servicing loans), and expanded one activity to include issuing money orders. Four new activities were proposed to be added to the list, all of which the commenters favored.

The Board is adopting a list of 18 activities, including five proposed new activities that the Board, on the basis of the record in this proceeding, has determined to be closely related to banking within the meaning of section 4(c)(8) of the BHC Act. The final regulation also includes securities brokerage (§ 225.25(b)(15)), which the Board recently adopted in a separate rulemaking proceeding (48 FR 37003 (1983)). There were no significant comments regarding activity (6) community development, and activity (13) real estate appraising. Activities receiving substantive comments or requests for clarification are discussed below.

(1) Making and servicing loans. In considering applications to engage in this activity, the Board requires a bank holding company to specify the type of loans it is proposing to make or the type of finance company to be acquired (e.g., consumer finance, factor, etc.). Some commenters suggested that approval be granted to bank holding companies for all types of lending without specification. The Board believes that, because of the section 4(c)(8) requirement of notice of competitors and opportuniy for hearing, the specification of the type of lending activities should be retained.

Commenters questioned whether, in combining the activities of making loans with servicing loans, the Board intended to confer servicing authority on companies that currently have lending authority. The Board did not intend to confer such authority, and companies that wish to acquire loan servicing authority must apply for it specifically. However, as a practical matter, the Board notes that generally companies that have obtained approval for various lending activities have also applied for and received authority for servicing such loans.

(2) Industrial banking. A banking holding company may acquire or retain an industrial bank under this section only if the industrial bank is not a "bank" within the meaning of section 225.2(a) of this regulation. Otherwise, the application would have to be filed under section 3 of the Act and Subpart B of this regulation relating to the acquisition of "banks." The acquisition of an industrial bank or loan company under section 3 of the BHC Act may also raise issues under the interstate prohibition of § 225.13(c), as well as the deposit insurance requirement of § 225.4(c) of the final regulation.

The only comments on this section were incidential to comments on the definition of "bank" in § 225.2(a) of the regulation. Commenters noted that, under that definition, many industrial banks would be regarded as banks.

In acting on applications to acquire industrial banks under section 4(c)(8) of the BHC Act and § 255.4(a)(2) of the current regulation, the Board has required that such institutions not engage both in taking NOW accounts and making commercial loans, as those terms have been defined by the Board. In light of the Board's definition of bank in this regulation, a bank holding company may acquire or retain an industrial bank under this section only where the bank either does not accept demand deposit or NOW accounts or does not make commercial loans, as defined in this regulation.

(3) Trust company functions. The Board has clarified that a trust company that functions as a bank may not be acquired under this subpart, but rather under section 3 of the BHC Act and subpart B of this regulation.

(4) Investment or financial advice. In the final regulation, the Board is including the footnote in the current regulation that distinguishes investment advice from management consulting. The substance of this footnote was included in the notice accompanying the proposed revision.

(5) Leasing personal or real property. The **Federal Register** notice accompanying the proposed revision inadvertently failed to discuss the addition of the following limitation to permissible leasing activities not contained in the current regulation: "provided, that in the aggregate the amount derived from estimated residual value under subparagraph C and any unconditional guarantee shall not exceed 60 percent of the acquisition cost of the property."

Although this limitation reflects staff advice that has consistently been given in response to inquiries regarding the conditions of permissible leasing activities, the Board is not adopting the limitation in the final regulation. The Board agrees with the objections of commenters that the limitation is more restrictive than the current provision, and will have serious adverse effects in terms of the ability of holding companies to compete on an equitable basis with their nonbank competitors.

(7) Data processing. The proposed revision reflected the amendments to this activity that the Board adopted in 1982. Several commenters urged deletion of the requirement that the data to be processed must be limited to "banking, economic or financial data." However, as noted, the Board has recently completed an extensive formal rulemaking proceeding with respect to the type of data processing permissible for bank holding companies. This rulemaking resulted in a substantial broadening of the scope of this activity consistent with the requirements of section 4(c)(8) of the BHC Act. That rule is currently being challenged in the U.S. Court of Appeals for the District of Columbia, and the Board believes that it would not be appropriate to commence another rulemaking proceeding until that matter is resolved.

As discussed above with respect to § 225.22(a), the provision by a bank holding company of data processing services for the internal operations of the holding company system is considered an exempt servicing activity and has been deleted from this paragraph.

(8) Insurance sales. The proposed revision reflected the enactment of Title VI of the Garn-St Germain Act without delineating the changes it effected in the scope of permissible bank holding company insurance activities, pending review and resolution of the issues raised by the changes.

A number of comments, particularly from holding companies with insurance

activities grandfathered or otherwise exempt under the Garn-St Germain Act, expressed the view that the regulation should be explicit in defining the scope of permissible activities and in recognizing grandfather rights. Since the proposed revision, the Board has considered a number of issues raised with regard to the proper scope and interpretation of Title VI of the Garn-St Germain Act. Based on that review, the Board will publish for comment in the near future in a separate **Federal Register** notice an amendment to this section to define the scope of permissible insurance activities under Title IV of the Garn-St Germain Act.

(9) Underwriting credit life, accident and health insurance. Commenters suggested deleting the footnote and related interpretation that require a bank holding company to provide and maintain the public benefits of engaging in this activity by, for example, reducing rates or increasing policy benefits. On November 25, 1983, the Board sought public comment on a proposal to delete this requirement. (48 FR 53125 (1983)).

(10) Courier services. As discussed above with respect to § 225.22(a), the provision by a bank holding company of courier services for the internal operations of the holding company system is regarded as an exempt servicing activity and has been deleted from this paragraph.

The **Federal Register** notice accompanying the proposed revision indicated that applications to provide courier services would not be acted on by the Reserve Banks under delegated authority, but would be forwarded to the Board for action. In response to comments, the Board is deleting this restriction.

(11) Management consulting to depository institutions. There were requests to expand this activity to permit bank holding companies to offer general managment consulting. For the reasons set out in its decision in *First Commerce Corp.*, 58 *Federal Reserve Bulletin* 674 (1972), the Board is not seeking public comment on whether to add this activity to the Regulation Y list of permissible activities.

(12) Money orders, savings bonds, and travelers checks. The Board received no objections to its proposal to include in this activity the issuance of money orders with a face value of no more than $1,000. Several commenters suggested that the $1,000 dollar limitation on the issuance and sale of money orders be raised to at least $5,000, or, alternatively, be eliminated. In a notice dated November 23, 1983 (48 FR 52977) (1983)), the Board sought public comments on a proposal to raise the dollar limit for the sale or issuance of money orders to $10,000.

(14) Arranging commercial real estate equity financing. The commenters generally favored the Board's proposal to add this activity to the list of nonbanking activities permissible for bank holding companies, but objected to inclusion in the regulation of conditions on performance of the activity, which they contend were voluntarily undertaken by the applicants in particular cases, are not necessary to determine that the activity is closely related to banking, and should be imposed on a case-by-case basis.

The Board has reviewed the conditions and believes that they are necessary for the conduct of equity financing by bank holding companies under the standards in section 4(c)(8) of the BHC Act. The Board believes that imposing conditions on a case-by-case basis as suggested would defeat the major purpose of placing equity financing on the Regulation Y list, because it would prevent approval by the Reserve Banks under delegated authority within a shorter time period. The Board notes that the Office of the Comptroller of the Currency has recently authorized a subsidiary of a national bank to provide equity financing services subject to all the conditions imposed by the Board, with the exception of the retirement that an affiliate of the equity financing subsidiary may not finance the investor's purchase of the property. The Board imposed this requirement to prevent unsafe and unsound banking practices and conflicts of interest, as required under section 4(c)(8) of the BHC Act. The Board is, however, evaluating the possibility of an alternative to this requirement that would address the Board's concerns with these adverse effects and will consider the modification of this restriction if a satisfactory alternative is developed.

For the reasons set out in *BankAmerica Corporation*, 68 *Federal Reserve Bulletin* 647 (1982), the Board concludes that the activity of arranging commercial real estate equity financing, subject to the conditions and limitations proposed, is closely related to banking, and the Board is hereby adding that activity to its Regulation Y list of nonbanking activities permissible for bank holding companies.

(16) Underwriting and dealing in government obligations and money market instruments. The commenters favored adding this proposed new nonbanking activity to the Regulation Y list. For the reasons set out in *Citicorp (Citicorp Government Securities, Inc.)*, 68 *Federal Reserve Bulletin* 249 (1982), the Board concludes that the activity of underwriting and dealing in government securities and money market instruments is closely related to banking and is hereby adding that activity to its Regulation Y list of nonbanking activities permissible for bank holding companies. The applicant is subject to the same limitations that would be applicable if the activity were performed by the applicant's subsidiary member bank or by its subsidiary nonmember banks as if they were member banks.

(17) Foreign exchange advisory and transactional services. The commenters generally favored the Board's proposal to add foreign exchange services to the list of permissible activities for bank holding companies, but objected to inclusion in the regulation of conditions for engaging in the activity. The Board has reviewed the conditions and believes that they are necessary for the conduct of this activity in accordance with the standards of section 4(c)(8) of the BHC Act. For the reasons set out in its decision in *Hongkong and Shanghai Banking Corporation*, 69 *Federal Reserve Bulletin* 221 (1983), the Board concludes that the activity of foreign exchange advisory and transactional services, subject to the conditions and limitations proposed, is closely related to banking, and the Board is hereby adding that activity to its Regulation Y list of permissible activities. In response to comments, the Board is also specifying that arranging for the execution of foreign exchange transactions is included within the activity because the Board found this facet of foreign exchange transactional services to be closely related to banking in its *Hongkong and Shanghai Banking Corporation* decision.

(18) Futures commission merchant. The commenters generally favored adding this activity to the list of permissible activities, but objected to including conditions in the regulation, which they contend are not necessary for conduct of the activity and should be imposed on a case-by-case basis. The Board has reviewed each of these conditions, most of which are designed to ensure safety and soundness and avoid conflicts of interest, and continues to believe that the conditions appearing in paragraphs (i), (ii), (iii), (iv), (vi) and (vii) of the activity as proposed are necessary for the conduct of the activity in accordance with the standards of section 4(c)(8) of the BHC Act.

The activities of a futures commission merchant are highly specialized, and require well defined parameters to ensure that their conduct is consistent

with the BHC Act. For example, one of the more important conditions is that relating to capitalization. The Board regards this as a critical factor in its analysis, and has required substantial capitalization in each application to engage in this activity. By retaining the conditions in the regulation, the Board believes it will facilitate the prompt processing of applications by specifying the threshold criteria that must be met.

However, the conditions appearing in paragraphs (v), (viii) and (ix) of the activity as proposed have been deleted because the substance of those requirements can be monitored and evaluated in other ways. In addition, conditions (i) and (ii) have been shortened and combined. The Board is also modifying the condition regarding capitalization to require fully adequate capital rather than capital in substantial excess of that required by the CFTC.

For the reasons set forth in its decision in *J.P. Morgan & Co., Inc.*, 68 *Federal Reserve Bulletin* 514 (1982), the Board concludes that the activity of acting as a futures commission merchant is closely related to banking, and is hereby adding that activity to its Regulation Y list of permissible activities. In addition, the Board is including in this activity the execution and clearance of options on futures contracts for bullion, U.S. Government securities and money market instruments, which the Board authorized by order after proposing the revision of Regulation Y for comment. (*J.P. Morgan & Co. Inc.*, 69 *Federal Reserve Bulletin* 733 (1983); *Security Pacific Corp.*, 69 *Federal Reserve Bulletin* —— (1983)). In so doing, the Board found that an option on a futures contract is functionally and operationally similar to a futures contract on the same commodity, and in view of this close relationship, the Board believes that its initial proposal to place the execution and clearance of futures contracts on the list of permissible activities is sufficiently broad to encompass the execution and clearance of options on these contracts.

V. Subpart D—Control and Divestiture Proceedings

This subpart consists of two sections: the first covers control proceedings (§ 225.2 of the current regulation); the second covers divestiture proceedings and is based on a published Board interpretation (12 CFR 225.139). There were no substantive comments regarding § 225.32 ("Divestiture proceedings").

Section 225.31—Control Proceedings

Under sections 2(a)(2)(C) and 2(d)(3) of the BHC Act, the Board may determine, after notice and opportunity for hearing, that a company exercises or has the power to exercise a controlling influence over the management or policies of a bank or other company, even though the company may not otherwise have control over 25 percent of the voting securities or the power to elect a majority of the directors of the other company. Sections 225.2 (b) and (c) of the current regulation describe circumstances and procedures under which control determinations may be made. While these provisions were reorganized and simplified in the proposed revision, the basic approach of the current provisions has not been altered. Where facts and circumstances are present or information is received to indicate that a company exercises a controlling influence over the management or policies of a bank or another company, the Reserve Bank will review the relationship to determine if it would be appropriate for the Board to issue a preliminary determination of control.

It is anticipated that most situations involving possible control relationships will be handled informally. However, where discussion does not resolve the issue, the Board may institute a formal proceeding by issuing a preliminary determination of control under the procedures described in this section. In those situations where a preliminary determination of control is issued, the company will be given notice of the facts and the circumstances on which the determination is based and provided an opportunity to contest the determination.

There were objections to paragraph (c) of this section in which the Board reserves the discretion to order a hearing when the company contests a preliminary determination of control. The commenters assert that under section 2(a)(2)(C) of the BHC Act, a company has the right to a hearing in a controlling influence proceeding. The Board agrees that a company is entitled to a hearing with respect to controlling influence determinations under section 2(a)(2)(C), but not with respect to control of shares under section 2(a)(2)(A) of the BHC Act. The regulation is being clarified accordingly.

With respect to the rebuttable presumptions of control in paragraph (d) of this section, there were several comments contending that substantive changes had been made in the proposed revision, notwithstanding the statement in the **Federal Register** notice that no changes had been proposed. Since the Board did not intend to make substantive changes, the paragraphs in question are being modified in the final regulation to follow the language of the current regulation more closely. In this regard, one commenter claimed that the current presumptions do not apply to an employee with policy-making factors. However, the Board believes that such an individual would qualify as an officer under the current regulation and that this clarification effects no substantive change (compare § 225.2(f) in the revision and existing § 225.2(b)(1)).

Finally, the Board is adopting the suggestion of commenters to include in this section of the final regulation the presumption in section 2(a) of the BHC Act that a company that controls less than 5 percent of any class of voting securities of another company or bank does not control it.

VI. Subpart E—Change in Bank Control

This subpart reorganizes § 225.7 of the current regulation relating to notices filed with the Board under the Bank Control Act involving State member banks and bank holding companies. (See also the Board's Policy Statement on Change in Bank Control Act of 1978, FRRS 4–801). In general, a description of the specific provisions of this subpart is contained in the **Federal Register** notice accompanying the proposed revision. The only change proposed was the addition of paragraph (d) in § 225.43 of the proposed revision to clarify the lack of standing of third parties who submit information during the investigation of a Bank Control Act notice. No substantive comments were received regarding the proposed provisions of this subpart, and the Board is adopting the subpart as proposed with some editorial changes.

It was suggested that the Board add a provision to define "acting in concert," although the commenters did not offer a specific proposal in this regard. The Board does not believe that it has enough regulatory experience with respect to this issue to propose a reguatory definition at this time, although the **Federal Register** notice accompanying the proposed revision contained some guidance concerning the term. It was stated in that notice that the Board regards two or more persons (which may also include a corporation or other entity) as acting in concert when they have joined together formally or informally for the purpose of acquiring voting securities of a bank or bank holding company. For example, a group of persons who have identified themselves as a group for purpose of the Federal securities laws may constitute persons "acting in concert" for purposes of this section.

List of Subjects in 12 CFR Part 225

Banks, Bankings, Federal Reserve Systems, Holding companies, Reporting and recordkeeping requirements, Securities.

For the reasons set out in this notice, and pursuant to the Board's authority under section 5(b) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1844(b)); sections 8 and 13(a) of the International Banking Act of 1978 (12 U.S.C. 3106 and 3108); Title IX of the International Lending Supervision Act of 1983 (Pub. L. 98–181, Title IX); the Financial Institutions Supervisory Act of 1966, as amended (12 U.S.C. 1818(b) *et seq.*); and section 7(j)(13) of the Federal Deposit Insurance Act, as amended by the Change in Bank Control Act of 1978 (12 U.S.C. 1817(j)(13)), the Board is amending 12 CFR Part 225 by: (1) Removing §§ 225.1 through 225.7 and § 225.51, except § 225.4(e), which is redesignated § 225.22(d) as set forth below (§§ 225.101 through 225.143 remain in effect); and (2) adding the following Subparts A through E and the Appendices to Subparts A through E to Part 225:

PART 225—BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

Subpart A—General Provisions

Sec.

225.1 Authority, purpose, and scope.
225.2 Definitions.
225.3 Administration.
225.4 Corporate practices.
225.5 Registration, reports, and inspections.
225.6 Penalties for violations.

Subpart B—Acquisition of Bank Securities or Assets

225.11 Transactions requiring Board approval.
225.12 Transactions not requiring Board approval.
225.13 Factors considered in acting on bank applications.
225.14 Procedures for applications, notices, and hearings.

Subpart C—Nonbanking Activities and Acquisitions by Bank Holding Companies

225.21 Prohibited nonbanking activities and acquisitions; exempt bank holding companies.
225.22 Exempt nonbanking activities and acquisitions.
225.23 Procedures for applications, notices, and hearings.
225.24 Factors considered in acting on nonbanking applications.
225.25 List of permissible nonbanking activities.

Subpart D—Control and Divestiture Proceedings

225.31 Control proceedings.
225.32 Divestiture proceedings.

Subpart E—Change in Bank Control

225.41 Transactions requiring prior notice.
225.42 Transactions not requiring prior notice.
225.43 Procedures for filing, processing and acting on notices.

Appendices to Subparts A through E

Appendix A—Capital Adequacy Guidelines
Appendix B—Policy Statement for Formation of Small One-Bank Holding Companies

* * * * *

Authority: 12 U.S.C. 1844(b), 3106, 3108, 1817(j)(13), 1818(b); and Pub L. 98–181, Title IX.

Subpart A—General Provisions

§ 225.1 Authority, purpose, and scope.

(a) *Authority.* This Part (Regulation Y) is issued by the Board of Governors of the Federal Reserve System ("Board") under section 5(b) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1844(b)) ("BHC Act"); sections 8 and 13(a) of the International Banking Act of 1978 (12 U.S.C. 3106 and 3108); section 7(j)(13) of the Federal Deposit Insurance Act, as amended by the Change in Bank Control Act of 1978 (12 U.S.C. 1817(j)(13) ("Bank Control Act"); section 8(b) of the Federal Deposit Insurance Act (12 U.S.C. 1818(b)); and the International Lending Supervision Act of 1983 (Pub. L. 98–181, Title IX). The BHC codified at 12 U.S.C. 1841, *et seq.*

(b) *Purpose.* The principal purposes of this Part are to regulate the acquisition of control of banks by companies and individuals, to define and regulate the nonbanking activities in which bank holding companies and foreign banking organizations with United States operations may engage, and to set forth the procedures for securing approval for such transactions and activities.

(c) *Scope.* (1) Subpart A contains general provisions and definitions of terms used in this regulation.

(2) Subpart B governs acquisitions of bank or bank holding company securities and assets by bank holding companies or by any company that will become a bank holding company as a result of the acquisition.

(3) Subpart C defines and regulates the nonbanking activities in which bank holding companies and foreign banking organizations may engage directly or through a subsidiary. In addition, certain nonbanking activities conducted by foreign banking organizations and certain foreign activities conducted by bank holding companies are governed by the Board's Regulation K (12 CFR Part 211, International Banking Operations).

(4) Subpart D specifies situations in which a company is presumed to control voting securities or to have the power to exercise a controlling influence over the management or policies of a bank or other company, sets forth the procedures for making a control determination, and provides rules governing the effectiveness of divestitures by bank holding companies.

(5) Subpart E governs changes in bank control resulting from the acquisition by individuals or companies (other than bank holding companies) of voting securities of a bank holding company or state member bank of the Federal Reserve System.

(6) Appendix A to the regulation contains the Board's Capital Adequacy Guidelines for bank holding companies and for state member banks.

(7) Appendix B to the regulation contains the Board's Policy Statement for Formation of Small One-Bank Holding Companies.

§ 225.2 Definitions.

Except as modified in this section or unless the context otherwise requires, the terms used in this regulation have the same meanings as set forth in the relevant statutes.

(a)(1) "Bank" means any institution organized under the laws of the United States that: (i) accepts deposits that the depositor has a legal right to withdraw on demand and (ii) engages in the business of making commercial loans. For the purposes of this definition:

(A) "Deposits that the depositor has a legal right to withdraw on demand" (hereinafter "demand deposits") means any deposit with transactional capability that, as a matter of practice, is payable on demand and that is withdrawable by check, draft, negotiable order of withdrawal, or other similar instrument; and

(B) "Commercial loans" means any loan other than a loan to an individual for personal, family, household, or charitable purposes, and includes the purchase of retail installment loans or commercial paper, certificates of deposit, bankers' acceptances, and similar money market instruments, the extension of broker call loans, the sale of federal funds, and the deposit of interest-bearing funds.

(2) "Bank" includes any state-chartered bank or national banking association that (i) is owned exclusively (except to the extent directors' qualifying shares are required by law) by other depository institutions, or by a bank holding company owned exclusively by other depository institutions; and (ii) is organized to engage exclusively in providing services for other depository institutions and their officers, directors, and employees.

(3) "Bank" does not include:

(i) Any institution that does not do business in the United States except as an incident to its activities outside the United States;

(ii) Any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation or any institution chartered by the Federal Home Loan Bank Board; or

(iii) "Agreement" or "Edge" corporations operating under sections 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601–604(a), 611–631).

(b)(1) "Bank holding company" means any company (including a bank) that has direct or indirect control of a bank, other than control that results from the ownership or control of:

(i) Voting securities held in good faith in a fiduciary capacity (other than as provided in paragraphs (d)(2)(ii) and (iii) of this section) without sole discretionary voting authority, or as otherwise exempted under section 2(a)(5)(A) of the BHC Act;

(ii) Voting securities acquired and held only for a reasonable period of time in connection with the underwriting of securities, as provided in section 2(a)(5)(B) of the BHC Act;

(iii) Voting rights to voting securities acquired for the sole purpose and in the course of participating in a proxy solicitation, as provided in section 2(a)(5)(C) of the BHC Act;

(iv) Voting securities acquired in satisfaction of debts previously contracted in good faith, as provided in section 2(a)(5)(D) of the BHC Act, if the securities are divested within two years of acquisition (or such later period as the Board may permit by order); or

(v) Voting securities of certain institutions owned by a thrift institution or a trust company, as provided in sections 2(a)(5)(E) and (F) of the BHC Act.

(2) Except for the purposes of section 225.4(b) of this subpart and Subpart E of this regulation or as otherwise provided in this regulation, the term "bank holding company" includes a foreign banking organization. For the purposes of Subpart B, the term "bank holding company" includes a foreign banking organization only if it owns or controls a bank in the United States.

(c)(1) "Company" includes any bank, corporation, general or limited partnership, association or similar organization, business trust, or any other trust unless by its terms it must terminate either within 25 years, or within 21 years and 10 months after the death of individuals living on the effective date of the trust.

(2) "Company" does not include any organization, the majority of the voting securities of which are owned by the United States or any state.

(d)(1) "Control" of a bank or other company means (except for the purposes of Subpart E):

(i) Ownership, control, or power to vote 25 percent or more of the outstanding shares of any class of voting securities of the bank or other company, directly or indirectly or acting through one or more other persons;

(ii) Control in any manner over the election of a majority of the directors, trustees, or general partners (or individuals exercising similar functions) of the bank or other company;

(iii) The power to exercise, directly or indirectly, a controlling influence over the management or policies of the bank or other company, as determined by the Board after notice and opportunity for hearing in accordance with § 225.31 of Subpart D of this regulation; or

(iv) Conditioning in any manner the transfer of 25 percent or more of the outstanding shares of any class of voting securities of a bank or other company upon the transfer of 25 percent or more of the outstanding shares of any class of voting securities of another bank or other company.

(2) A bank or other company is deemed to control voting securities or assets owned, controlled, or held, directly or indirectly:

(i) By any subsidiary of the bank or other company;

(ii) In a fiduciary capacity (including by pension and profit-sharing trusts) for the benefit of the shareholders, members, or employees (or individuals serving in similar capacities) of the bank or other company or of any of its subsidiaries; or

(iii) In a fiduciary capacity for the benefit of the bank or other company or any of its subsidiaries.

(e) "Foreign banking organization" and "qualifying foreign banking organization" shall have the same meanings as provided in § 211.23 of the Board's Regulation K (12 CFR 211.23).

(f) "Management official" means any officer, director (including honorary or advisory directors), partner, or trustee of a bank or other company, or any employee of the bank or other company with policy-making functions.

(g) "Outstanding shares" means any voting securities, but does not include securities owned by the United States or by a company wholly-owned by the United States.

(h) "Person" includes an individual, bank, corporation, partnership, trust, association, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, or any other form of entity.

(i) "Principal shareholder" means a person that owns or controls, directly or indirectly, 25 percent or more of any class of voting securities of a bank or other company.

(j) "Subsidiary" means a bank or other company that is controlled by another company, and refers to a direct or indirect subsidiary of a bank holding company. An indirect subsidiary is a bank or other company that is controlled by a subsidiary of the bank holding company.

(k) "United States" means the United States and includes any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, and the Virgin Islands.

(l) (1) "Voting securities" means shares of common or preferred stock, general or limited partnership shares or interests, or similar interests if the shares or interest, by statue, charter, or in any manner, entitle the holder: (i) to vote for or to select directors, trustees, or partners (or persons exercising similar functions of the issuing company); or (ii) to vote on or to direct the conduct of the operations or other significant policies of the issuing company.

(2) Preferred shares, limited partnership shares or interests, or similar interests are not "voting securities" if: (i) any voting rights associated with the shares or interest are limited solely to the type customarily provided by statute with regard to matters that would significantly and adversely affect the rights or preference of the security or other interest, such as the issuance of additional amounts or classes of senior securities, the modification of the terms of the security or interest, the dissolution of the issuing company, or the payment of dividends by the issuing company when preferred dividends are in arrears; (ii) the shares or interest represent an essentially passive investment or financing device and do not otherwise provide the holder with control over the issuing company; and (iii) the shares or interest do not entitle the holder, by statute, charter, or in any manner, to select or to vote for the selection of directors, trustees, or partners (or persons exercising similar functions) of the issuing company.

§ 225.3 Administration.

(a) *Delegation of authority.* Designated Board members and officers and the Federal Reserve Banks are authorized by the Board to exercise

various functions prescribed in this regulation and in the Board's Rules Regarding Delegation of Authority (12 CFR Part 265) and the Board's Rules of Procedure (12 CFR Part 262).

(b) *Appropriate Federal Reserve Bank.* In administering this regulation, the appropriate Federal Reserve Bank is as follows:

(1) For a bank holding company (or a company applying to become a bank holding company): the Reserve Bank of the Federal Reserve district in which the company's banking operations are principally conducted, as measured by total domestic deposits in its subsidiary banks on the date it became (or will become) a bank holding company;

(2) For a foreign banking organization that has no subsidiary bank and is not subject to paragraph (b)(1) of this section: the Reserve Bank of the Federal Reserve district in which the total assets of the organization's United States branches, agencies, and commercial lending companies are the largest as of the later of January 1, 1980, or the date it becomes a foreign banking organization;

(3) For an individual or company submitting a notice under Subpart E of this regulation: the Reserve Bank of the Federal Reserve district in which the banking operations of the bank holding company or State member bank to be acquired are principally conducted, as measured by total domestic deposits on the date the notice is filed.

§ 225.4 Corporate practices.

(a) *Bank holding company policy and operations.* (1) A bank holding company shall serve as a source of financial and mangerial strength to its subsidiary banks and shall not contuct its operations in an unsafe or unsound manner.

(2) Whenever the Board believes an activity of a bank holding company or control of a nonbank subsidiary (other than a nonbank subsidiary of a bank) constitutes a serious risk to the financial safety, soundness, or stability of a subsidiary bank of the bank holding company and is inconsistent with sound banking principles or the purposes of the BHC Act or the Financial Institutions Superisory Act of 1966, as amended (12 U.S.C. 1818(b) *et seq.*), the Board may require the bank holding company to terminate the activity or to terminate control of the subsidiary, as provided in section 5(e) of the BHC Act.

(b) *Purchase or redemption by a bank holding company of its own securities.*— (1) *Filing notice.* A bank holding company shall give the Board prior written notice before purchasing or redeeming its equity securities, if the gross consideration for the purchase or redemption, when aggregated with the net consideration paid by the company for all such purchases or redemptions during the preceding 12 months, is equal to 10 percent or more of the company's consolidated net worth. For the purposes of this section, "net consideration" is the gross consideration paid by the company for all of its equity securities purchased or redeemed during the period minus the gross consideration received for all of its equity securities sold during the period other than as part of a new issue.

(2) *Content of notice.* Any notice under this section shall be filed with the appropriate Reserve Bank and shall contain the following information:

(i) The purpose of the transaction, a description of the securities to be purchased or redeemed, the total number of each class outstanding, the gross consideration to be paid, and the terms of any debt incurred in connection with the transaction;

(ii) A description of all equity securities redeemed within the preceding 12 months, the net consideration paid, and the terms of any debt incurred in connection with those transactions; and

(iii) A current and *pro forma* consolidated balance sheet if the bank holding company has total assets of over $150 million, or a current and *pro forma* parent company only balance sheet if the bank holding company has total assets of $150 million or less.

(3) *Acting on notice.* Within 30 calendar days of receipt of a notice under this section, the appropriate Reserve Bank shall either approve the transaction proposed in the notice or refer the notice to the Board for decision. If the notice is referred to the Board for decision, the Board shall act on the notice within 60 calendar days after the Reserve Bank receives the notice.

(4) *Factors considered in acting on notice.* The Board may disapprove a proposed purchase or redemption if it finds that the proposal would constitute an unsafe or unsound practice, or would violate any law, regulation, Board order, directive, or any condition imposed by, or written agreement with, the Board. In determining whether a proposal constitutes an unsafe or unsound practice, the Board will consider whether the bank holding company's financial condition, after giving effect to the proposed purchase or redemption, meets the financial standards applied by the Board under section 3 of the BHC Act, including the Board's Capital Adequacy Guidelines (Appendix A to Subparts A through E) and the Board's Policy Statement for Formation of Small One-Bank Holding Companies (Appendix B to Subparts A through E).

(5) *Disapproval and hearing.* The Board shall notify the bank holding company in writing of the reasons for a decision to disapprove any proposed purchase or redemption. Within 10 calendar days of receipt of a notice of disapproval by the Board, the bank holding company may submit a written request for a hearing. The Board will order a hearing within 10 calendar days of receipt of that request if it finds that material facts are in dispute or if it otherwise appears appropriate. Any hearing conducted under this paragraph shall be held in accordance with the Board's Rules of Practice for Formal Hearings (12 CFR Part 263). At the conclusion of the hearing, the Board shall by order approve or disapprove the proposed purchase or redemption on the basis of the record of the hearing.

(c) *Deposit insurance.* Every bank that is a bank holding company or a subsidiary of a bank holding company shall obtain Federal Deposit Insurance and shall remain an "insured bank" as defined in section 3(h) of the Federal Deposit Insurance Act (12 U.S.C. 1813(h)).

(d) *Tie-in arrangements.* A bank holding company and any nonbanking subsidiary conducting an activity authorized under section 225.23 of this regulation may not in any manner extend credit, lease or sell property of any kind, provide any service, or fix or vary the consideration for any of these transactions subject to any condition or requirement that, if imposed by a bank, would constitute an unlawful tie-in arrangement under section 106 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1971, 1972(1)).

(e) *Acting as transfer agent, municipal securities dealer, or clearing agent.* A bank holding company or any nonbanking subsidiary that is a "bank," as defined in section 3(a)(6) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(6)), and that is a transfer agent of securities, a municipal securities dealer, a clearing agency, or a participant in a clearing agency (as those terms are defined in section 3(a) of the Securities Exchange Act, (12 U.S.C. 78c(a)), shall be subject to sections 208.8(f)-(j) of the Board's Regulation H (12 CFR 208.8(f)-(j)) as if it were a state member bank.

§ 225.5 Registration, reports, and inspections.

(a) *Registration of bank holding companies.* Each company shall register within 180 days after becoming a bank

holding company by furnishing information in the manner and form prescribed by the Board. A company that receives the Board's prior approval under subpart B of this regulation to become a bank holding company may complete this registration requirement through submission of its first annual report to the Board as required by paragraph (b) of this section.

(b) *Reports of bank holding companies.* Each bank holding company shall furnish, in the manner and form prescribed by the Board, an annual report of the company's operations for the fiscal year in which it becomes a bank holding company, and for each fiscal year during which it remains a bank holding company. Additional information and reports shall be furnished as the Board may require.

(c) *Examinations and inspections.* The Board may examine or inspect any bank holding company and each of its subsidiaries and prepare a report of their operations and activities. With respect to a foreign banking organization, the Board may also examine any branch or agency of a foreign bank in any state of the United States and may examine or inspect each of the organization's subsidiaries in the United States and prepare reports of their operations and activities. The Board will rely as far as possible on the reports of examination made by the primary federal or state supervisor of the subsidiary bank of a bank holding company or of the branch or agency of the foreign bank.

§ 225.6 Penalties for violations.

(a) *Criminal and civil penalties.* Section 8 of the BHC Act provides criminal penalties for willful violation, and civil penalties for violation, by any company or individual of the BHC Act or any regulation or order issued under it, or for making a false entry in any book, report, or statement of a bank holding company. Civil money penalty assessments for violations of the BHC Act shall be made in accordance with subpart B of the Board's Rules of Practice for Hearings (12 CFR 263, Subpart B). For any willful violation of the Bank Control Act or any regulation or order issued under it, the Board may assess a civil penalty as provided in 12 U.S.C. 1817(j)(15).

(b) *Cease and desist proceedings.* For any violation of the BHC Act, the Bank Control Act, this regulation, or any order or notice issued thereunder, the Board may institute a cease and desist proceeding in accordance with the Financial Institutions Supervisory Act of 1966, as amended (12 U.S.C. 1818(b) *et seq.*).

Subpart B—Acquisition of Bank Securities or Assets

§ 225.11 Transactions requiring Board approval.

The following transactions require an application for the Board's prior approval under section 3 of the BHC Act unless otherwise exempted under § 225.12 of this subpart:

(a) *Formation of bank holding company.* Any action that causes a bank or other company to become a bank holding company.

(b) *Acquisition of subsidiary bank.* Any action that causes a bank to become a subsidiary of a bank holding company.

(c) *Acquisition of control of bank or bank holding company securities.* The acquisition by a bank holding company of direct or indirect ownership or control of any voting securities of a bank or bank holding company, if the acquisition results in the company's control of more than 5 percent of the outstanding shares of any class of voting securities of the bank or bank holding company. An acquisition includes the purchase of additional securities through the exercise of preemptive rights, but does not include securities received in a stock dividend or stock split that does not alter the bank holding company's proportional share of any class of voting securities.

(d) *Acquisition of bank assets.* The acquisition by a bank holding company or by a subsidiary thereof (other than a bank) of all or substantially all of the assets of a bank.

(e) *Merger of bank holding companies.* The merger or consolidation of bank holding companies, including a merger through the purchase of assets and assumption of liabilities.

§ 225.12 Transactions not requiring Board approval.

The following transactions do not require the Board's approval under § 225.11 of this subpart:

(a) *Acquisition of securities in fiduciary capacity.* The acquisition by a bank or other company (other than a trust that is a company) of control of voting securities of a bank or bank holding company in good faith in a fiduciary capacity, unless:

(1) The acquiring bank or other company has sole discretionary authority to vote the securities and retains the authority for more than two years; or

(2) The acquisition is for the benefit of the acquiring bank or other company, or its shareholders, employees, or subsidiaries.

(b) *Acquisition of securities in satisfaction of debts previously contracted.* The acquisition by a bank or other company of control of voting securities of a bank or bank holding company in the regular course of securing or collecting a debt previously contracted in good faith, if the acquiring bank or other company divests the securities within two years of acquisition. The Board or Reserve Bank may grant requests for up to three one-year extensions.

(c) *Acquisition of securities by a bank holding company with majority control.* The acquisition by a bank holding company of additional voting securities of a bank or bank holding company if more than 50 percent of the outstanding voting securities of the bank or bank holding company is lawfully controlled by the acquiring bank holding company prior to the acquisition.

(d) *Transactions subject to Bank Merger Act.* The merger or consolidation of a subsidiary bank of a bank holding company with another bank, or the purchase of assets by such a subsidiary bank, or a similar transaction involving subsidiary banks of a bank holding company, if the transaction requires the prior approval of a Federal supervisory agency under the Bank Merger Act (12 U.S.C. 1828(c)). This exception does not include: (1) the merger of a nonsubsidiary bank and a nonoperating subsidiary bank formed by a company for the purpose of acquiring the nonsubsidiary bank; and (2) any transaction requiring the Board's prior approval under section 225.11(e) of this subpart. The Board may require an application under this subpart if it determines that the merger or consolidation would have a significant adverse impact on the financial condition of the bank holding company or otherwise requires approval under section 3 of the BHC Act.

(e) *Holding securities in escrow.* The holding of any voting securities of a bank or bank holding company in an escrow arrangement for the benefit of an applicant pending the Board's action on an application for approval of the proposed acquisition, if title to the securities and the voting rights remain with the seller and payment for the securities has not been made to the seller.

§ 225.13 Factors considered in acting on bank applications.

(a) *Prohibited anticompetitive transactions.* As specified in sections 3(c) (1) and (2) of the BHC Act, the Board may not approve any application under this subpart if:

(1) The transaction would result in a monopoly or would further any combination or conspiracy to monopolize, or to attempt to monopolize, the business of banking in any part of the United States; or

(2) The effect of the transaction may be substantially to lessen competition in any section of the country, tend to create a monopoly, or in any other manner be in restraint of trade, unless the Board finds that the transaction's anticompetitive effects are clearly outweighed by its probable effect in meeting the convenience and needs of the community.

(b) *Other factors.* In deciding applications under this subpart, the Board also considers the following factors with respect to the applicant, its subsidiaries, any banks related to the applicant through common ownership or management, and the bank or banks to be acquired:

(1) *Financial condition.* Their financial condition and future prospects, including whether current and projected capital positions and levels of indebtedness conform to standards and policies established by the Board.

(2) *Management.* The competence and character of the principals of the applicant and banks or bank holding companies concerned; their record of compliance with laws and regulations; and applicant's record of fulfilling any commitments to, and any conditions imposed by, the Board in connection with prior applications.

(3) *Convenience and needs of the community.* The convenience and needs of the communities to be served, including the record of performance under the Community Reinvestment Act of 1977 (12 U.S.C. 2901 *et seq.*) and regulations issued thereunder, including the Board's Regulation BB (12 CFR Part 228).

(c)(1) *Interstate transactions.* The Board may not approve any application under this subpart that would permit:

(i) The formation of a bank holding company that controls more than 5 percent of the outstanding shares of any class of voting securities of two or more banks located in different states; or

(ii) The acquisition by a bank holding company or by any of its subsidiaries of any voting securities of, any interest in, or substantially all of the assets of, an additional bank located in a state other than the state in which the operations of the banking subsidiaries of the bank holding company were principally conducted (as measured by total deposits) on July 1, 1966, or on the date on which the company became a bank holding company, whichever date is later.

(2) *Exceptions.* The prohibitions of this paragraph do not apply if:

(i) The Bank is located in a state that by statute expressly authorizes the acquisition of securities of, an interest in, or substantially all of the assets of, a bank within the state by an out-of-state bank holding company; or

(ii) The acquisition involves a closed or failing bank with assets of at least $500,000,000, and has been authorized under section 13(f) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)).

§ 225.14 Procedures for applications, notices, and hearings.

(a) *Filing application.* An application for the Board's prior approval under this subpart shall be filed with the appropriate Reserve Bank on the designated form and shall comply with § 262.3 of the Rules of Procedure (12 CFR 262.3), which requires the applicant to publish newspaper notice of the application.

(b) *Notice.*—(1) *Notice to primary banning supervisor.* Upon receipt of an application under this subpart, the Reserve Bank shall promptly furnish notice and a copy of the application to the primary banking supervisor of the bank to be acquired. The primary supervisor shall have 30 calendar days from the date of the letter giving notice in which to submit its views and recommendations to the Board.

(2) *Federal Register notice.* Upon receipt by the Reserve Bank of an application under this section, notice of the application shall be promptly sent to the **Federal Register** for publication. The **Federal Register** notice shall invite comment on the application for a period of no more than 30 days.

(c) *Accepting application for processing.* Within 10 business days after the Reserve Bank receives an application under this section, the Reserve Bank shall accept it for processing, request additional information to complete the application, or return the application if it is substantially incomplete. If additional information is requested, the Reserve Bank shall, within 5 business days of receipt of the requested information, either accept the application for processing or return it to the applicant if it is still incomplete. Upon accepting an application, the Reserve Bank shall immediately send copies to the Board.

(d) *Action on applications.*—(1) *Action under delegated authority.* The Reserve Bank shall approve an application under this section within 30 calendar days after it has accepted the application, unless the Reserve Bank, upon notice to the applicant, refers the application to the Board for decision because action under delegated authority is not appropriate. Upon written notice to the applicant, the Reserve Bank may extend the 30-day period for 15 days. If the extension of time is to request necessary additional information, the 15-day period does not commence until after the Reserve Bank receives the requested information.

(2) *Board action.* The Board shall act on an application under this subpart that is referred to it for decision within 60 calendar days after the Reserve Bank has accepted the application, unless the Board notifies the applicant that the 60-day period is being extended for a specified period and states the reasons for the extension. In no event may the extension exceed the 91-day period provided in paragraph (g) of this section. The Board may request additional information that it believes is necessary for its decision.

(e) *Notice to Attorney General.* The Board or Reserve Bank shall immediately notify the Attorney General of approval of any application under this section.

(f) *Hearings.* As provided in section 3(b) of the Act, the Board shall order a hearing if it receives from the primary supervisor of the bank to be acquired, within the 30-day period specified in paragraph (b)(1) of this section, a written recommendation of disapproval of an application. The Board may order a formal or informal hearing or other proceeding on the application, as provided in section 262.3(i)(2) of the Board's Rules of Procedure. Any request for hearing (other than from the primary supervisor) shall comply with section 262.3(e) of the Rules of Procedure (12 CFR 262.3(e)).

(g) *Approval through failure to act.*—(1) *Ninety-one day rule.* An application under this subpart shall be deemed approved if the Board fails to act on the application within 91 calendar days after the date of submission to the Board of the complete record on the application. For this purpose, the Board acts when it issues an order stating that the Board has approved or denied the application, reflecting the votes of the members of the Board, and indicating that a statement of the reasons for the decision will follow promptly.

(2) *Complete record.* For the purpose of computing the commencement of the 91-day period, the record is complete on the latest of:

(i) The date of receipt by the Board of an application that has been accepted by the Reserve Bank;

(ii) The last day provided in any notice for receipt of comments and hearing requests on the application;

(iii) The date of receipt by the Board of the last relevant material regarding the application that is needed for the Board's decision, if the material is received from a source outside of the Federal Reserve System; or

(iv) The date of completion of any hearing or other proceeding.

(h) *Exceptions to notice and hearing requirements.*—(1) *Probable bank failure.* If the Board finds it must act immediately on an application in order to prevent the probable failure of a bank or bank holding company, the Board may modify or dispense with the notice and hearing requirements provided in this section.

(2) *Emergency.* If the Board finds that, although immediate action on an application is not necessary, an emergency exists requiring expeditious action, the Board shall provide the primary supervisor ten days to submit its recommendation. The Board may act on such an application without a hearing and may modify or dispense with the other notice and hearing requirements provided in this section.

(i) *Waiting period.* A transaction approved under this subpart shall not be consummated until thirty days after the date of approval of the application, unless the Board has determined under paragraph (h) of this section that: (1) the application involves a probable bank failure, in which case the transaction may be consummated immediately upon approval; or (2) an emergency exists requiring expeditious action, in which case the transaction may be consummated on or after the fifth calendar day following approval.

Subpart C—Nonbanking Activities and Acquisitions by Bank Holding Companies

§ 225.21 Prohibited nonbanking activities and acquisitions; exempt bank holding companies.

(a) *Prohibited nonbanking activities and acquisitions.* Except as provided in § 225.22 of this subpart, a bank holding company or a subsidiary may not engage in, or acquire or control, directly or indirectly, voting securities or assets of a company engaged in, any activity other than:

(1) Banking or managing or controlling banks and other subsidiaries authorized under the BHC Act; and

(2) An activity that the Board determines to be so closely related to banking or managing or controlling banks as to be a proper incident thereto, including any incidental activities that are necessary to carry on such an activity, if the bank holding company has obtained the prior approval of the Board for that activity in accordance with and subject to the requirements of this regulation.

(b) *Exempt bank holding companies.* The following bank holding companies are exempt from the provisions of this subpart:

(1) *Family-owned companies.* Any company that is a "company covered in 1970," as defined in section 2(b) of the BHC Act, more than 85 percent of the voting securities of which was collectively owned on June 30, 1968, and continuously thereafter, by members of the same family (or their spouses) who are lineal descendants of common ancestors.

(2) *Labor, agricultural, and horticultural organizations.* Any company that was on January 4, 1977, both a bank holding company and a labor, agricultural, or horticultural organization exempt from taxation under section 501 of the Internal Revenue Code (26 U.S.C. 501(c)).

(3) *Companies granted hardship exemption.* Any bank holding company that has controlled only one bank since before July 1, 1968, and that has been granted an exemption by the Board under section 4(d) of the BHC Act, subject to any conditions inposed by the Board.

(4) *Companies granted exemption on other grounds.* Any company that acquired control of a bank before December 10, 1982, without the Board's prior approval under section 3 of the BHC Act, on the basis of a narrow interpretation of the term "demand deposit" or "commercial loan" if the Board has determined that: (i) coverage of the company as a bank holding company under this subpart would be unfair or represent an unreasonable hardship; and (ii) exclusion of the company from coverage under this regulation is consistent with the purposes of the BHC Act and section 106 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1971, 1972(1)). The provisions of section 225.4 of subpart A of this regulation are not applicable to a company exempt under this paragraph.

§ 225.22 Exempt nonbanking activities and acquisitions.

(a) *Servicing activities.* A bank holding company may, without the Board's prior approval under this subpart, furnish services to or perform services for, or establish or acquire a company that engages solely in furnishing services to or performing services for:

(1) The bank holding company or its subsidiaries in connection with their activities as authorized by law, including services that are necessary to fulfill commitments entered into by the subsidiaries with third parties, if the bank holding company or servicing company complies with the Board's published interpretations and does not act as principal in dealing with third parties; and

(2) The internal operations of the bank holding company or its subsidiaries. Services for the internal operations of the bank holding company or its subsidiaries include, but are not limited to: (i) accounting, auditing, and appraising; (ii) advertising and public relations; (iii) data processing and data transmission services, data bases or facilities; (iv) personnel services; (v) courier services; (vi) holding or operating property used wholly or substantially by a subsidiary in its operations or for its future use; (vii) liquidating property acquired from a subsidiary; (viii) liquidating property acquired from any sources either prior to May 9, 1956, or the date on which the company became a bank holding company, whichever is later; and (ix) selling, purchasing, or underwriting insurance such as blanket bond insurance, group insurance for employees, and property and casualty insurance.

(b) *Safe deposit business.* A bank holding company or nonbank subsidiary may, without the Board's prior approval, conduct a safe deposit business, or acquire voting securities of a company that conducts such a business.

(c) *Nonbanking acquisitions not requiring prior Board approval.* The Board's prior approval is not required under this subpart for the following acquisitions:

(1) *DPC acquisitions.* (i) Voting securities or assets, acquired by foreclosure or otherwise, in the ordinary course of collecting a debt previously contracted ("DPC property") in good faith, if the DPC property is divested within two years of acquisition.

(ii) The Board may, upon request, extend this two-year period for up to three additional one-year periods. The Board may permit additional extensions for up to 5 years (for a total of 10 years), for real estate or other assets that are demonstrated by the bank holding company to have value and marketability characteristics similar to real estate.

(iii) Transfers of DPC property within the bank holding company system do not extend any period for divestiture of the property.

(2) *Securities or assets required to be divested by subsidiary.* Voting securities or assets required to be divested by a subsidiary at the request of an examining federal or state authority (except by the Board under the BHC Act or this regulation), if the bank holding company divests the securities or assets within two years from the date acquired from the subsidiary.

(3) *Fiduciary investments.* Voting securities or assets acquired by a bank or other company (other than a trust that is a company) in good faith in a fiduciary capacity, if the voting securities or assets are:

(i) Held in the ordinary course of business; and

(ii) Not acquired for the benefit of the company or its shareholders, employees, or subsidiaries.

(4) *Securities eligible for investment by a national bank.* Voting securities of the kinds and amounts explicitly eligible by federal statute (other than section 4 of the Bank Service Corporation Act, 12 U.S.C. 1864) for investment by a national bank, and voting securities acquired prior to June 30, 1971, in reliance on section 4(c)(5) of the BHC Act and interpretations of the Comptroller of the Currency under section 5136 of the Revised Statutes (12 U.S.C. 24(7)).

(5) *Securities or property representing 5 percent or less of a company.* Voting securities of a company or property that, in the aggregate, represent 5 percent or less of the outstanding shares of any class of voting securities of a company or a 5 ;percent interest or less in the property, subject to the provisions of 12 CFR 225.137.

(6) *Securities of investment company.* Voting securities of an investment company that is solely engaged in investing in securities and that does not own or control more than 5 percent of the outstanding shares of any class of voting securities of any company.

(7) *Assets acquired in the ordinary course of business.* Assets of a company acquired in the ordinary course of business, subject to the provisions of 12 CFR 225.132, if the assets relate to activities in which the acquiring company has previously received Board approval under this regulation to engage in the geographic areas to be served.

(8) *Asset acquisitions by consumer finance or mortgage company or industrial bank.* Assets of an office(s) of a company, all or substantially all of which relate to making, acquiring, or servicing loans for personal, family, or household purposes, if:

(i) The acquiring company has previously received Board approval under this regulation to engage in consumer finance, residential mortgage banking, or industrial banking activities in the geographic areas to be served by the acquired office(s);

(ii) The assets acquired during any twelve-month period do not represent more than 25 percent of the assets (on a consolidated basis) of the acquiring consumer finance company, mortgage company or industrial bank, or more than $25 million, whichever amount is less;

(iii) The assets acquired do not represent more than 50 percent of the selling company's consolidated assets that are devoted to the consumer finance, residential mortgage banking, or industrial banking business;

(iv) The acquiring company notifies the Reserve Bank of the acquisition within 30 days after the acquisition; and

(v) The acquiring company, after giving effect to the transaction, meets the Board's Capital Adequacy Guidelines (Appendix A to Subparts A through E) and the Board has not previously notified the acquiring company that it may not acquire assets under the exemption in this paragraph.

(d) *Acquisition of securities by subsidiary banks.*—(1) *National bank.* A national bank or its subsidiary may, without the Board's approval under this subpart, acquire or retain securities on the basis of section 4(c)(5) of the BHC Act in accordance with the regulations of the Comptroller of the Currency.

(2) *State bank.* A state-chartered bank or its subsidiary may, insofar as federal law is concerned and without the Board's prior approval under this subpart: (i) acquire or retain securities, on the basis of section 4(c)(5) of the BHC Act, of the kinds and amounts explicitly eligible by federal statute for investment by a national bank; or (ii) acquire or retain all (but, except for directors' qualifying shares, not less than all) of the securities of a company that engages solely in activities in which the parent bank may engage, at locations at which the bank may engage in the activity, and subject to the same limitations as if the bank were engaging in the activity directly.

(e) *Activities and securities of new bank holding companies.* A company that becomes a bank holding company may, for a period of two years, engage in nonbanking activities and control voting securities or assets of a nonbank subsidiary, if the bank holding company engaged in such activities or controlled such voting securities or assets on the date it became a bank holding company. The Board may grant requests for up to three one-year extensions of the two-year period.

(f) *Grandfathered activities and securities.* Unless the Board orders divestiture or termination under section 4(a)(2) of the BHC Act, a "company covered in 1970," as defined in section 2(b) of the BHC Act, may:

(1) Retain voting securities or assets and engage in activities that it has lawfully held or engaged in continuously since June 30, 1968; and

(2) Acquire voting securities of any newly-formed company to engage in such activities.

(g) *Securities or activities exempt under Regulation K.* A bank holding company may acquire voting securities or assets and engage in activities as authorized in Regulation K (12 CFR Part 211).

§ 225.23 Procedures for applications, notices, and hearings.

(a) *Application or notice required for nonbanking activities.* An application or notice for the Board's prior approval under § 225.21(a) of this subpart for the following transactions shall be filed by a bank holding company with the appropriate Reserve Bank on the designated form in accordance with the Board's Rules of Procedure (12 CFR 262.2):

(1) *Engaging de novo in listed nonbanking activities.* A notice is required to commence or to engage *de novo*, either directly or through a subsidiary, in a nonbanking activity listed in § 225.25 of this subpart. The applicant may commence the activity 30 days after receipt by the Reserve Bank of the notice unless the Reserve Bank within the 30-day period:

(i) Returns the notice because it is incomplete or requires an application under paragraph (a) (2) or (3) of this section;

(ii) Notifies the company that it may consummate the transaction at an earlier date;

(iii) Extends the 30-day period for an additional 15 days; or

(iv) Refers the notice to the Board for decision because substantive adverse comment is received or it otherwise appears appropriate.

If the 30-day period is extended by the Reserve Bank to request necessary additional information, the 15-day period does not commence until after the Reserve Bank receives the requested information. The Reserve Bank shall promptly send a copy of any notice received under this paragraph to the Board.

(2) *Acquiring a company engaged in listed nonbanking activities.* An application is required to acquire or control voting securities or assets of a company engaged in a permissible

nonbanking activity listed in § 225.25 of this subpart.

(3) *Engaging in or acquiring a company to engage in unlisted nonbanking activities.* An application is required to commence or to engage *de novo*, or to acquire or control voting securities or assets of a company engaged in, any activity not listed in § 225.25 of this subpart. The application shall contain evidence that the proposed activity is so closely related to banking or managing or controlling banks as to be a proper incident thereto.

(b) *Notice to expand or alter nonbanking activities.*—(1) *De novo expansion.* A notice under paragraph (a)(1) of this section is required to open a new office or to form a subsidiary to engage in, or to relocate an existing office engaged in, a nonbanking activitiy that the Board has previously approved for the bank holding company under this regulation, only if:

(i) The Board's prior approval was limited geographically;

(ii) The activity is to be conducted in a country outside of the United States and the bank holding company has not previously received prior Board approval under this regulation to engage in the activity in that country; or

(iii) The Board or appropriate Reserve Bank has notified the company that a notice under paragraph (a)(1) of this section is required.

The Board may require an application under paragraph (a)(2) or (a)(3) of this section instead of a notice.

(2) *Activities outside United States.* With respect to activities to be engaged in outside the United States that require approval under this subpart, the procedures of this section apply only to activities to be engaged in directly by a bank holding company that is not a qualifying foreign banking organization or by a nonbank subsidiary of a bank holding company approved under this subpart. Regulation K (12 CFR Part 211) governs other international operations of bank holding companies.

(3) *Alteration of nonbanking activity.* A notice under paragraph (a)(1) of this section is required to alter a nonbanking activity in any material respect from that considered by the Board in acting on the application or notice to engage in the activity. The Board may require an application under paragraph (a) (2) or (3) of this section instead of a notice.

(c) *Accepting application for processing.* Withing 10 business days after the Reserve Bank receives an application under this section, the Reserve Bank shall accept it for processing, request additional information to complete the application, or return the application to the applicant if it is substantially incomplete. If additional information is requested, the Reserve Bank shall, within 5 business days of receipt of the requested information, either accept the application for processing or return the application to the applicant if it is still incomplete. Upon accepting an application, the Reserve Bank shall immediately send copies to the Board.

(d) *Federal Register notice.*—(1) *Listed activities.* Upon receipt by the Reserve Bank of an application or notice involving an activity listed in § 225.25 of this subpart, notice of the application or proposal shall be promptly sent to the **Federal Register** for publication. The **Federal Register** notice shall invite comment for a period of not more than 30 days.

(2) *Unlisted activities.* In the case of an application under this section involving an activity not listed in § 225.25 of this subpart, the Board shall, within 10 business days of acceptance by the Reserve Bank, send notice of the application to the **Federal Register** for publication, unless the Board determines that the applicant has not demonstrated that the activity is so closely related to banking or to managing or controlling banks as to be a proper incident thereto. The Board may extend the 10-day period for an additional 30 calendar days upon notice to the applicant. In the event notice of an application is not published for comment, the Board shall inform the applicant of the reasons for the decision. The **Federal Register** notice shall invite comment on the proposal for a reasonable period of time, generally for 30 days.

(e) *Action on applications.*—(1) *Action under delegated authority.* The Reserve Bank shall approve an application under paragraph (a)(2) of this section within 30 calendar days after it has accepted the application, unless the Reserve Bank, upon notice to the applicant, refers the application to the Board for decision because action under delegated authority is not appropriate. Upon written notice to the applicant, the Reserve Bank may extend the 30-day period for 15 days. If the extension of time is to request necessary additional information, the 15-day period does not commence until the Reserve Bank receives the requested information.

(2) *Board action.* The Board shall act on an application or notice under this secton that is referred to it for decision within 60 calendar days after the Reserve Bank has accepted the application or received the notice, unless the Board notifies the applicant that the 60-day period is being extended for a specified period and explains the reasons for the extension. In no event may the extension exceed the 91-day period specified in paragraph (h) of this section. The Board may request additional information that it believes is necessary for its decision.

(f) *Expedited procedure for small acquisitions.*—(1) *Filing notice.* As an alternative to the application procedure of paragraph (a)(2) of this section, a bank holding company may apply to acquire voting securities or assets of a company engaged in an activity listed in § 225.25 of this subpart by: (i) providing the appropriate Reserve Bank with a description of the transaction; and either (ii) submitting a copy of a newspaper notice in the form prescribed by the Board; or (iii) requesting the Board to publish notice of the application in the **Federal Register**. The newspaper notice shall be published in a newspaper of general circulation in the areas to be served as a result of the acquisition and shall provide an opportunity for interested persons to comment on the application for a period of at least 10 calendar days. If the applicant elects **Federal Register** notice, the notice shall provide an opportunity for interested persons to comment for a period of at least 15 calendar days.

(2) *Criteria for use of expedited procedure.* The procedure in this paragraph is available only if:

(i) Neither the book value of the assets to be acquired nor the gross consideration to be paid for the securities or assets exceeds $15 million;

(ii) The bank holding company has previously received Board approval to engage in the activity involved in the acquisition; and

(iii) The bank holding company meets the Board's Capital Adequacy Guidelines (Appendix A to Subparts A through E).

(3) *Action on application.* Within 5 business days after the close of the comment period specified in the **Federal Register** notice or within 15 calendar days after receipt by the Reserve Bank of the newspaper notice, the Reserve Bank shall either approve the application or refer it to the Board for decision if action under delegated authority is not appropriate. The Board shall act on an application under this paragraph that is referred to it for decision in accordance with paragraph (e)(2) of this section. The Reserve Bank, upon written notice to the applicant, may extend the time period for approval under this paragraph for a reasonable period of time not to exceed 30 days. The Reserve Bank or the Board may require an application under paragraph (a)(2) of this section.

(g) *Hearing.* Any request for a hearing on an application or notice under this section shall comply with the provisions of § 262.3(e) of the Board's Rules of Procedure (12 CFR 262.3(e)). The Board may order a formal or informal hearing or other proceeding on an application, as provided in § 262.3(i)(2) of the Rules of Procedure (12 CFR 262.3(i)(2)). The Board shall order a hearing only if there are disputed issues of material fact that cannot be resolved in some other manner.

(h) *Approval through failure to act; 91-day rule.* An application or notice under this subpart shall be deemed approved if the Board fails to act on the application or notice within 91 calendar days after the date of submission to the Board of the complete record on the application or notice. The procedures for computation of the 91-day rule as set forth in § 225.14(g) of Subpart B of this regulation apply to applications and notices under this subpart.

(i) *Emergency thrift institution acquisitions.* In the case of an application to acquire a thrift institution, the Board may modify or dispense with the notice and hearing requirements of this section if the Board finds that an emergency exists that requires the Board to act immediately and the primary Federal regulator of the institution concurs.

§ 225.24 Factors considered in acting on nonbanking applications.

In evaluating an application or notice under section 225.23 of this subpart, the Board shall consider whether the performance by the applicant of the activity can reasonably be expected to produce benefits to the public (such as greater convenience, increased competition, the gains in efficiency) that outweigh possible adverse effects (such as undue concentration of resources, decreased or unfair competition, conflicts of interest, and unsound banking practices). This consideration includes an evaluation of the financial and managerial resources of the applicant, including its subsidiaries, and any company to be acquired, and the effect of the proposed transaction on those resources. Unless the record demonstrates otherwise, the commencement or expansion of a nonbanking activity *de novo* is presumed to result in benefits to the public through increased competition.

§ 225.25 List of permissible nonbanking activities.

(a) *Closely related nonbanking activities.* The activities listed below are so closely related to banking or managing or controlling banks as to be a proper incident thereto and may be engaged in by a bank holding company or a subsidiary thereof in accordance with and subject to the requirements of this regulation.

(b)(1) *Making and servicing loans.* Making, acquiring, or servicing loans or other extensions of credit (including issuing letters of credit and accepting drafts) for the company's account or for the account of others, such as would be made, for example, by the following types of companies: (i) consumer finance; (ii) credit card; (iii) mortgage; (iv) commercial finance; and (v) factoring.

(2) *Industrial banking.* Operating an industrial bank, Morris Plan bank, or industrial loan company, as authorized under state law, so long as the institution is not a bank.

(3) *Trust company functions.* Performing functions or activities that may be performed by a trust company (including activities of a fiduciary, agency, or custodial nature), in the manner authorized by federal or state law, so long as the institution is not a bank and does not make loans or investments or accept deposits other than:

(i) Deposits that are generated from trust funds not currently invested and that are properly secured to the extent required by law;

(ii) Deposits representing funds received for a special use in the capacity of managing agent or custodian for an owner of, or investor in, real property, securities, or other personal property; or for such owner or investor as agent or custodian of funds held for investment or as escrow agent; or for an issuer of, or broker or dealer in securities, in a capacity such as a paying agent, dividend disbursing agent, or securities clearing agent; provided such deposits are not employed by or for the account of the customer in the manner of a general purpose checking account or interest-bearing account; or

(iii) Making call loans to securities dealers or purchasing money market instruments such as certificates of deposit, commercial paper, government or municipal securities, and bankers acceptances. (Such authorized loans and investments, however, may not be used as a method of channeling funds to nonbanking affiliates of the trust company.)

(4) *Investment or financial advice.* Acting as investment or financial advisor to the extent of:

(i) Serving as the advisory company for a mortgage or a real estate investment trust;

(ii) Serving as investment adviser (as defined in section 2(a)(20) of the Investment Company Act of 1940, 15 U.S.C. 80a-2(a)(20)), to an investment company registered under that act, including sponsoring, organizing, and managing a closed-end investment company;

(iii) Providing portfolio investment advice [1] to any other person;

(iv) Furnishing general economic information and advice, general economic statistical forecasting services and industry studies; [2] and

(v) Providing financial advice to state and local governments, such as with respect to the issuance of their securities.

(5) *Leasing personal or real property.* Leasing personal or real property or acting as agent, broker, or adviser in leasing such property if:

(i) The lease is to serve as the functional equivalent of an extension of credit to the lessee of the property;

(ii) The property to be leased is acquired specifically for the leasing transaction under consideration or was acquired specifically for an earlier leasing transaction;

(iii) The lease is on a nonoperating basis;[3]

---

[1] The term "portfolio investment" is intended to refer generally to the investment of funds in a "security" as defined in section 2(1) of the Securities Act of 1933 (15 U.S.C. 77b) or in real property interests, except where the real property is to be used in the trade or business of the person being advised. In furnishing portfolio investment advice, bank holding companies and their subsidiaries shall observe the standards of care and conduct applicable to fiduciaries.

[2] This is to be contrasted with "management consulting," which the Board views as including, but not limited to, the provision of analysis or advice as to a firm's (A) purchasing operations, such as inventory control, sources of supply, and cost minimization subject to constraints; (B) production operations, such as quality control, work measurement, product methods, scheduling shifts, time and motion studies, and safety standards; (C) marketing operations, such as market testing, advertising programs, market development, packaging, and brand development; (D) planning operations, such as demand and cost projections, plant location, program planning, corporate acquisitions and mergers, and determination of long-term and short-term goals; (E) personnel operations, such as recruitment, training, incentive programs, employee compensation, and management-personnel relations; (F) internal operations, such as taxes, corporate organization, budgeting systems, budget control, data processing systems evaluation, and efficiency evaluation; or (G) research operations, such as product development, basic research, and product design and innovation. The Board has determined that "management consulting" is not an activity that is so closely related to banking or managing or controlling banks as to be a proper incident thereto.

[3] For purposes of the leasing of automobiles, the requirement that the lease be on a nonoperating basis means that the bank holding company may not, directly or indirectly: (A) provide for the servicing, repair, or maintenance of the leased vehicle during the lease term; (B) purchase parts and accessories in bulk or for an individual vehicle

Continued

(iv) At the inception of the initial lease the effect of the transaction (and, with respect to governmental entities only, reasonably anticipated future transactions[4]) will yield a return that will compensate the lessor for not less than the lessor's full investment in the property plus the estimated total cost of financing the property over the term of the lease,[5] from:

(A) Rentals;

(B) Estimated tax benefits (investment tax credit, net economic gain from tax deferral from accelerated depreciation, and other tax benefits with a substantially similar effect);

(C) The estimated residual value of the property at the expiration of the initial term of the lease, which in no case shall exceed 20 percent of the acquisition cost of the property to the lessor; and

(D) In the case of a lease of personal property of not more than seven years in duration, such additional amount, which shall not exceed 60 percent of the acquisition cost of the property, as may be provided by an unconditional guarantee by a lessee, independent third party, or manufacturer, which has been determined by the lessor to have the financial resources to meet such obligation, that will assure the lessor of recovery of its investment and cost of financing;

(v) The maximum lease term during which the lessor must recover the lessor's full investment in the property, plus the estimated total cost of financing the property, shall be 40 years; and

(vi) At the expiration of the lease (including any renewals or extensions with the same lessee), all interest in the property shall be either liquidated or released on a nonoperating basis as soon as practicable but in no event later than two years from the expiration of the lease;[6] however, in no case shall the lessor retain any interest in the property beyond 50 years after its acquisition of the property.

(6) *Community development.* Making equity and debt investments in corporations or projects designed primarily to promote community welfare, such as the economic rehabilitation and development of low-income areas by providing housing, services, or jobs for residents.

(7) *Data processing.* Providing to others data processing and data transmission services, facilities (including data processing and data transmission hardware, software, documentation or operating personnel), data bases, or access to such services, facilities, or data bases by any technological means, if:

(i) The data to be processed or furnished are financial, banking, or economic, and the services are provided pursuant to a written agreement so describing and limiting the services;

(ii) The facilities are designed, marketed, and operated for the processing and transmission of financial, banking, or economic data; and

(iii) The hardware provided in connection therewith is offered only in conjunction with software designed and marketed for the processing and transmission of financial, banking, or economic data, and where the general purpose hardware does not constitute more than 30 percent of the cost of any packaged offering.

(8) *Insurance sales.* Except as prohibited in Title VI of the Garn-St Germain Depository Institutions Act of 1982 (12 U.S.C. 1843(c)(8)), acting as insurance agent or broker in offices at which the holding company or its subsidiaries are otherwise engaged in business (or in an office adjacent thereto) with respect to the following types of insurance:

(i) Any insurance that (A) is directly related to an extension of credit by a bank or bank-related firm of the kind described in this regulation, or (B) is directly related to the provision of other financial services by a bank or such a bank-related firm; and

(ii) Any insurance sold by a bank holding company or a nonbanking subsidiary in a community that has a population not exceeding 5,000 (as shown by the last preceding decennial census), if the principal place of banking business of the bank holding company is located in a community having a population not exceeding 5,000.

(9) *Underwriting Credit Life, Accident and Health Insurance.* Acting as underwriter for credit life insurance and credit accident and health insurance that is directly related to an extension of credit by the bank holding company system.[7]

(10) *Courier services.* Providing courier services for:

(i) Checks, commercial papers, documents, and written instruments (excluding currency or bearer-type negotiable instruments) that are exchanged among banks and financial institutions; and

(ii) Audit and accounting media of a banking or financial nature and other business records and documents used in processing such media.[8]

(11) *Management consulting to depository institutions.* Providing management consulting advice [9] to nonaffiliated bank and nonbank depository institutions, including commercial banks, savings and loan associations, mutual savings banks, credit unions, industrial banks, Morris Plan banks, cooperative banks, and industrial loan companies, if:

(i) Neither the bank holding company nor any of its subsidiaries own or control, directly or indirectly, any equity securities in the client institution;

(ii) No management official, as defined in 12 CFR 212.2(h), of the bank holding company or any of its subsidiaries serves as a management official of the client institution, except

---

after the lessee has taken delivery of the vehicle; (C) provide for the loan of an automobile during servicing of the leased vehicle; (D) purchase insurance for the lessee; or (E) provide for the renewal of the vehicle's license merely as a service to the lessee where the lessee could renew the license without authorization from the lessor.

[4] The Board understands that some federal, state and local governmental entities may not enter into a lease for a period in excess of one year. Such an impediment does not prohibit a company authorized to conduct leasing activities under this paragraph from entering into a lease with such governmental entities if the company reasonably anticipates that the governmental entities will renew the lease annually until such time as the company is fully compensated for its investment in the leased property plus its costs of financing the property. Further, a company authorized to conduct personal property leasing activities under this paragraph may also engage in so-called "bridge" lease financing of personal property, but not real property, if the lease is short-term pending completion of long-term financing, by the same or another lender.

[5] The estimate by the lessor of the total cost of financing the property over the term of the lease should reflect, among other factors: the term of the lease, the modes of financing available to the lessor, the credit rating of the lessor and/or the lessee, if a factor in the financing, and prevailing rates in the money and capital markets.

[6] In the event of a default on a lease agreement prior to the expiration of the lease term, the lessor shall either release the property, subject to all the conditions of this paragraph, or liquidate the property as soon as practicable but in no event later than two years from the date of default on a lease agreement or such additional time as the Board may permit under section 225.22(c)(1) of this regulation, as if the property were DPC property.

[7] To assure that engaging in the underwriting of credit life and credit accident and health insurance can reasonably be expected to be in the public interest, the Board will only approve applications in which an applicant demonstrates that approval will benefit the consumer or result in other public benefits. Normally such a showing would be made by a projected reduction in rates or increase in policy benefits due to bank holding company performance of this service.

[8] See also the Board's interpretation on courier activities (12 CFR 225.129), which sets forth conditions for bank holding company entry into the activity.

[9] A bank holding company that has received the Board's prior approval to engage in offering management consulting advice to nonaffiliated commercial banks as of April 20, 1982, may offer such advice on a *de novo* basis to nonbank depository institutions pursuant to this paragraph without filing an application under section 225.23 of this subpart.

where such interlocking relationships are permitted pursuant to an exemption granted under 12 CFR 212.4(b);

(iii) The advice is rendered on an explicit fee basis without regard to correspondent balances maintained by the client institution at any depository institution subsidiary of the bank holding company; and

(iv) Disclosure is made to each potential client institution of (A) the names of all depository institutions that are affiliates of the consulting company, and (B) the names of all existing client institutions located in the same county(ies), Metropolitan Statistical Area, or Primary Metropolitan Statistical Area as the client institution.[10]

(12) *Money orders, savings bonds, and travelers checks.* The issuance and sale at retail of money orders and similar consumer-type payment instruments having a face value of not more than $1,000; the sale of U.S. savings bonds; and the issuance and sale of travelers checks.

(13) *Real estate appraising.* Performing appraisals of real estate.

(14) *Arranging commercial real estate equity financing.* Acting as intermediary for the financing of commercial or industrial income-producing real estate by arranging for the transfer of the title, control and risk of such a real estate project to one or more investors, if:

(i) The financing arranged exceeds $1 million;

(ii) The bank holding company and its affiliates do not provide financing to the investors to acquire a real estate project for which the bank holding company arranges equity financing;

(iii) The bank holding company and its affiliates do not have an interest in or participate in managing, developing or syndicating a real estate project for which it arranges equity financing, and do not promote or sponsor the development or syndication of such property; and

(iv) The fee received for arranging equity financing for a real estate project is not based on profits to be derived from the project and is not larger than the fee that would be charged by an unaffiliated intermediary.

(15) *Securities Brokerage.* Providing securities brokerage services, related securities credit activities pursuant to the Board's Regulation T (12 CFR Part 220), and incidental activities such as offering custodial services, individual retirement accounts, and cash management services, if the securities brokerage services are restricted to buying and selling securities solely as agent for the account of customers and do not include securities underwriting or dealing or investment advice or research services.

(16) *Underwriting and dealing in government obligations and money market instruments.* Underwriting and dealing in obligations of the United States, general obligations of states and their political subdivisions, and other obligations that state member banks of the Federal Reserve System may be authorized to underwrite and deal in under 12 U.S.C. 24 and 335, including bankers' acceptances and certificates of deposit, under the same limitations as would be applicable if the activity were performed by the bank holding company's subsidiary member banks or its subsidiary nonmember banks as if they were member banks.

(17) *Foreign exchange advisory and transactional services.* Providing, by any means, general information and statistical forecasting with respect to foreign exchange markets; advisory services designed to assist customers in monitoring, evaluating and managing their foreign exchange exposures; and transactional services with respect to foreign exchange by arranging for "swaps" among customers with complementary foreign exchange exposures and for the execution of foreign exchange transactions; provided the activity is conducted through a separately incorporated subsidiary of the bank holding company that:

(i) Does not take positions in foreign exchange for its own account;

(ii) Observes the standards of care and conduct applicable to fiduciaries with respect to its foreign exchange advisory and transactional services; and

(iii) Does not itself execute foreign exchange transactions.

(18) *Futures commission merchant.* Acting as a futures commission merchant for nonaffiliated persons in the execution and clearance on major commodity exchanges of futures contracts and options on futures contracts for bullion, foreign exchange, government securities, certificates of deposit and other money market instruments that a bank may buy or sell in the cash market for its own account, if the activity is conducted through a separately incorporated subsidiary of the bank holding company that:

(i) Does not become a clearing member of any exchange or clearing association that requires the parent corporation of the clearing member to also become a member of that exchange or clearing association unless a waiver of the requirement is obtained;

(ii) Does not trade for its own account except for the purpose of hedging a cash position in the related government security, bullion, foreign currency, or money market instrument;

(iii) Time stamps orders of all customers to the nearest minute, executes all orders strictly in chronological sequence to the extent consistent with the customers' specifications, and executes all orders with reasonable promptness with due regard to market conditions;

(iv) Does not extend credit to customers for the purpose of meeting initial or maintenance margins required of customers except for posting margin on behalf of customers in advance of prompt reimbursement; and

(v) Has and maintains capitalization fully adequate to meet its own commitments and those of its customers, including affiliates.

Subpart D—Control and Divestiture Proceedings

§ 225.31 Control proceedings.

(a) *Preliminary determination of control.* (1) The Board may issue a preliminary determination of control under the procedures set forth in this section in any case in which:

(i) Any of the presumptions of control set forth in paragraph (d) of this section is present; or

(ii) It otherwise appears that a company has the power to exercise a controlling influence over the management or policies of a bank or other company.

(2) If the Board makes a preliminary determination of control under this section, the Board shall send notice to the controlling company containing a statement of the facts upon which the preliminary determination is based.

(b) *Response to preliminary determination of control.* Within 30 calendar days of issuance by the Board of a preliminary determination of control or such longer period permitted by the Board, the company against whom the determination has been made shall:

(1) Submit for the Board's approval a specific plan for the prompt termination of the control relationship;

(2) File an application under subpart B or C of this regulation to retain the control relationship; or

[10] In performing this activity, bank holding companies are not authorized to perform tasks or operations or provide services to client institutions either on a daily or continuing basis, except as necessary to instruct the client institution on how to perform such services for itself. See also the Board's interpretation of bank management consulting advice (12 CFR 225.131). This interpretation shall apply to the performance of management consulting services for commercial banks and any other type of depository institution.

(3) Contest the preliminary determination by filing a response, setting forth the facts and circumstances in support of its position that no control exists, and, if desired, requesting a hearing or other proceeding.

(c) *Hearing and final determination.* (1) The Board shall order a formal hearing or other appropriate proceeding upon the request of a company that contests a preliminary determination that the company has the power to exercise a controlling influence over the management or policies of a bank or other company, if the Board finds that material facts are in dispute. The Board may also in its discretion order a formal hearing or other proceeding with respect to a preliminary determination that the company controls voting securities of the bank or other company under the presumptions in paragraph (d)(1) of this section.

(2) At a hearing or other proceeding, any applicable presumptions established by paragraph (d) of this section shall be considered in accordance with the Federal Rules of Evidence and the Board's Rules of Practice for Formal Hearings (12 CFR Part 263).

(3) After considering the submissions of the company and other evidence, including the record of any hearing or other proceeding, the Board shall issue a final order determining whether the company controls voting securities, or has the power to exercise a controlling influence over the management or policies, of the bank or other company. If a control relationship is found, the Board may direct the company to terminate the control relationship or to file an application for the Board's approval to retain the control relationship under subpart B or C of this regulation.

(d) *Rebuttable presumptions of control.* The following rebuttable presumptions shall be used in any proceeding under this section:

(1) *Control of voting securities.*—(i) *Securities convertible into voting securities.* A company that owns, controls, or holds securities that are immediately convertible, at the option of the holder or owner, into voting securities of a bank or other company, controls the voting securities.

(ii) *Option or restriction on voting securities.* A company that enters into an agreement or understanding under which the rights of a holder of voting securities of a bank or other company are restricted in any manner controls the securities. This presumption does not apply where the agreement or understanding:

(A) is a mutual agreement among shareholders granting to each other a right of first refusal with respect to their shares;

(B) Is incident to a *bona fide* loan transaction; or

(C) Relates to restrictions on transferability and continues only for the time necessary to obtain approval from the appropriate federal supervisory authority with respect to acquisition by the company of the securities.

(2) *Control over company.*—(i) *Management agreement.* A company that enters into any agreement or understanding with a bank or other company (other than an investment advisory agreement), such as a management contract, under which the first company or any of its subsidiaries directs or exercises significant influence over the general management or overall operations of the bank or other company controls the bank or other company.

(ii) *Shares controlled by company and associated individuals.* A company that, together with its management officials or principal shareholders (including members of the immediate families of either as defined in 12 CFR 206.2(k)), owns, controls, or holds with power to vote 25 percent or more of the outstanding shares of any class of voting securities of a bank or other company controls the bank or other company, if the first company owns, controls, or holds with power to vote more than 5 percent of the outstanding shares of any class of voting securities of the bank or other company.

(iii) *Common management officials.* A company that has one or more management officials in common with a bank or other company controls the bank or other company, if the first company owns, controls or holds with power to vote more than 5 percent of the outstanding shares of any class of voting securities of the bank or other company, and no other person controls as much as 5 percent of the outstanding shares of any class of voting securities of the bank or other company.

(iv) *Shares held as fiduciary.* The presumptions in paragraphs (d)(2) (ii) and (iii) of this section do not apply if the securities are held by the company in a fidicuary capacity without sole discretionary authority to exercise the voting rights.

(e) *Presumption of non-control.* (1) In any proceeding under this section, there is a presumption that any company that directly or indirectly owns, controls, or has power to vote less than 5 percent of the outstanding shares of any class of voting securities of a bank or other company does not have control over that bank or other company.

(2) In any proceeding under this section, or judicial proceeding under the BHC Act, other than a proceeding in which the Board has made a preliminary determination that a company has the power to exercise a controlling influence over the management or policies of the bank or other company, a company may not be held to have had control over the bank or other company at any given time, unless that company, at the time in question, directly or indirectly owned, controlled, or had power to vote 5 percent or more of the outstanding shares of any class of voting securities of the bank or other company, or had already been found to have control on the basis of the existence of a controlling influence relationship.

§ 225.32 Divestiture proceedings.

(a) *Ineffective divestitures.* (1) The divestiture of assets or voting securities by a bank holding company (or a company that would be a bank holding company but for the divestiture) is ineffective, and the divesting company shall be presumed to control the acquiring person or the divested assets or securities, if

(i) The acquiring person is indebted in any manner to the divesting company; or

(ii) The divesting company has any management official in common with the acquiring person.

(2) For the purposes of this section:

(i) "Indebtedness" does not include routine business or personal credit that is unrelated to the divestiture transaction and that is extended by the divesting company in the ordinary course of its lending business; and

(ii) "Divesting company" and "acquiring person" include their parent companies, subsidiaries, and, if the acquiring person is an individual, companies controlled by the individual.

(b) *Request for divestiture determination.* For any divestiture that is deemed ineffective under paragraph (a) of this section, the divesting company may request the Board to determine that the divestiture is in fact effective by submitting a letter that includes:

(1) A description of the divestiture transaction and the existing and prospective relationship between the divesting company and the acquiring person;

(2) Evidence and argument demonstrating that the divesting company is not capable of controlling the acquiring person or the divested assets or securities; and

(3) A request for a hearing, if desired.

(c) *Hearing.* The Board shall order a formal hearing or other appropriate proceeding upon the request of a divesting company under paragraph (b) of this section, if the Board finds that material facts are in dispute. The Board may also order a formal hearing or other proceeding if, in the Board's judgment, such a proceeding would be appropriate.

(d) *Standards for making divestiture determination.* In acting on the request of a divesting company under paragraph (b) of this section, the Board shall consider the following factors, among others, in determining whether the divesting company is capable of controlling the acquiring person or the divested assets or securities:

(1) *Indebtedness of acquiring person to divesting company.* (i) The terms of the indebtedness, including the amount of the indebtedness in relation to the total purchase price;

(ii) The ability of the acquiring person to repay the indebtedness; and

(iii) The manner in which the divesting company would dispose of the divested assets in the event it reacquires the assets as a result of default on the indebtedness.

(2) *Management official interlocks.* The extent of the involvement of the interlocking management official in the operations of the divesting company and the acquiring person, and the management official's relationship to the assets or securities being divested.

(e) *Final determination.* After considering the submission of the divesting company and other evidence, including the record of any hearing or other proceeding, the Board shall issue an order determining whether the company controls or is capable of controlling the acquiring person or the divested assets or securities.

(f) *Review of other divestitures.* In any divestiture of assets or securities by a company that is not covered under paragraph (a) of his section, the Board may review the divestiture to assure that the divesting company is not capable of controlling the acquiring person or the divested assets or securities.

Subpart E—Change in Bank Control

§ 225.41 Transactions requiring prior notice.

(a) *Prior notice requirement.* (1) Any person acting directly or indirectly, or through or in concert with one or more persons, shall give the Board 60 days' written notice, as specified in § 225.43 of this subpart, before acquiring control of a state member bank or bank holding company, unless the acquisition is exempt under § 225.42 of this subpart.

(2) For the purposes of this subpart, "acquisition" includes a purchase, assignment, transfer, or pledge of voting securities, or an increase in percentage ownership of a bank or other company resulting from a redemption of voting securities.

(b) *Acquistions requiring prior notice.* The following transactions constitute, or are presumed to constitute, the acquisition of control under the Bank Control Act, requiring prior notice to the Board:

(1) the acquisition of any voting securities of a state member bank or bank holding company if, after the transaction, the acquiring person (or persons acting in concert) owns, controls, or holds with power to vote 25 percent or more of any class of voting securities of the institution; or

(2) the acquisition of any voting securities of a state member bank or bank holding company if, after the transaction, the acquiring person (or persons acting in concert) owns, controls, or holds with power to vote 10 percent or more (but less than 25 percent) of any class of voting securities of the institution, and if:

(i) the institution has registered securities under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78*l*); or

(ii) no other person will own a greater percentage of that class of voting securities immediately after the transaction.

(c) *Rebuttal of presumption of control.* Prior notice to the Board is not required for any acquisition of voting securities under the presumption set forth in paragraph (b)(2) of this section, if the Board finds that the acquisition will not result in control. The Board will afford the person seeking to rebut the presumption an opportunity to present views in writing or, if appropriate, orally before its designated representatives at an informal conference.

(d) *Other transactions.* Transactions other than those set forth in paragraph (b)(2) resulting in a person's control of less than 25 percent of a class of voting securities of a state member bank or bank holding company do not result in control for purposes of the Bank Control Act.

§ 225.42 Transactions not requiring prior notice.

The following transactions do not require prior notice to the Board under this subpart:

(a) *Increase of previously authorized acquisitions.* The acquisition of additional shares of a class of voting securities of a state member bank or bank holding company by any person who has lawfully acquired and maintained control of 25 percent or more of that class of voting securities after filing the notice required under § 225.41(b)(1) of this subpart.

(b) *Acquisitions subject to approval under BHC Act or Bank Merger Act.* Any acquisition of voting securities subject to approval under section 3 of the BHC Act (§ 225.11 of subpart B), or section 18(c) of the Federal Deposit Insurance Act (Bank Merger Act, 12 U.S.C. 1828(c)).

(c) *Transactions exempt under BHC Act.* Any acquisition described in sections 2(a)(5) or 3(a) (A) or (B) of the BHC Act (12 U.S.C. 1841(a)(5), 1842(a) (A) and (B)) by a person described in those provisions.

(d) *Grandfathered control relationships.* (1) The acquisition of additional voting securities of a state member bank or bank holding company by a person who continuously since March 9, 1979 (or since that institution commenced business, if later) held power to vote 25 percent or more of any class of voting securities of that institution; or

(2) the acquisition of additional voting securities of a state member bank or bank holding company by a person who is presumed under § 225.41(b)(2) of this subpart to have controlled the institution continuously since March 9, 1979, if the aggregate amount of voting securities held does not exceed 25 percent of any class of voting securities of the institution.

(e) *Acquisitions in satisfaction of debts previously contracted or through inheritance or gift.* Any acquisition of voting securities, which would otherwise require a notice under this subpart, in satisfaction of a debt previously contracted in good faith, or through inheritance or a *bona fide* gift, if the acquiring person notifies the appropriate Reserve Bank within 30 calendar days after the acquisition and provides any relevant information requested by the Reserve Bank.

(f) *Proxy solicitation.* The acquisition of the power to vote securities of a state member bank or bank holding company through receipt of a revocable proxy in connection with a proxy solicitation for the purpose of conducting business at a regular or special meeting of the institution, if the proxy terminates within a reasonable period after the meeting.

(g) *Stock dividends.* The receipt of voting securities of a state member bank or bank holding company through a stock dividend or stock split if the proportional interest of the recipient in

the institution remains substantially the same.

(h) *Acquisition of foreign banking organization.* The acquisition of voting securities of a qualifying foreign banking organization. (This exemption does not extend to the reports and information required under paragraphs 9, 10, and 12 of the Bank Control Act (12 U.S.C. 1817(j)(9), (10), and (12)).

§ 225.43 Procedures for filing, processing, and acting on notices.

(a) *Filing notice.* a notice required under this subpart shall be filed with the appropriate Reserve Bank and shall contain the information required by paragraph 6 of the Bank Control Act (12 U.S.C. 1817(j)(6)), or prescribed in the designated Board form. With respect to personal financial statements required by paragraph 5(B) of the Bank Control Act, an individual may include a statement of assets and liabilities as of a date within 90 days of filing the notice, a brief income summary, and a description of any subsequent material changes, subject to the authority of the Reserve Bank or the Board to require additional information.

(b) *Advice to bank supervisory agencies.*—(1) Upon accepting a notice relating to acquisition of securities of a state member bank, the Reserve Bank shall send a copy of the notice to the appropriate state bank supervisor, which shall have 30 calendar days from the date the notice is sent in which to submit its views and recommendations to the Board. The Reserve Bank shall also send a copy of any notice it accepts to the Comptroller of the Currency and the Federal Deposit Insurance Corporation.

(2) If the Board finds that it must act immediately in order to prevent the probable failure of the bank or bank holding company involved, the Board may dispense with or modify the requirements for notice to the state supervisor.

(c) *Time period for Board action.*—(1) *Consummation of acquisition.* (i) A proposed acquisition may be consummated 60 days after submission to the Reserve Bank of a complete notice under paragraph (a) of this section, unless within that period the Board disapproves the proposed acquisition or extends the 60-day period as provided under paragraph (c)(2) of this section.

(ii) A proposed acquisition for which notice has been filed under paragraph (a) of this section may be consummated before the expiration of the 60-day period if the Board notifies the acquiring person in writing of the Board's intention not to disapprove the acquisition.

(2) *Extensions of time period.* (i) The Board may extend the 60-day period in paragraph (c)(1) of this section for an additional 30 days by notifying the acquiring person.

(ii) The Board may further extend the period for disapproval or return the notice, if the Board finds that the acquiring person has not furnished all the information required under paragraph (a) of this section or has submitted material information that is substantially inaccurate. If the Board so extends the time period, it shall notify the acquiring person of the information that is incomplete or inaccurate.

(d) *Investigation of notice.* In investigating any notice accepted under this subpart, the Board or Reserve Bank may solicit information or views from any person (including any bank or bank holding company involved in the notice, and any appropriate state, federal or foreign governmental authority). No person (other than the acquiring person), whose views are solicited or who presents information, thereby becomes a party to the proceeding or acquires any standing or right to participate in the Board's consideration of the notice.

(e) *Factors considered in acting on notices.* In reviewing a notice filed under this subpart, the Board shall consider the information in the record, the views and recommendations of the appropriate bank supervisor, and any other relevant information obtained during any investigation of the notice. The Board may disapprove an acquisition if it finds adverse effects with respect to any of the factors set forth in paragraph 7 of the Bank Control Act (12 U.S.C. 1817(j)(7)) (*i.e.*, competitive, financial, managerial, banking or incompleteness of information).

(f) *Disapproval and hearing.* Within three days after its decision to issue a notice of intent to disapprove any proposed acquisition, the Board shall notify the acquiring person in writing of the reasons for the action. Within 10 calendar days of receipt of the notice of the Board's intent to disapprove, the acquiring person may submit a written request for a hearing. Any hearing conducted under this paragraph shall be in accordance with the Rules of Practice for Formal Hearings (12 CFR Part 263). At the conclusion of the hearing, the Board shall, by order, approve or disapprove the proposed acquisition on the basis of the record of the hearing. If the acquiring person does not request a hearing, the notice of intent to disapprove becomes final and unappealable.

Appendices to Subparts A Through E

Appendix A—Capital Adequacy Guidelines

Definition of Capital To Be Used in Determining Capital Adequacy of National and State Member Banks and Bank Holding Companies

Primary Components of Capital

The primary components of capital are:
—Common stock
—Perpetual preferred stock
—Surplus
—Undivided profits
—Contingency and other capital reserves
—Mandatory convertible instruments (capital instruments with covenants mandating conversion into common or perpetual preferred stock)
—Allowance for possible loan and lease losses
—Minority interest in equity accounts of consolidated subsidiaries

Secondary Components of Capital

It is recognized that other financial instruments can, with certain restrictions, be considered as part of capital because they possess some, though not all, of the features of capital. These instruments are:
—Limited-life preferred stock
—Bank subordinated notes and debentures and unsecured long-term debt of the parent company and its nonbank subsidiaries

Restrictions Relating to Secondary Components

The secondary components will be considered as capital under the conditions listed below:
—The issue must have an original weighted average maturity of at least seven years
—If the issue has a serial or installment repayment program, all scheduled repayments shall be made at least annually, once contractual repayment of principal begins, and the amount repaid in a given year shall be no less than the amount repaid in the previous year
—For banks only, the aggregate amount of limited-life preferred stock and subordinated debt qualifying as capital may not exceed 50 percent of the amount of the bank's primary capital
—As the secondary components approach maturity, redemption or payment, the outstanding balance of all such instruments—including those with serial note payments, sinking fund provisions, or an amortization schedule—will be amortized in accordance with the following schedule:

Years to maturity	Percent of issue considered capital
Greater than or equal to 5	100
Less than 5 but greater than or equal to 4	80
Less than 4 but greater than or equal to 3	60
Less than 3 but greater than or equal to 2	40
Less than 2 but greater than or equal to 1	20

Years to maturity	Percent of issue considered capital
Less than 1	0

(No adjustment in the book amount of the issue is required or expected by this schedule. Adjustment will be made by a memorandum account.)

Minimum Capital Guidelines

The Federal Reserve and the Office of the Comptroller of the Currency have developed minimum capital guidelines to provide a framework for assessing the capital of well-managed national banks, state member banks and bank holding companies.[1] The guidelines are used in the examination and supervisory process and will be reviewed from time to time for possible adjustment commensurate with changes in the economy, financial markets and banking practices.

Objectives of the minimum capital guidelines are to:

—Introduce greater uniformity, objectivity and consistency into the supervisory approach for assessing capital adequacy;
—Provide direction for capital and strategic planning to banks and bank holding companies and for the appraisal of this planning by the agencies; and
—Permit some reduction of existing disparities in capital ratios between banking organizations of different size.

Two principal ratio measurements of capital are used: (1) primary capital to total assets; and, (2) total capital to total assets. Primary capital consists of common stock, perpetual preferred stock, capital surplus, undivided profits, reserves for contingencies and other capital reserves, mandatory convertible instruments, the allowance for possible loan and lease losses, and any minority interest in the equity accounts of consolidated subsidiaries. Total capital includes the primary capital components plus limited-life preferred stock and qualifying notes and debentures.

The capital guidelines generally will be applied on a consolidated basis. However, for those bank holding companies with consolidated assets under $150 million, the capital guidelines will apply only to the bank if: (1) the company does not engage directly or indirectly in any nonbanking activity involving significant leverage; and, (2) no significant debt of the parent company is held by the general public.

Some bank holding companies are engaged in significant nonbanking activities that require capital ratios higher than those for the bank alone. In these cases, appropriate adjustments will be made in the application of the consolidated capital guidelines.

Institutions affected by the guidelines are categorized as either multinational organizations (as designated by their respective supervisory agency); regional organizations (all other institutions with assets in excess of $1 billion)[2]; or community organizations (less than $1 billion in total assets).

A minimum level of primary capital to total assets is established at 5 percent for multinational and regional organizations and 6 percent for community organizations. Generally, banking organizations are expected to operate above the minimum primary capital levels. Also, those banking organizations that have a higher than average percentage of their assets exposed to risk, or have a higher than average amount of off-balance sheet risk, may be expected to hold additional primary capital to compensate for this risk.

The agencies also have established capital guidelines for the total capital to total assets ratio. These guidelines consist of three broad zones:

	Multinational and regional	Community
Zone 1	Above 6.5 percent	Above 7.0 percent.
Zone 2	5.5 percent to 6.5 percent.	6.0 to 7.0 percent.
Zone 3	Below 5.5 percent	Below 6.0 percent.

Generally, the nature and intensity of supervisory action will be determined by the zone in which an institution falls. While an institution's position in the quantitative capital zones will normally trigger the below specified supervisory responses, qualitative analysis will continue to be used in determining minimum levels of capital for banking institutions.

For banking institutions operating in Zone 1, the agencies will:

—Presume that capital is adequate if the primary capital ratio is acceptable to the regulator and is above the minimum level;
—Intensify analysis and action when unwarranted declines in capital ratios occur.

For banking institions operating in Zone 2, the agencies will:

—Presume that the institution may be under-capitalized, particularly if the primary and total capital ratios are at or near the minimum guidelines;
—Engage in extensive contact and discussion with the management and require the submission of comprehensive capital plans acceptable to the regulator;
—Closely monitor the capital position over time.

The agencies' approach to insitutions operating in Zone 3 will include:

—A very strong presumption that the institutions is under-capitalized;
—Frequent contact with management and a requirement that the institution submit a comprehensive capital plan, including a capital augmentation program that is acceptable to the regulator;
—Continuous analysis, monitoring and supervision.

The guidelines will be applied in a flexible manner with exceptions as appropriate. The assessment of capital adequacy will continue to be made on a case-by-case basis considering various qualitative factors that affect an institution's overall financial condition. Thus, the agencies retain the flexibility to make appropriate adjustments in the application of the guidelines to individual institutions.

Appendix B—Policy Statement for Formation of Small One-Bank Holding Companies

Assessment of Financial Factors

In acting on applications filed under the Bank Holding Company Act, the Board has adopted, and continues to follow, the principle that bank holding companies should serve as a source of strength for their subsidiary banks. When bank holding companies incur debt and rely upon the earnings of their subsidiary banks as the means of repaying such debt, a question arises as to the probable effect upon the financial condition of the company and its subsidiary bank or banks.

The Board believes that a high level of debt at the parent holding company level impairs the ability of a bank holding company to provide financial assistance to its subsidiary bank and in some cases the servicing requirements on such debt may be a significant drain on the bank's resources. For these reasons, the Board has not favored the use of acquisition debt in the formation of bank holding companies. Nevertheless, the Board has recognized that the transfer of ownership of small banks often requires the use of acquisition debt. The Board therefore has permitted the formation of small one-bank holding companies with debt levels higher than would be permitted for larger or multibank holding companies. Approval of these applications has been given on the condition that the small one-bank holding companies demonstrate the ability to service the acquisition debt without straining the capital of their subsidiary bank and, further, that such companies restore their ability to serve as a source of strength for their subsidiary bank within a relatively short period of time.

In the interest of furthering its policy of facilitating the transfer of ownership in banks without diluting bank safety and soundness, the Board has reexamined the analytical framework and financial criteria it applies when considering the formation of small one-bank holding companies and has adopted certain revisions in its procedures and standards as described below.

The revised criteria shift the focus from debt repayment to the relationship between debt and equity at the parent holding company. The holding company will have the option of improving the relationship of debt to equity by repaying the principal amount of its debt or through the retention of earnings, or both. Under these procedures, newly organized small one-bank holding companies will be expected to reduce the relationship of their debt to equity over a reasonable period of time to a level comparable to that maintained by many large and multibank holding companies.

In general, this policy is intended to apply only to one-bank holding companies that would not have significant leveraged nonbank activities and whose subsidiary bank would have total assets of

[1] Institutions that are under special supervision and those that have been in operation for less than two years are not included in the program.

[2] May include some other institutions located money centers.

approximately $150 million or less at the time the application is filed. Small one-bank holding companies formed before the initial effective date of the Board's policy concerning formation of small one-bank holding companies and assessment of financial factors (March 28, 1980) may switch to a plan that adheres to the intent of this policy provided they comply with criteria 2, 3, and 4 set forth below.

The criteria are as follows:

General

In evaluating applications filed pursuant to section 3(a)(1) of the Bank Holding Company Act, as amended, when the applicant intends to incur debt to finance the acquisition of a small bank, the Board will take into account a full range of financial and other information, including the recent trend and stability of earnings of the bank, the past and prospective growth of the bank, the quality of the bank's assets, the ability of the applicant to meet debt servicing requirements without placing an undue strain on the bank's resources, and the record and competency of management of the applicant and the bank. In addition, the Board will require applicants to meet the minimum requirements set forth below. As a general rule, failure to meet any of these requirements will result in denial of the application; however, the Board reserves the right to make exceptions if the circumstances warrant.

1. *Minimum Down Payment.* The amount of acquisition debt should not exceed 75 percent of the purchase price of the bank to be acquired. When the owner(s) of the holding company incur debt to finance the purchase of the bank, such debt will be considered acquisition debt even though it does not represent an obligation of the bank holding company, unless the owner(s) can demonstrate that such debt can be serviced without reliance on the resources of the bank or bank holding company.

2. *Maintenance of Adequate Capital.* An applicant proposing to use acquisition debt must demonstrate to the satisfaction of the Board that any debt servicing requirements to which the bank holding company may be subject would not cause the subsidiary bank's ratio of gross capital to assets to fall below 8 percent during the 12-year period following consummation of the acquisition. Gross capital is defined as the sum of total stockholders' equity, the allowance for possible loan losses, and subordinated capital notes and debentures.

3. *Reduction in Parent Company Leverage.* The applicant must demonstrate to the satisfaction of the Board that the parent holding company's ratio of debt to equity will decline to 30 percent within 12 years after consummation of the acquisition. The holding company must also demonstrate that it will be able to safely meet debt servicing and other requirements imposed by its creditors.

The term "debt," as used in the ratio of debt to equity, means any borrowed funds (exclusive of short-term borrowings that arise out of current transactions, the proceeds of which are used for current transactions), and any securities issued by, or obligations of, the holding company that are the functional equivalent of borrowed funds.

The term "equity," as used in the ratio of debt to equity, means the total stockholders' equity of the bank holding company adjusted to reflect the periodic amortization of "goodwill" (defined as the excess of cost of any acquired company over the sum of the amounts assigned to identifiable assets acquired, less liabilities assumed) in accordance with generally accepted accounting principles. In determining the total amount of stockholders' equity, the bank holding company should account for its investments in the common stock of subsidiaries by the equity method of accounting.

Ordinarily the Board does not view redeemable preferred stock as a substitute for common stock in a one-bank holding company formation. Nevertheless, to a limited degree and under certain circumstances the Board will consider redeemable preferred stock as equity in the capital accounts of the holding company if the following conditions are met: (1) The preferred stock is redeemable only at the option of the issuer and (2) the debt to equity ratio of the holding company would be at or remain below 30 percent following the redemption or retirement of any preferred stock. Preferred stock that is convertible into common stock of the holding company may be treated as equity.

4. *Dividend Restrictions.* The bank holding company is not expected to pay any corporate dividends on common stock until such time as its debt to equity ratio is below 30 percent. However, some dividends may be permitted provided all of the following conditions are met: (a) The applicant has begun making scheduled repayments of principal on the acquisition debt; (b) such scheduled repayments of principal are reasonable in amount, will be made at least annually, and will allow for the retirement of the acquisition debt over a period not to exceed 25 years; and (c) the applicant can clearly demonstrate at the time the application is filed that such dividends will not jeopardize the ability of the holding company to reduce its debt to equity ratio to 30 percent within 12 years of consummation of the proposal or cause the gross capital to assets of the subsidiary bank to fall below 8 percent over the same period. Also, it is expected that dividends will be eliminated if the holding company is not meeting the projections made at the time the application was filed regarding the ability of the holding company to reduce the debt to equity ratio to 30 percent within 12 years of consummation of the proposal.

The requirements of this Policy Statement should be read in the context of the Board's Capital Adequacy Guidelines (Appendix A), including the definitions of capital and its components.

Effective date: This revision of Part 225 becomes effective February 6, 1984, except for section 225.14 and 225.23, which become effective for all applications and notices submitted to the Board on and after January 1, 1984.

By order of the Board of Governors of the Federal Reserve System, December 29, 1983.

William W. Wiles,

Secretary of the Board.

Supplementary Information, Appendix A

(Note.—This is an appendix to the Supplementary Information section in the preamble. This appendix will not appear in the Code of Federal Regulations.)

The proposed revision of Regulation Y included the following definition of "bank":

> Any institution organized under the laws of the United States that accepts demand deposits and engages in the business of making commercial loans.

This definition essentially reiterates the two-pronged definition of bank in section 2(c) of the BHC Act, which defines a "bank" as "any organization * * * which (1) accepts deposits that the depositor has a legal right to withdraw on demand, and (2) engages in the business of making commercial loans." [1] The bank definition is the key to the Act because it supplies the basis for effecting the fundamental purposes for which the legislation was enacted: (1) the separation of the business of banking from commerce to assure impartiality in the granting of credit and avoidance of conflicts of interest; (2) the limitation of risk to the banking system inherent in the unlimited association of banking and commerce; and (3) the prevention of concentration of banking resources.

In order to clarify the coverage of the bank definition consistent with these policies, the Board has interpreted the terms "deposits that the depositor has a legal right to withdraw on demand" [2] and "commercial loans" in section 2(c) of the Act. In approving an application by a bank holding company under the Act to acquire an industrial loan company that offered NOW accounts and made commercial loans, the Board interpreted the phrase "deposits that the depositor has a legal right to withdraw on demand" in section 2(c) of the Act to include NOW accounts. *First Bancorporation (Beehive Thrift and Loan)*, 68 Federal Reserve Bulletin 253 (1982).

---

[1] 12 U.S.C. 1841(c). There are a number of statutory exemptions to this definition, *e.g.*, for FSLIC insured thrift institutions.

[2] Hereinafter "demand deposit."

Similarly, in reviewing a proposal to acquire an FDIC insured state bank by The Dreyfus Corporation, a nonbanking organization engaged in the underwriting and sale of securities, the Board reiterated its view that the term commercial loan in section 2(c) of the Act means any loan the proceeds of which are used for other than personal, family, household, or charitable purposes. The Board also determined that, for this purpose, commercial loans include the purchase of commercial paper, bankers acceptances, and certificates of deposit, and the sale of federal funds and other transactions that establish a debtor-creditor relationship. Letter of December 10, 1982, to the FDIC.

The proposed amendments would incorporate the Board's interpretations into Regulation Y. A number of commenters opposed the definitions. The Independent Bankers Association favored the definitions, and the American Bankers Association supported the proposed definition of "commercial loan."

After careful consideration of the comments, the Board has determined to adopt the "bank" definition with minor modifications, including its interpretations of the terms demand deposit and commercial loan. The Board believes that these interpretations are both necessary and appropriate to carry out the fundamental purposes of the Act. In the Board's judgment, any other interpretation of these important terms would produce a result that is plainly at variance with the purposes of the Act and would preempt Congressional discretion to determine the proper delineation between banking and commerce in this country as well as the scope for interstate banking. The Board's interpretation of the bank definition is directed, towards this end, consistent with its authority under section 5(b) of the Act to issue rules and regulations.

As originally enacted, the BHC Act defined "bank" as "any national banking association, or any State bank, savings bank, or trust company. * * *" In 1966, Congress eliminated this charter test in favor of the functional demand deposit test. The legislative history of these amendments indicates that Congress intended to cover all checking accounts as demand deposits and did not intend to exempt from the definition of "bank" institutions that function like banks. Congress viewed the ability to offer checking accounts as critical in determining whether an institution meets the "demand deposit" portion of the Act's definition of bank and intended demand deposits to include all checking accounts.

In 1970, Congress again amended the Act by adding a second requirement for bank status: that the institution also be engaged in the business of making commercial loans. The Board did not propose the amendment in 1970, which limited the definition of bank to those institutions that accept demand deposits and make "commercial loans," although the Board offered no objection to the amendment because it was intended to be narrow in scope, possibly exempting only a single company—Boston Safe Deposit and Trust.[3] The Board's view is reflected in a letter from Federal Reserve Chairman Burns to Chairman Sparkman of the Senate Banking and Currency Committee:

> " * * * S. 3823 would amend the definition of "bank" to exclude banks that make no commercial loans. To the best of our knowledge, this amendment would have very limited application at present, possibly affecting only one institution. Since there is less need for concern about preferential treatment in extending credit where no commercial loans are involved, and in view of the very limited application of this amendment, the Board would have no objection to its adoption.[4]

The House conferees agreed to the change of the definition of "bank" (not present in the House passed bill), but the majority of the House conferees cautioned that the Board should construe the 1970 exemptions from the Act "as narrowly as possible in order that all bank holding companies which should be covered under the Act in order to protect the public interest, will, in fact, be covered."[5]

These modifications to the definition of bank in the Act were designed to exclude from coverage under the Act savings banks, trust companies and industrial banks.[6] In both 1966 and 1970, savings banks, trust companies and industrial banks bore little resemblance to commercial banks because these three types of entities did not have bank charters or their activities were confined to fiduciary activities, the taking of savings and time deposits, and the making of home mortgages and consumer loans.

Between 1970 and 1981, the exemption remained within the narrow confines intended by Congress. However, since 1980, the powers of industrial banks have substantially expanded and they are eligible for FDIC insurance, making them for all intents and purposes banks. More importantly, a large number of insurance, securities, industrial and commercial organizations have acquired FDIC insured national or state banks.[7] These acquisitions have been accomplished through the device of divesting a portion of the acquired bank's commercial loan portfolio and continuing to accept demand deposits or through giving up the taking of demand deposits but continuing to make commercial loans. Both techniques are premised on a narrow interpretation of the terms demand deposits and commercial loans in section 2(c) of the Bank Holding Company Act.

These so-called "nonbank banks" acquired through this device continue to take deposits from the public, to make loans, to enjoy the benefits of discount window access and federal deposit insurance, and to have access to the payments system. They remain for all practical purposes banks, but are not subject to the prudential limitations that Congress deemed essential when banks are affiliated with commercial enterprises. Indeed, the charter powers of a "nonbank bank" are identical to those of a full service commercial bank—and it is only different to the extent that the nonbank bank *voluntarily* chooses not to offer commercial loans or demand deposits under a narrow definition of those terms.

Acquisitions of this nature and in the numbers that have occurred were not contemplated by the 1970 Amendments. As noted above, the Board advised Congress that it believed the exemption would be of "very limited application," and the House Conferees admonished the Board to construe the exemption "narrowly." Such a construction is consistent with the broad expansion of the Act's coverage accomplished by the 1970 Amendments to encompass partnerships, one bank holding companies, and control relationships based on a controlling influence. Indeed, the desire to prevent evasion of the Act's purposes in 1970 was sufficiently pervasive for Congress to reject a proposed exemption for very small banks which had no more than $3

---

[3] 116 Congressional Record S. 6908, 6911 (daily ed. May 11, 1970; 116 Congressional Record H. 7207 (daily ed. July 27, 1970; 116 Congressional Record S. 20642 (daily ed. December 18, 1970).

[4] One Bank Holding Company Legislation of 1970: Hearings on S. 1052, S. 1664, S. 3823; and H.R. 6778, before the Senate Committee on Banking & Currency, 91st Cong., 2d Sess. 137 (1970).

[5] Statement of the Managers on the Part of the House, H. Rep. No. 1747, 91st Congress, 2d Sess. 23 (1970).

[6] S. Rep. No. 1179, 89th Cong., 2d Sess. 7 (1966); S. Rep. No. 91-1084, 91st Cong. 2d Sess. 24 (1970).

[7] Since 1980, there have been a number of acquisitions of insured banks by insurance, securities, commercial and industrial companies.

million in net worth.[8] It is inconsistent with the Congressional intent as expressed in the Act to suggest that at the same time Congress substantially expanded the Act's coverage to ensure the separation of banking and commerce, it took the significant step, almost without debate, of creating a new class of depository institution that could be acquired by all types of nonbanking organizations.

The primary impetus for the 1970 Amendments were two events that occurred in the late 1960s. First, the largest banks in the nation sought to use the then existing one bank holding company exemption to form holding companies and commence various nonbanking activities, at times through the acquisition of going concerns such as large insurance companies. At the same time, large nonbanking organizations such as manufacturing firms, insurance companies, and retailers began to acquire single banks. Congress sought to block both of these trends through the 1970 Amendments.[9] The recent acquisition of banks by large commercial enterprises such as insurance, securities, and industrial companies is completely inconsistent with expressed Congressional intention to prevent such affiliations.[10]

In recognition of the unique and critical role that banks play in the nation's financial system and economy with respect to operation of the payments system, as custodians of the bulk of liquid savings, and as suppliers of credit, Congress has provided these institutions with access to the Federal Reserve as a lender of last resort, and access to federal deposit insurance. However, as a consequence of this special status, banks are subject to prudential limitations designed to limit risk, promote sound operations, assure impartiality in the credit granting process, and prevent excessive concentration of credit resources. The Bank Holding Company Act represents one of the principal mechanisms for accomplishing these goals through its limitations on the commingling of banking and commerce and the concentration of banking resources.

The framework of regulation created by the Bank Holding Company Act is frustrated, however, to the extent that institutions engaged in banking functions are allowed to secure the benefits of bank status while at the same time their corporate parents evade the prudential limitations on the scope of nonbanking activities that Congress established in the Bank Holding Company Act. Moreover, this situation threatens to undermine the system of bank holding company regulation as a whole since bank holding companies that are subject to the Act's prudential limitations are placed at an increasing competitive disadvantage with respect to the securities, insurance, manufacturing and retail companies that own "nonbank banks" and that are free to establish synergistic relationships between their banking and impermissible nonbanking operations.

It has been suggested that these nonbank bank institutions that are chartered as banks are not engaged in demand deposit taking or indirect commercial lending to customers or clients of the bank and therefore the nonbanking activities of their affiliates do not raise the policy concerns that the Act was intended to address. However, as indicated in more detail below, these banks raise the same prudential problems as other banks and, in fact, the operating techniques used by nonbank banks do amount to the taking of demand deposits and the making of commercial loans. Moreover, the Board is also concerned with the difficulty of assuring the enforcement of a self-imposed limitation on direct commercial lending where, for example, close links associated with the common control would be established between the demand deposit-taking function of the nonbank bank and commercial lending activities conducted through separate corporate subsidiaries of the parent organization.

The possibility of "understandings" involving the placing of funds derived from deposit taking by nonbank banks with banking institutions that would agree to take a favorable view toward lending to the nonbank bank's industrial or commercial affiliates would circumvent the purposes of the Act and pose serious enforcement problems. Similarly, as is discussed below, a nonbank bank could lend to consumers on terms aimed at furthering the purchase of goods or services from affiliates of the nonbank banks. The Act was designed to deal with the potential abuses that could result from concentration of resources and/or from conflicts of interest that inherently arise in the common ownership of banks and commercial organizations, and the potential for these abuses is clearly present in the relationship between nonbank banks and their corporate parents and affiliates.

The legislative history of the Act confirms the fact that Congress was concerned about the use of banking powers in tandem with other commercial and industrial enterprises even where these powers were used exclusively for so-called consumer lending. Congress believed that banks exercising these powers should be covered by the Act to assure impartiality in lending and prevent the cartelization of industry and commerce around banks. The 1970 report of the Senate Committee on Banking and Currency quotes, and indicates agreement with, the following remarks by former Federal Reserve Chairman Martin:

> If a holding company combines a bank with a typical business firm, there is a strong possibility that the bank's credit will be more readily available to the customers of the affiliated business than to customers of other businesses not so affiliated. Since credit has become increasingly essential to merchandising, the business firm that can offer an assured line of credit to finance its sales has a very real competitive advantage over one that cannot * * * [I]f we allow the line between banking and commerce to be eased, we run the risk of cartelizing our economy. Just as we have seen the country's largest banks join the new wave of one-bank holding companies, we could later see the country's business firms clustering about banks in holding company systems in the belief that such an affiliation would be advantageous, or perhaps even necessary to their survival.[11]

The Congressional concern that banks which were affiliated with other businesses might make loans designed to further the interests of those affiliates is also evidenced in section 4(d) of the Act. This section allows the Board to grant exemptions from the nonbanking prohibitions of the Act for certain companies, including those whose subsidiary banks are so small "as to minimize the likelihood that the bank's powers to grant or deny credit may be influenced by a desire to further the holding company's other interests." 12 U.S.C. § 1843(d). While Congress was prepared to concede that there could be cases where a bank was so small as not to create a situation that was inconsistent with the basic purposes of the Act, it deliberately avoided a blanket size exemption and instead

[8] Statement of The Managers on the Part of the House, *supra* at 23.

[9] Statement of the Managers on the Part of the House, *supra*, at 11; S. Rep. No. 1084, *supra*, at 2–3; Cong. Rec. S 1696 (1969) (Remarks of Sen. Proxmire); Cong. Rec. H 9776–77 (1969) (Remarks of Cong. Patman).

[10] Moreover, many of the "nonbank banks" that nonbanking companies have formed differ significantly from the institution for which the exemption was written, since Boston Safe was primarily engaged in trust company business in 1970.

[11] S. Rep. No. 1084, *supra*, at 3.

conferred the exemption judgment exclusively on the Board.

The nonbank bank device allows precisely the conflicts of interest and other adverse effects that Congress sought to prohibit in 1970. A nonbank bank is able to make commercial loans by purchasing such instruments as commercial affiliate bank. 12 CFR 225.4(c) (1983). Under the narrow interpretation of commercial loan relied on by nonbank banks, not only are the activities of the parent of the nonbank bank unlimited, but the nonbank bank itself is free to require that prospective borrowers buy insurance, securities or other goods and services from those affiliates in order to receive an extension of credit from the nonbank bank. The Board believes that the ability of nonbank banks to engage in such coercive practices in order to provide a competitive advantage for their affiliates creates serious competitive inequalities and significantly undermines the structure designed by Congress for the regulation of the nonbanking activities of banks and their holding company affiliates.

In addition, the proliferation of nonbank banks would allow for the expansion of banking across state lines without either state authorization or Congressional approval as is now required by law. While the Board has supported a Congressional reevaluation of the present ban on interstate acquisitions without state approval, interstate acquisitions of so-called nonbank banks would violate both the letter and clear intent of the Douglas Amendment.

In this context the Board has reexamined its interpretation of the terms demand deposits and commercial loan in light of the comments received from the public.

Definition of Demand Deposits. The final amendments interpret the phrase "deposits that the depositor has a legal right to withdraw on demand" in section 2(c) of the Act as "any deposit with transactional capability that as a matter of practice is payable on demand and that the depositor may withdraw by check, draft, negotiable order of withdrawal, or other similar instrument for payment to third parties."

Several commenters objected to the Board's definition of demand deposits as contrary to the traditional treatment of NOW accounts as savings deposits. These commenters argued that, because institutions offering NOW accounts are required to reserve the right to require 14 days' prior notice of withdrawals, the accounts are not in fact demand deposits. The commenters also objected to the proposed definition as inconsistent with legislative history indicating that certain institutions that currently offer NOW accounts, such as industrial banks and industrial loan companies, were not intended to be treated as banks.

The Board believes, however, that traditional interpretations of the term demand deposits, the regulatory treatment of accounts with transactional capability, the functional equivalency of demand deposits and NOW accounts, and the legislative history and purposes of the Bank Holding Company Act require that NOW and similar accounts be treated as demand deposits for purposes of the BHC Act. The legislative history and purposes demonstrate that the term demand deposits in section 2(c) of the Act cannot be interpreted to turn on the technicality of whether the account is subject to a notice of withdrawal requirement that in practice is never imposed. Such an interpretation would permit the fundamental purposes of the Act to be circumvented or rendered meaningless simply through the offering of checking accounts that perform the same function as demand deposits, that are advertised as checking accounts, and that for all intents and purposes are the equivalent of a conventional demand checking deposit, but that are not treated as demand checking deposits only because they are subject to a never exercised right of the depository institution to require prior notice of withdrawals. It is a fundamental principle of statutory construction that a statute must be interpreted to give effect to its purposes and to avoid an absurd or unreasonable result. *United States* v. *American Trucking Association*, 310 U.S. 534, 543 (1940).

Legislative History. As indicated, the legislative history of the Act reflects that, when Congress eliminated the charter test of "bank" status in 1966 in favor of the demand deposit test, it intended to cover checking accounts, like NOW accounts, as demand deposits and did not intend to exclude institutions that function as banks. In 1963, the Board issued an interpretation regarding the coverage of industrial banking organizations, such as industrial loan companies, under the charter test in the original Act. 49 Fed. Res. Bull. 166 (1963). The Board ruled that industrial banking organizations would be banks for purposes of the Act in two situations: (1) if they issued accounts subject to withdrawal by check; or (2) if in actual practice they permitted a withdrawal of deposits on demand. The second part of this test referred to ordinary passbook savings deposits, which are paid on demand but that are not freely withdrawable by check.

Subsequently, during Congressional hearings on the 1966 Amendments to the BHC Act, representatives of industrial banking organizations requested that certain of these institutions be exempted from the Act on the rationale that industrial banks and similar institutions only made loans to consumers, offered savings certificates, and did not accept checking accounts.[13] The Board endorsed this proposal on the basis that the BHC Act should cover only institutions that accept demand or checking accounts.[14] In effect, the Board favored repeal of the second part of its 1963 industrial bank interpretation that covered an industrial banking organization if such institutions limited their deposit taking activities to the offering of passbook savings accounts. The Board stressed, however, that the first part of this test should be retained and industrial banks should continue to be covered if they accepted checking accounts.

Congress adopted the Board's proposals by eliminating the charter test in favor of the demand deposit definition. The legislative history is clear that Congress did not intend to repudiate the first part of the Board's 1963 industrial bank interpretation, and that the authority to offer checking accounts was regarded as the fundamental characteristic of a "bank" under the Act. The Senate Report accompanying the amendments expressly stated that the bank definition was intended to include an institution that accepts deposits payable on demand, which the report described as checking accounts.[15] Senator Robertson, the sponsor of the bill, stated that the amendment covered only institutions that "accept demand deposits subject to check" and excluded industrial banks because they did not accept deposits subject to check. 112 Cong. Rec. 11,794 (1966). Nothing in the reports of the relevant committees or in the statements of the bill's sponsor ever refers to a notice of withdrawal requirement as a prime characteristic of the deposits covered by the Act.[16] Based on this

---

[13] *Amend the Bank Holding Company Act of 1956: Hearings on S. 2353, S. 2418, and H.R. 7371 before a Subcomm. of the Senate Comm. on Banking and Currency*, 89th Cong., 2d Sess. 155, 157 (1966) (testimony of Max A. Denney, American Industrial Bankers Association) (hereinafter "1966 Senate Hearings").

[14] *Id.* at 447.

[15] S. Rep. No. 1179, 89th Cong. 2d Sess. 7 (1966).

[16] While the language adopted in the 1966 Amendments differed from that proposed by the Board ("deposits payable on demand"), there is no

Continued

legislative history, the Board concludes that Congress did not intend to exclude from the concept of demand deposit checking accounts that are subject to a formal requirement of notice where the instrument functions in all other respects in the same manner as one that is not subject to such a formal notice.

Thus, following the 1966 Amendments, the Act continued to apply to institutions accepting deposits subject to withdrawal by check, but no longer applied to institutions offering deposits, such as passbook savings deposits, that are in practice paid on demand but which are not subject to withdrawal by check or similar device. The United States Court of Appeals for the Third Circuit has recently held that the retention of the right to require advance notice of withdrawal is *not* necessarily determinative of whether a particular type of deposit is a demand under the BHC Act:

> Congress did not choose the words "accepts deposits that the depositor has a legal right to withdraw on demand" because it was concerned with the distinction between a depositor's *legal* right to withdraw on demand and the ability *in practice* to withdraw on demand. The more reasonable interpretation of why Congress selected these terms is that stated in the [1966] Senate Report * * * Congress was merely adopting "the commonly accepted test of whether an institution is a commercial bank." [17]

Administrative Interpretations. The term "demand deposit" had been used in many earlier federal banking laws and over the years had uniformly been interpreted to include any deposit, such as a NOW account, that is withdrawable by check regardless of whether the deposit is subject to a notice of withdrawal requirement. As early as 1915, the Board recognized the right of an institution to require advance notice of withdrawal as a distinguishing factor of a savings account, but made clear that, where a notice account was ordinarily subject to withdrawal by check, that account would be treated as a demand deposit and would be subject to the higher level of reserves applicable to demand deposits. 1 Fed. Res. Bull. 38 (1915).[18] In 1933, the Board, in defining demand deposit for purposes of the prohibition against the payment of interest on accounts payable on demand, included savings accounts subject to withdrawal by check, notwithstanding the fact that the savings account had an advance notice of withdrawal requirement. The Board explained that such action was necessary to prevent evasion of the statutory prohibition since accounts subject to a notice requirement typically pay interest and reflected the Board's view that checkable notice of withdrawal accounts were functionally demand deposits.[19] 21 Fed. Res. Bull. 792, 863 (1935).

Thus, at the time of the 1966 amendment of the "bank" definition to cover demand deposits, that term had a well-defined meaning under longstanding agency interpretation and included all checkable deposits, regardless of a notice of withdrawal requirement. The Board believes that, since the legislative history repeatedly refers to demand deposits as "checking accounts," it is likely that Congress meant to incorporate the longstanding agency interpretation into the statute.[20]

Function of NOW accounts as checking accounts. NOW accounts in practice perform the same function as conventional demand deposits, are advertised and used in a manner indistinguishable from conventional bank checking accounts, and are subject to the same reserve requirements as conventional demand deposits. It is uniformly recognized that NOW accounts operate as demand checking accounts and that checks drawn on these accounts are paid by the drawee institutions on demand, just like conventional checking accounts. *e.g., New York State Bankers Association* v. *Albright*, 38 N.Y. 2d 430, 381 N.Y.S. 2d 18, 343 N.E. 2d 735 (1975) ("Manifestly and unabashedly", the NOW account is intended to be the equivalent of a checking account); Kaplan, *Federal Legislative and Regulatory Treatment of NOW Accounts*, 91 Banking L.J. 439, 440 (1974) ("NOW accounts permit money transfers to third parties in much the same manner as conventional checking accounts").

Like a conventional checking account, the holder of a NOW account makes withdrawals by means of a demand draft that may be issued to a third party as a means of transferring funds to the third party from the depositor. The payee of the NOW draft deposits it in the payee's bank for collection from the drawee institution. The drawee institution then charges the depositor's NOW account to pay the draft. *See New York State Banker's Association* v. *Albright, supra.* NOW drafts are cleared through the Federal Reserve check collection facilities as demand items, exactly like conventional checks.

Because of the third party payment feature, NOW accounts are used by depositors to pay bills and to perform other financial transactions, the very function of a conventional demand deposit. A survey conducted by the American Bankers Association of the operation of NOW accounts in New England, where such accounts were first permitted on an experimental basis, concluded that:

> * * * a large number of depositors are using the NOW account as their *main transaction account.* Indeed, some New England banks report that usage of NOW accounts closely resembles the usage of demand deposit accounts.[21]

The Board notes that NOW accounts are uniformly advertised as checking accounts with little, if any, reference to the fact that they may be subject to a 14-day notice of withdrawal requirement. Not only is the right to require advance notice of withdrawal ordinarily not invoked with respect to such accounts, but it is apparent from the nature of a NOW account that, once a draft has been drawn on such an account, the funds in the account that cover the draft cannot effectively be made subject to a notice of withdrawal requirement. Because withdrawals from NOW accounts are made by demand drafts issued directly to third party payees, the drawee institution would face a serious

---

indication in the legislative history that this change was intended to be substantive. Indeed, as noted, the Congress consistently referred to the change as encompassing "checking accounts."

[17] *Wilshire Oil Co.* v. *Board of Governors*, 668 F.2d 732, 737 (3d Cir. 1981), *cert. denied*, 457 U.S. 1132 (1982) (emphasis in original).

[18] *See* 1 Fed. Res. Bull. (1915) (savings deposits subject to check); 9 Fed. Res. Bull. 677 (1923) (special savings accounts against which an unlimited number of checks can be drawn); 13 Fed. Res. Bull. 609 (1927) (special reserve savings accounts that "in actual practice" are subject to check).

[19] In *United States League of Savings Associations* v. *Board of Governors*, 595 F.2d 888 (D.C. Cir.) (table), *cert. denied*, 444 U.S. 920 (1979), the District of Columbia Circuit obviously believed that a deposit arrangement that functions as a checking account should be treated as such regardless of the retention of a notice of withdrawal requirement. The Tenth Circuit has adopted the same view in invalidating a similar deposit arrangement offered by certain savings and loan associations. *Otero Savings & Loan Association* v. *Federal Home Loan Bank Board*, 665 F.2d 279 (10th Cir. 1981).

[20] *See Lorillard* v. *Pons*, 434 U.S. 575, 580–81 (1978) (When Congress incorporated prior statutory language in new statute, Congress is presumed to have incorporated longstanding administrative interpretations of earlier statutory language.)

[21] Hoffman and Herman, *NOW Accounts in New England* in American Bankers Association, Studies on the Payment of Interest on Checking Accounts 31 (1976) (emphasis added). *See also* Cates and Chase, *The Payment of Interest on Checking Accounts: A Report to the South Carolina Bankers Association* 29–30 (1976) (NOW experience in Massachusetts and New Hampshire indicates most holders of commercial bank NOW accounts use them as substitutes for regular demand deposit accounts); Simpson and Williams, *Recent Revisions in the Money Stock*, 67 Fed. Res. Bull. 539, 542 (1981) (70 to 80 percent of funds deposited in new-type checking accounts, *e.g.*, NOW accounts, opened in early 1981 were shifted from conventional demand deposits).

loss of good will if it attempted to invoke that right against drafts drawn against the NOW account.[22] The Board is aware of no instance in which the notice requirement has been invoked on a NOW account.[23]

The history of the federal NOW account authorization legislation evidences the Congressional understanding of such accounts as demand deposits. The 1974 prohibition of NOW accounts (except in certain New England states) was a direct response to and recognition of the fact that the ability to make withdrawals by check converted the traditional interest-bearing savings account into a demand deposit and represented a device to circumvent Congress' 1933 ban on the payment of interest on demand deposits.[24] In effect, the legislation codified the Board's longstanding view that a checking account is functionally a demand deposit.[25] Indeed, if NOW accounts are not demand deposits, there would have been no need at all for legislation authorizing NOW accounts, since the prohibition on payment of interest applies only to deposits *payable on demand* and not to ordinary savings accounts.[26]

Finally, the Monetary Control Act of 1980 requires depository institutions to maintain the same level of reserves against NOW accounts as are required to be maintained with respect to conventional demand deposits.[27] This requirement reflects the Congressional belief that these accounts are functionally equivalent and form the basis of our country's medium of exchange. H.R. Rep. No. 263, 96th Cong., 1st Sess. 4 (1979). Thus, the Monetary Control Act also in effect codified the Board's early administrative rule that imposed on *checkable* accounts (whether or not subject to a notice of withdrawal requirement) the same reserve requirements applicable to conventional demand deposits.

Several commenters stated that the proposed definition of demand deposit is overly broad and could cover some types of institutions that should not be covered. The Board is aware that, under its interpretation, industrial banks and similar institutions that may currently offer NOW accounts and make commercial loans will be covered as "banks" under the Act. As noted, the legislative history of the Act manifests a Congressional intent not to cover such institutions as they operated in 1966. That intent was premised upon the belief and the testimony of the industrial banking industry before Congress that such institutions did not offer checking accounts or engage in the commercial loan business. In recent years, industrial banks and similar organizations have been authorized to offer NOW checking accounts and to make commercial loans. Clearly, in light of this significant departure from the traditional and commonly accepted functions of industrial banking organizations, these institutions, which function essentially as banks, are not the type of institution Congress intended to exclude from the Act in 1966. Indeed, in the Garn-St Germain Act of 1982, Congress recognized the essential bank-like functioning of industrial banks and specifically made them eligible for FDIC insurance.[28]

The Board believes that institutions that both offer NOW accounts, or other accounts that clearly are the funcitional equivalent of a demand deposit, and make commercial loans must be treated as banks in the interests of competitive equity and to prevent evasion of the Act and to ensure that its fundamental purposes are effected.

Some commenters stated that the proposed definition of demand deposit could call into question the status of certain types of accounts, such as money market deposit accounts, preauthorized transfer accounts, telephone transfer accounts, accounts accessible through ATM machines, various types of bill-payer accounts, and credit balance accounts accessible by negotiable check or draft. Under certain circumstances, it is possible that some of these accounts may fall into the category of deposits that the Board regards as demand deposits, especially if they function as checking accounts or the equivalent thereof. However, the Board does not believe it is necessary to treat such accounts as demand deposits for purposes of the regulation as currently written, since it is unlikely that there would be a significant number of depository institutions offering these accounts that do not also offer NOW or other checking accounts.

In this regard, the inclusion of the definition of demand deposits in Regulation Y should not be interpreted as effecting the present status of credit balances offered by investment companies chartered under Article XII of New York's banking law, which the Board has previously determined are not demand deposits for purposes of the Act. *European-American Bancorp*, 63 Federal Reserve Bulletin 595 (1977). The Board may determine to review the status of such credit balances at some future date upon request or upon the Board's own initiative, but does not intend by this action to address these types of accounts. Similarly, the Board's interpretation of demand deposits does not affect the status of deposits accepted in a *bona fide* fiduciary capacity, which the Board has determined are not demand deposits for purposes of the Act.

In the comments, concern also was expressed that the definition of demand deposit would result in the forced divestiture of some industrial loan company subsidiaries of bank holding companies that do not meet the eligibility requirements for FDIC insurance. Section 3(e) of the BHC Act requires that every bank that is a subsidiary of a bank holding company be insured by the FDIC. 12 U.S.C. 1842(e). This provision was added to the BHC Act at the Board's suggestion

[22] By refusing temporarily to pay NOW drafts on demand, the institution would refuse payment, not to the holder of the NOW account, but to a third party payee, such as a merchant, who has no necessary relationship with the institution and who has given value for the NOW draft. Payees would thereafter refuse to accept NOW drafts drawn on that institution. NOW account depositors would thus be forced to withdraw the NOW account funds and place them in a more acceptable payment vehicle. Also, under federal law, an institution that wishes to invoke the notice of withdrawal requirement is obligated to impose such a requirement on every other account of a similar nature. 12 C.F.R. § 217.5(a).

[23] The notice requirement on occasion has been invoked with respect to ordinary savings accounts, which do not contain funds used to pay bills and are not checkable. *See* American Banker, June 22, 1976, p. 1, col. 2. Because the Board's interpretation concerns only accounts subject to the notice of withdrawal requirement that are *withdrawable by check*, it does not cover savings deposits, which are subject to the notice of withdrawal requirement but may not be withdrawn by negotiable order and thus that do not have transactional capability. *See* 22 C.F.R. § 217.5(c)(1).

[24] 119 Cong. Rec. 16,071 (1973) (Remarks of Senator Brock stating, "Failure to ban "NOW" accounts infringes on a *40-year old statutory prohibition on the payment of interest on checking accounts.*"); *Id.* at 15,005 (Remarks of Cong. Johnson stating, unless NOW accounts are limited, "the net result will be nationwide, all banks will pay interest on *checking accounts.*"); *Id.* at 15,002 (remarks of Rep. Patman, characterizing NOW accounts as permitting interest on *demand deposits*); *Id.* at 16,486 (remarks of Sen. Proxmire to the effect that NOW accounts permit "one to earn interest on his *demand* deposits").

[25] S. Rep. No. 368, 96th Cong., 1st Sess. 5 (1979). "[NOW accounts] are the functional equivalent of interest bearing checking accounts." *Accord* 125 Cong. Rec. H7613 (daily ed. Sept. 10, 1979) (Remarks of Cong. St Germain).

[26] The fact that NOW accounts are limited to consumers has no significance under the BHC Act, in which the definition of "bank" depends on the *demand checking* feature of *deposits*, not on the commercial or consumer nature of the depositor (unlike the loan part of the "bank" definition).

[27] 12 U.S.C. 461(b)(1)(C). In contrast, Congress mandated no reserve requirement for traditional savings deposits. *See* 12 C.F.R. § 204.9(a).

[28] Pub L. No. 97-320, § 703, 96 Stat. 1469, 1538-39, S. Rep. No. 536, 97th Cong., 2d Sess. 43 (1982).

based on the Board's belief that the value of federal deposit insurance to the public is such that all banks should offer this service to their coustomers. *See Mercantile Bankshares Corporation*, 56 Federal Reserve Bulletin 596 (1970). The Board notes that, under that Act, an institution that qualifies as a bank under the Board's interpretation and that is owned by a company would be allowed two years to obtain FDIC insurance. This will provide time for Congress to consider amending section 3(e) of the Act to allow other types of qualified insurance as a alternative to FDIC insurance.

Concern also was expressed in the comments that, if NOW accounts are deemed to be demand deposits, banks would no longer be permitted to pay interest on such accounts. The Board stresses, however, that a determination that NOW accounts are demand deposits for purposes of the BHC Act does not affect their status under other federal statutes. In particular, the Board's interpretation does not prevent institutions from continuing to pay interest on NOW accounts.

For the above reasons, the Board concludes that demand deposits in the bank definition include NOW accounts and similar deposits that the depositor may withdraw by check, draft, negotiable order of withdrawal, or similar instrument. Accordingly, the Board is adopting in Regulation Y the definition of the term demand deposit as proposed, with certain technical modificaions.

Definiton of Commercial Loan. In order to qualify as a bank under the BHC Act, an institution must, in addition to accepting demand deposits, be engaged in the business of making commercial loans. The final regulation reflects the Board's definition of commercial loan as a loan the proceeds of which are used other than for personal, family, household or charitable purposes. Moreover, as noted above, even consumer loans, when made to further a commercial purpose, such as to promote an affiliate's business, would be considered a commercial loan under the Act.

The final regulation includes as a commercial loan the purchase of such instruments as commercial paper, bankers acceptances and certificates of deposit, the extension of broker call loans, the sale of federal funds, and similar transactions. Some commenters have objected to the proposed inclusion of commercial paper, certificates of deposit, bankers acceptances and federal funds as commercial loans as beyond the scope of the Board's authority under the Act and contrary to the terms of the Act and established Board interpretations thereof. The commenters state that these transactions are not loans, but rather passive investment, which typically are short term and effected through a secondary market as a means of investing idle funds or maintaining liquidity, and that these transactions do not present the evils of credit abuse and concentration of economic power at which the Act is aimed. These commenters also state that the definition would bring under the Act many institutions that were not intended to be covered.

The Board has considered these comments and, for the reasons set out below, has determined to adopt the definitions as proposed with certain modifications.

In the Board's judgment, these instruments as a matter of law establish a debtor-creditor relationship and constitute an extension of credit or loan. Since these loans result in the provision of funds to commercial enterprises, including banks, which are also commercial enterprises, and since they are not made for personal, family, household or charitable purposes, these loans are commercial loans for purposes of the bank definition in the Act.[29] Moreover, as set forth above, the Board believes this interpretation to be consistent with and necessary to ensure implementation of the Act, prevent evasions of its fundamental purposes, and carry out expressed legislative policies.

Some commenters argue that the term commercial loan must be applied to encompass only those transactions traditionally denominated "commercial loans" by the parties to the transactions. There is nothing in the legislative history that supports such a proposition. On the contrary, the thrust of the 1970 Amendments was to cover all banking institutions regardless of size because such action was necessary to prevent the potential for the abuses about which Congress was concerned—conflicts of interest, risk, partiality in the granting of credit, and concentration of resources. In fact, the instruments covered by the Board's definition are loans to commercial enterprises, and institutions which engage in banking functions by accepting demand deposits and making such commercial loans are subject to the potential abuses which Congress sought to prevent through a broadly applicable Bank Holding Company Act.

Moreover, the interpretation proposed by the commenters would deny to the Board any authority to prevent evasion of the Act by covering instruments that are in fact loans to commercial enterprises but take non-traditional forms. This approach would permit banks to structure their lending transactions to avoid the coverage of the Act and to circumvent its purposes. The courts, however, have recognized the authority of the Board to look beyond form to the substance of a transaction in order to prevent an evasion of the purposes of the Act.[30]

As a first and preliminary matter, all of the instruments covered by the Board's definition are in a technical legal sense "loans" since a debtor-creditor relationship is created in each. The term "loan" is generally defined as any transaction as a result of which a party advances money and obtains an absolute promise to repay, and generaliy involves the following elements: a principal sum placed with a borrower, an agreement that interest is to be paid on that sum, and a recognition by the receiver of the money of a liability for the return of the principal amount with interest. *See e.g.* Black's Law Dictionary 1085 (4th rev. ed. 1968). As explained in detail below, each of the instruments creates a debtor-creditor relationship meeting these standards and thus falls within the term "loan" in section 2(c) of the Act.

Second, the definition in section 2(c) requires that the loan be "commercial." The Supreme Court has stated that "[c]ommercial loans, generally speaking, are relatively short-term loans to business enterprises of all sizes, usually for purposes of inventory or working capital." *United States* v. *Connecticut National Bank*, 418 U.S. 656, 665 (1974). As indicated, the instruments listed in the regulation provide funds to commercial organizations, as in the case of commercial paper and bankers acceptances, or, as in the case of certificates of deposit or federal funds, to banks, which also are commercial enterprises.[31] Moreover, the maturity, interest rate, and credit risk of all of these instruments is generally comparable to that of a short-term, prime quality commercial loan.[32] Each of

[29] Federal, state and local governments and their agencies are not regarded as commercial enterprises by the Board, and their debt obligations therefore would not be regarded as commercial loans.

[30] *See Wilshire Oil Co., supra* at 739–40. Indeed, the court agreed that section 5(b) of the Act enables the Board to prohibit activities that are technically outside the literal terms of the Act in order to prevent a clear evasion of the purposes of the Act. *Id.* at 740.

[31] *See United States* v. *Philadelphia National Bank*, 374 U.S. 321, 343 (1963).

[32] Although some commercial loans are of medium term, the traditionally commercial loan is a short

Continued

these instruments typically provides short-term funding for working capital or current operations such as the financing of inventory. In addition, for each of these instruments, the lender generally will not extend funds unless it or a third party has accomplished a credit analysis to demonstrate that the borrower is capable of repaying the extension of credit from current income. In short, the instruments described in the Board's definition are loans for a commercial purpose—in other words, commercial loans.

The following discussion demonstrates that, both in terms of function and in terms of the legal obligation created, the instruments covered by the regulation are commercial loans for purposes of the BHC Act.

Commercial Paper. Commercial paper is a prime quality, short-term unsecured promissory note establishing a debtor-creditor relationship between lender and borrower. It is generally used as a financial device by large, financially strong corporate borrowers to obtain funds for seasonal or working capital purposes such as the financing of inventory. The maturity of commercial paper is generally 60 days or less, although it can have a maturity of up to 270 days. Commercial paper is generally sold in denominations of $100,000 or more. Although it is negotiable, it is generally held to maturity and interest rates are fixed.[33]

It is uniformly agreed that the purchase of commercial paper by a bank is a commercial lending transaction. Indeed, the Comptroller of the Currency has taken the position that the purchase of commercial paper is "after all nothing but [a] loan to industrial corporations" and thus qualifies as a loan under the lending limitations in the National Bank Act and under the Glass-Steagall Act. Letters of February 24, 1972, and November 19, 1971. The term and denomination of commercial paper, its status as a promissory note, the uses to which the funds are put, and the type of credit analysis involved, all mean that commercial paper is a commercial loan for purposes of the BHC Act.[34]

Certificates of Deposit. A certificate of deposit ("CD") is an instrument evidencing a deposit with a bank for a specified period of time, generally at a fixed rate of interest. The legal relationship established between the purchaser of a certificate of deposit and the bank that issues it is that of creditor and debtor, and the loan that the purchaser of the instrument effectively makes to the bank is an unsecured loan.[35] As is the case with commercial paper, large denomination CDs that are traded in the money market are usually short-term, negotiable instruments, and typically have a maturity of from one to six months. The minimum denomination of such CDs is usually $1 million.[36]

The use of large denomination CDs with negotiable rates and maturities was originated by large banks in the 1960s as a method of providing additional funding for their operations, and has now become a key funding source for banks.[37] Banks use large denomination CDs to provide short term funding for their commercial operations in the same manner that other business organizations use commercial paper to raise working capital.[38] Moreover, as is the case with purchasers of commercial paper, purchasers of large denomination CDs engage in credit analysis of the issuers of these instruments, and establish limits for the amount that they are prepared to purchase from any particular issuer.[39] In sum, for purposes of the Bank Holding Company Act, a large denomination certificate of deposit is a commercial loan.

Some banks purchase CDs in denominations as small as $100,000. Since such CDs are fully insured by the FDIC, they involve no credit risk. In all other respects, however, such CDs function as commercial loans to other banks, presenting the same potential for conflicts of interest and concentration of resources as other commercial loans. When a bank regularly purchases CDs of other banks, or otherwise makes interest bearing deposits on a regular basis, the Board believes the purchasing bank is engaged in the business of making commercial loans.[40] The Board's commercial loan definition therefore encompasses the regular purchase of smaller CDs or other interest bearing deposits.[41]

Federal funds transactions. Federal funds transactions represent interest bearing loans by one depository institution of its deposits with a Federal Reserve Bank to another depository institution, generally on an overnight basis.[42] The so-called "sale" of federal funds in not only legally the making of an unsecured loan to the purchasing bank, but it is so regarded by bankers.[43] Consequently, banks assess the credit risk associated with these transactions, and they will normally lend federal funds only to banks to which they have granted a line of credit.[44] Indeed, the Board has stated that the sale of federal funds is an unsecured loan from one depository institution to another.[45]

---

term instrument. *United States* v. *Connecticut National Bank*, 418 U.S. 656, 665 (1974); Munn and Garcia, *Encyclopedia of Banking and Finance* 572 (8th rev. ed. 1983); Stigum, *The Money Market* 76 (1983).

[33] Stigum, supra, at 625–41; Hurley, *The Commercial Paper Market*, 63 Federal Reserve Bulletin 525 (1977); Munn and Garcia, *supra* at 196. Interest is usually paid on commercial paper on a discount basis.

[34] Morover, in terms of function, commercial paper is an important substitute for commercial loans from banks, and the amount of such paper outstanding often increases or decreases as a result of changes in the cost and availability of bank loans. Hurley, *supra*, at 525. Indeed, the origins of commercial paper in the early 19th century can be traced directly to the inability of the U.S. banking system to provide sufficient credit for larger corporations that experienced significant seasonal swings in their need for credit. Stigum, *supra*, at 626.

[35] Bankers Desk Reference 64 (1978). *See Sutter* v. *Groen*, 687 F.2d 197, 200 (7th Cir. 1982) (certificate of deposit issued by bank and insured by FDIC is "a type of promissory note"); *Wightman* v. *American National Bank*, 610 P. 2d 1001, 1004 (Wyo. 1980) ("a certificate of deposit is simply a commercially glamorous name for a promissory note"); 2 *Anderson on the Uniform Commercial Code* 615 (1971) ("The differences between a certificate of deposit and a promissory note are merely formal. In substance and legal effect the two instruments are the same. . . .").

[36] Stigum, *supra* at 525–26, Munn and Garcia, *supra*, at 608.

[37] Stigum, *supra* at 107. By 1960, the demand for loans at large New York City banks significantly exceeded the ability of those banks to fund loans from traditional sources such as savings deposits. At the same time, many large corporations had money they would be prepared to lend to large banks if the instrument evidencing the loan provided a relatively high rate of return and was negotiable. The large denomination CD satisfied this need. *Stigum, supra* at 35–36, 107–08.

[38] Controlling the amount of CDs that it issues is one of the principal devices by which a bank can make short term adjustments to the volume of loans it has outstanding. Thus, when loan demand is up, bank issue more CDs is in order to make more loans. Stigum, *supra* at 36, 107.

[39] Stigum, *supra* at 530. As a result of this fact, even the largest banks can experience difficulty in issuing CDs if their performance raises market concerns.

[40] The Board regards this construction of the term "engaged in the business" as being necessary to prevent evasion of the statute. It is also consistent with judicial construction of similar language in other statutes. *SEC v. Fifth Avenue Coach Lines*, 289 F. Supp. 3, 30–31 (S.D.N.Y. 1968). *Cf. Buckley v. New York Times*, 215 F. Supp. 894 (E.D. La. 1963). Although the Board used a somewhat higher threshold with regard to Boston Safe, and certain savings and loan associations, the status of Boston Safe as a trust company and the independent regulatory scheme for savings and loan associations distinguishes those prior decisions.

[41] On the basis of existing evidence, however, the Board does not believe that a non-interest bearing demand deposit is likely to function as a commercial loan, and such deposits are not covered by the definition of commercial loan.

[42] *Bankers Desk Reference*, 301–02, 367 (1978); Stigum, *supra* at 33–34, 105.

[43] Stigum, *supra* at 105.

[44] *Id.*

[45] Letter of June 8, 1972, to Laurence H. Stone regarding Boston Safe Deposit and Trust Company. In the context of Boston Safe's trust company activities, the Board concluded that sales of federal funds by Boston Safe were loans but were not commercial loans.

Moreover, the purchase of Federal funds in substantial amounts on a regular basis is viewed by large financial institutions (which are themselves commercial enterprises) as a method of satisfying their basic funding needs.[46] In view of these facts, the Board concludes that Federal funds should be regarded as commercial loans for purposes of the Act.

Bankers' Acceptances. A bankers' acceptance is an interest bearing loan—a debtor-creditor relationship—in the form of a draft with a payment date several months in the future that is drawn by a business on a specified bank, and that has been accepted for payment by that bank.[47] The use of bankers acceptances provides an alternative to a direct extension of commercial credit for the business which initially secures the letter of credit under which the draft is drawn.[48] By accepting the draft, the issuing bank has made the draft a primary obligation of the bank. After creating the acceptance, the bank may discount it and retain the instrument until maturity as part of its commercial loan portfolio. Alternatively, in order to raise funds to be used in the bank's current business, it may sell the acceptance in the money market. The buyer of the acceptance receives an unconditional promise from the selling/accepting bank that it will pay the draft at maturity. In turn, the accepting bank looks to the business that is the account party on the draft for repayment; the purchaser of the acceptance may also recover from the account party if the accepting bank defaults.

The direct effect of purchasing a bankers' acceptance is to provide funds to the accepting bank, which is itself a commercial enterprise.[49] Moreover, in view of the liability of the business that is the account party on the draft, the purchase of a banker's acceptance from the accepting bank or any other party is the functional equivalent of purchasing a commercial loan that is guaranteed by the accepting bank. On the basis of the preceding discussion, the Board concludes that the purchase of a bankers' acceptance should also be regarded as a commercial loan.

Some commenters have objected to the inclusion of these money market instruments as commercial loans on the basis that they are often purchased through brokers with no direct negotiation with the issuer, and should therefore be classified as passive investments rather than commercial loans.[50] However, a substantial portion of the transactions in all of these instruments occurs through direct negotiations between lenders and borrowers and, even when purchased through brokers, the lender knows the borrower's identity. Based on its experience, the Broad is aware that holders of large amounts of so-called money market instruments relative to the size of the borrower are in a position to influence the conduct of the borrower, and do at times exercise this influence.[51] Moreover, a "nonbank bank" could, for example, favor its affiliates by purchasing the CDs or commercial paper of those affiliates, or by purchasing such instruments from customers of its affiliates. Similarly, it could refuse to purchase such instruments from competitors of its affiliates and, as noted above, "understandings" could well develop that would lead to commercial lending by indirect means, *e.g.*, through affiliated commercial finance companies or other reciprocal lending arrangements.

Thus the Board finds that the financial instruments discussed above are, in fact, properly categorized as loans providing for the extension of credit from one commercial enterprise to another. Moreover, the Board believes it is proper to include these instruments within the scope of the term commercial loan as used in the Act in order to carry out the Act's basic purposes: to maintain the impartiality of banks in providing credit to business, to prevent conflicts of interest, and to avoid concentration of control of credit. As noted above, the proliferation of nonbank banks owned by companies of very substantial size outside the prudential rules of the Bank Holding Company Act suggests that the dangers of evasion of the Act are real and that action to remedy potential abuses is both necessary and desirable.

Several commenters asserted that commercial paper, certificates of deposit and other money market instruments are merely passive investments having the characteristics of a security rather than a loan. Although an occasional purchase of commercial paper, a certificate of deposit or other money market instrument would not mean that the purchaser is engaged in the business of making commercial loans, this has little relevance for a bank that regularly purchases such instruments as one of its basic business operations.[52] Moreover, a commercial loan may be characterized as an investment and vice versa.[53]

Although for purposes of the Bank Holding Company Act, the distinction between a commercial loan and an investment appears largely irrelevant, the distinction has been made for the purposes of certain Federal securities laws.[54] The cases interpreting these statutes have set forth certain criteria for distinguishing a transaction that is essentially a commercial loan from a transaction that is essentially an investment embodied in a security regulated by the Federal securities laws. Under the criteria employed in these cases, the purchase by a financial institution of commercial paper, certificates of deposit, bankers acceptances or the sale of Federal funds possesses the qualities primarily associated with a loan rather than these qualities associated with a security.[55]

Some commenters asserted that the purchase of retail installment loans by bank should not be regarded as

[46] Stigum, *supra* at 374–76.

[47] *Bankers Desk Reference* 304 (1978); Munn and Garcia, *supra* at 69–71. Interest is paid on a discount basis.

[48] Stigum, *supra* at 39.

[49] The purchase of a bankers acceptance from a dealer in such instruments similarly provides funds to the dealer, which is a commercial enterprise.

[50] The absence of direct negotiation with the borrower is a characteristic of the purchase of a participation interest in a direct extension of commercial credit, a technique commonly used by commercial banks to spread the risk of default and increase the total amount of funds that may be loaned to one customer. It is only the "lead" bank in a participated lending transaction that typically negotiates directly with the borrower. However, most courts that have considered the issue have concluded that a bank that purchases a participation in a commercial loan is purchasing a commercial loan rather than a security. *E.g., Union Planters National Bank* v. *Commercial Credit Business Loans, Inc.*, 651 F.2d 1174 (6th Cir.), *Cert. denied*, 45 U.S. 1124 (1981).

[51] For the most part, the influence that any lender has over a borrower in an arms-length transaction is likely to be an influence that encourages moderation and prudence. It is the potential for abuse of this relationship, however, that prompted Congress to enact the bank Holding Company Act. Indeed, in deciding to extend the Acts' coverage to one-bank holding companies, Congress stated that there had been "no major abuses effectuated through the one-bank holding company device . . . the legislation is to prevent possible future problems rather than to solve existing ones." S. Rep. No. 1084, *supra*, at 4.

[52] The Board regards an institution that engages in such transactions on anything more than an occasional basis as being engaged in the business of making commercial loans. See n. 40, *supra*.

[53] In *C.N.S. Enterprises, Inc.* v. *G & G Enterprises, Inc.*, 508 F.2d. 1354, 1359, *cert. denied*, 423 U.S. 825 (1975), the U.S. Court of Appeals for the Seventh Circuit made precisely this point when it stated: "In one sense every lender of money is an investor since he places his money at risk in anticipation of a profit in the form of interest. Also in a broad sense every investor lends his money to a borrower who uses it for a price and is expected to return it one day."

[54] *See, e.g., American Bank & Trust Company* v. *Wallace*, 702 F.2d 93 (6th Cir. 1983); *Bellah* v. *First National Bank of Hereford, Texas*, 495 F.2d 1109 (5th Cir. 1974); *Great Western Bank & Trust*, v. *Kotz*, 532 F.2d 1252 (9th Cir. 1976). *Cf. Marine Bank* v. *Weaver*, 455 U.S. 551 (1981); *Exchange Nat. Bank* v. *Touche Ross & Co.* 544 F.2d 1126 (2d Cir. 1976).

[55] *Id.*

involving commercial lending, because the ultimate recipient of the funds are consumers. However, the effect of purchasing an installment loan is to finance the day-to-day operations of the retailer involved, and to provide funds with which the retailer may purchase additional inventory or finance retail sales. Thus, the effect of the purchase is to promote the retailer's commercial business. Moreover, if the retailer is an affiliate of the lending bank, the purchase of its retail installment paper by the bank is precisely the type of transaction criticized in the legislative history of the Act, as discussed above—the retail affiliate has an assured line of credit to finance its sales, thereby giving it an advantage over its competitors. Even though a purchase of such loans may not involve an affiliate, and may be without recourse, the bank is supplying funds to a commercial enterprise, and the retailer generally maintains an ongoing business relationship with the bank, which provides the bank with an opportunity to influence the retailer's affairs through its willingness to continue to provide or deny additional credit. Thus, consistent with a 1976 Board staff opinion, the Board regards the purchase of retail installment loans as a commercial lending transaction, and is so modifying its commercial loan definition in the regulation.

One other type of loan specified as a commercial loan in the regulation adopted by the Board is a broker call loan. A broker call loan is a loan to a securities broker or dealer that is payable on demand and is made for the purchase or carrying of securities. Munn and Garcia, *supra*, at 137, 154. The Board's staff issued an opinion in 1976 that such loans are not commercial loans on the basis that such loans are a passive medium of investment that do not involve a close lender-borrower relationship. Letter of January 26, 1976.

However, broker call loans are loans; they are clearly made for commercial purposes; and they thus fall within the Bank Holding Company Act's definition of commercial loan. While the staff's interpretation may have been appropriate in a different factual context, in view of the rapidly expanding use of the nonbank bank loophole to evade the BHC Act as described above, the Board believes it is appropriate to regard broker call loans as commercial loans.[56]

Several commenters asserted that the Board's proposed commercial loan definition represented an abrupt and unwarranted reversal of prior positions taken by the Board. The fundamental rule which the Board established in 1971 is that the term "commercial loan" should encompass all loans other than a loan the proceeds of which are used to acquire property or services used by the borrower for his own personal, family, or household purposes, or for charitable purposes. Letter of July 1, 1971, to Greater Providence Deposit Corporation. In only three subsequent cases[57] over a ten-year period was the Board prepared to allow companies that could not qualify as bank holding companies to engage in demand deposit-taking while placing those deposits in money market commercial loans. The decisions in these cases represented a willingness by the Board to refrain from applying the full scope of the Act in conditions that did not appear to generate the potential for its evasion. Now that conditions have changed so that widespread evasion of the statute has developed through the combination of demand deposit-taking and the placing of the funds thus generated in money market commercial loans, regulatory action to apply the Act to all kinds of demand deposits and commercial loans is necessary.

The courts have held that an agency may alter its interpretations in response to changing circumstances if it provides a reasoned explanation for its action. In *American Trucking Association, Inc.* v. *Atchinson, Topeka & Santa Fe Railway Co.*, 387 U.S. 397, 416 (1967), the Supreme Court ruled that:

> Regulatory agencies do not establish rules of conduct to last forever; they are supposed, within the limits of the law and of fair and prudent administration, to adopt their rules and practices to the nation's needs in a volatile, changing economy.

In its *Dreyfus* decision and in this notice, the Board has detailed the factors and considerations that underlie its interpretation and believes that its action, as explained herein, is both appropriate and necessary in light of the purposes of the Act and is within the Board's express authority under section 5(b) of the BHC Act. Moreover, the Act clearly contemplates changes in interpretation to address changes in market conditions in order that the fundamental purposes of the Act be maintained and to prevent a serious competitive imbalance between competing institutions fostered by the change in market conditions. The definition of demand deposit and commercial loan that the Board has adopted will accomplish these objectives.

The Board's action on the definition of the term "bank" as used in the Act is also intended for the purpose of maintaining the structure established by Congress for limiting the association of banking and commercial enterprises in order to avoid the preemption of Congressional discretion through actions that have the effect of evading the Act. Various proposals to confirm or change the present structure are now before the Congress and the ability of Congress to act on these proposals would be limited by rapid expansion of the use of nonbank banks. Changes in the basic framework established by Congress are properly a matter for Congressional decision and the Board looks to legislative action in the near future to clarify both the proper dividing line between commerce and banking and to establish the proper scope of bank holding company powers to deal with changed market conditions.

Accordingly, for the reasons set out above, the Board is adopting in Regulation Y, with certain technical modifications, the definition of the term "commercial loan" as proposed, and in addition is incorporating in that definition the purchase of retail installment loans.

[FR Doc. 84-34848 Filed 12-30-83; 12:33 pm]

BILLING CODE 6210-01-M

---

[56] Trust company subsidiaries of bank holding companies are permitted to make broker call loans and purchase money market instruments. However, such subsidiaries are not permitted to accept general purpose demand deposits, and therefore are not "banks" under the bank definition.

[57] Letters of June 8, 1972, to Laurence H. Stone; March 11, 1981 to Mr. Robert C. Zimmer; and May 28, 1981, to Mr. R. S. Miller, Jr

federal register

Thursday
January 5, 1984

Part V

Department of Labor

Occupational Safety and Health Administration

Environmental Protection Agency

29 CFR Part 1910

Occupational Exposure to 1,3-Butadiene; Proposed Rule

Initiation of Accelerated Review; 1,3-Butadiene; Notice

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

29 CFR Part 1910

Occupational Exposure to 1,3-Butadiene

AGENCY: Occupational Safety and Health Administration (OSHA), Labor.

ACTION: Request for information.

SUMMARY: This notice announces that OSHA Is joining with the Environmental Protection Agency (EPA) in its request for information on 1,3-butadiene. An EPA Notice announcing the initiation of a review of 1,3-butadiene is published in this issue of the **Federal Register** in a separate notice. The two Agencies are inviting interested parties to submit data and comments relevant to the determination of risks associated with potential adverse health effects of 1,3-butadiene exposure.

DATES: Comments should be submitted by March 5, 1984.

ADDRESSES: One copy of written comments should be submitted to the Docket Office, Occupational Safety and Health Administration, Docket No. H–041, Room S–6212, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, D.C. 20210, Telephone (202) 523–7894. Since the Environmental Protection Agency is also reviewing 1,3-butadiene, comments should also be sent in triplicate to the Document Control Officer (TS–793), Docket No. 48502, Office of Toxic Substances, Environmental Protection Agency, Room E–409, 401 M Street, SW., Washington, D.C. 20460, Telephone (202) 382–3749.

FOR FURTHER INFORMATION CONTACT: Mr. James Foster, Occupational Safety and Health Administration, Room N–3637, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, D.C. 20210, Telephone (202) 523–8148.

SUPPLEMENTARY INFORMATION: The present OSHA standard for 1,3-butadiene is an 8-hour time-weighted average of 1000 parts per million parts of air. It is codified at 29 CFR 1910.1000, Table Z–1, and was adopted in 1971 under authority of section 6(a) of the Occupational Safety and Health Act.

Two recent animal studies have demonstrated the potential for 1,3-butadiene to cause cancer in rodents.

There is also a report of a retrospective mortality study of white and black workers in production plants in the United States and Canada during the period 1943-1979. Study results were reported to show all cancer mortality to be less than for the general population. The study also reported no statistically significant elevation in standardized mortality ratios for specific cancers. No attempt was made to include work environment exposure information in the analysis because information was not reliable or not available.

The primary worker populations exposed to 1,3-butadiene are chemical and rubber workers. 1,3-butadiene is used as a chemical intermediate in the development of acrylonitrile-butadiene-styrene (ABS) rubber, styrene-butadiene rubber, and at least 14 other polymers, co-polymers, and other nitrile-type synthetic rubber compounds that are used in the manufacture of tires, tubes, bladders, plastics, and many other consumer products.

The NIOSH National Occupational Hazard Survey estimates that there are approximately 70,000 workers potentially exposed to 1,3-butadiene.

Information relating to the above is presently contained in the OSHA 1,3-butadiene docket, Docket H–041, and may be reviewed at the location and times indicated below.

Public Participation

OSHA requests that interested persons submit information concerning the health effects of 1,3-butadiene, its toxicologic properties, estimates of risk presented, current occupational exposure levels, control technologies and costs of reducing exposures and their cost-effectiveness, and health effects research in progress and planned. The information should be submitted by March 5, 1984. One copy of comments should be sent to the Docket Officer, OSHA, Docket H–041, Room S–6212, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, D.C. 20210. Three copies should be sent to the Docket Control Officer (TS–793), Docket No. 48502, Office of Toxic Substances, Environmental Protection Agency, Room E–409, 401 M Street, SW., Washington, D.C. 20460. All written comments submitted in response to this notice will be available for inspection and copying at the Docket Offices on weekdays between 8:15 am and 4:15 PM. All such written submissions as well as other information will be considered by the Agencies in making their determinations.

This document was prepared under the direction of Thorne G. Auchter, Assistant Secretary for Occupational Safety and Health, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, D.C. 20210.

Signed at Washington, D.C., this 29th day of December, 1983.

Thorne G. Auchter,

Assistant Secretary for Occupational Safety and Health.

[FR Doc. 84–186 Filed 1–4–84; 8:45 am]

BILLING CODE 450–26–M

ENVIRONMENTAL PROTECTION AGENCY

[OPTS 48502; TSH-FRL 2477-1]

1,3-Butadiene; Initiation of Accelerated Review

AGENCY: Environmental Protection Agency.

ACTION: Notice.

SUMMARY: This notice announces initiation of a 180-day review of 1,3-butadiene under section 4(f) of the Toxic Substnces Control Act (TSCA), 15 U.S.C. 2803. Information relevant to this review may be submitted to EPA and will receive consideration in the Agency's determination whether to initiate appropriate action to prevent or reduce risk from the chemical or to find that the risk is not unreasonable.

DATES: Information for review must be submitted on or before March 5, 1984.

ADDRESS: Since some information may contain confidential business information, three copies of submitted information should be sent to: Document Control Officer (TS–793), Office of Toxic Substances, Rm. E–409, 401 M St., SW., Washington, D.C. 20460.

One copy of the information should be sent to: Department of Labor, Occupational Safety and Health Administration, Docket Office, Rm. S–6212, 200 Constitution Avenue, NW., Washington, D.C. 20210.

Submissions should include the docket numbers OPTS 48502, and H–041. Submissions received on this notice will be available for reviewing and copying from 8:00 a.m. to 4:00 p.m., Monday through Friday, excluding holidays, in Rm. E–107 at the EPA address given above and in Rm. S–6212 at the OSHA address given above.

FOR FURTHER INFORMATION CONTACT: Jack P. McCarthy, Director, TSCA Assistance Office (TS–799), Environmental Protection Agency, Rm. E–543, Washington, D.C. 20460, Toll Free: (800–424–9065), In Washington, D.C.: (544–1404), Outside the USA: (Operator—202–554–1404).

SUPPLEMENTARY INFORMATION: A 180-day review of 1,3-butadiene has been initiated under section 4(f) of the Toxic Substances Control Act (TSCA), 15 U.S.C. 2603. The Administrator's decision to initiate appropriate action to prevent or reduce risk from the chemical or, alternatively, that the risk is not unreasonable will be published in the **Federal Register** on or before May 7, 1984. Review may be extended for up to 90 days for good cause. If extended review is necessary, a notice will be published in the **Federal Register**.

Because the Occupational Safety and Health Administration (OSHA) is also currently reviewing 1,3-butadiene, it is requested that a copy of the information submitted to EPA be sent to OSHA at the address given above.

Dated: December 20, 1983.

William D. Ruckelshaus,

Administrator.

[FR Doc. 84–185 Filed 1–4–84; 8:45 am]

BILLING CODE 6560–50–M