and will not have a significant economic impact on those persons affected by this document.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant impact on a substantial number of small entities.

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 7 CFR Part 3015, Subpart V).

Emergency Action

Dr. John K. Atwell, Deputy Administrator of the Animal and Plant Health Inspection Service for Veterinary Services, has determined that an emergency situation exists which warrants publication of this interim rule without prior opportunity for public comment. It is necessary to change the regulations immediately so that they accurately reflect the current tuberculosis status of Illinois and thereby provide prospective cattle buyers with accurate and up-to-date information which may affect the marketability of cattle.

Further, pursuant to the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that prior notice and other public procedures with respect to this interim rule are impracticable and contrary to the public interest, and good cause is found for making this interim rule effective less than 30 days after publication of this document in the **Federal Register.** Comments have been solicited for 60 days after publication of this document. A document discussing comments received and any amendments required will be published in the **Federal Register.**

List of Subjects in 9 CFR Part 77

Animal diseases, Cattle, Transportation, Tuberculosis.

PART 77—TUBERCULOSIS IN CATTLE

Accordingly, 9 CFR Part 77 is amended as follows:

1. The authority citation for Part 77 continues to read as set forth below:

Authority: 21 U.S.C. 111, 114, 114a, 115–117, 120, 121, 134b, 134f; 7 CFR 2.17, 2.51, and 371.2(d).

2. In § 77.4, paragraph (b) is revised to read as follows:

§ 77.4 Accredited-free States.

* * * * *

(b) The following States are hereby designated accredited-free States: Alaska, Arizona, Colorado, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Wisconsin, Wyoming, and the Virgin Islands of the United States.

Done in Washington, DC, this 18th day of November, 1986.

B.G. Johnson,

Deputy Administrator, Veterinary Services, Animal and Plant Health Inspection Service.

[FR Doc. 86–26311 Filed 11–20–86; 8:45 am]

BILLING CODE 3410-34-M

Packers and Stockyards Administration

9 CFR Part 202

Rules of Practice Governing Proceedings Under the Packers and Stockyards Act; Rules Applicable to Reparation Proceedings

AGENCY: Packers and Stockyards Administration, U.S.D.A.

ACTION: Final rule

SUMMARY: Amends § 201.111 of the existing "Rules of Practice Governing Proceedings Under the Packers and Stockyards Act—Reparation Proceedings". This amendment limits the right to oral hearing to cases involving ten thousand dollars ($10,000) or more in alleged damages. In cases involving less than that amount, an oral hearing may be held at the discretion of the presiding officer.

EFFECTIVE DATE: December 22, 1986. Reparation proceedings pending on such date in which oral hearings have not been scheduled shall be handled pursuant to the rules as amended herein. Other such proceedings shall be handled pursuant to the rules as previously in effect.

FOR FURTHER INFORMATION CONTACT: Harold W. Davis, Director, Livestock Marketing Division, U.S. Department of Agriculture, Washington, DC 20250 (202) 447–6951.

SUPPLEMENTARY INFORMATION: Section 309 of the Packers and Stockyards Act, 1921, as amended, provides, among other things, for reparation cases, private actions for damages for certain violations, in which the Secretary adjudicates claims for monetary damages. The Department's decision in any such cases is subject to judicial review, that is, it can be contested further in court by any party.

An analysis was made of reparation cases handled by the Department since January 1980. The amounts involved ranged from $250.00 to over $500,000.00. Forty-four percent (44%) involved less than $10,000. Many of these cost more to litigate than the amount involved. The cost, to all parties, including the Agency, of an oral hearing is estimated to generally range from $5,000 to $10,000. Providing discretionary authority to grant oral hearings in cases involving less than $10,000 will significantly decrease the cost of such proceedings to the Department and also to the private parties in the cases.

Justice will continue to be served in cases where less than $10,000 is involved. Such cases will be handled by written hearings, which are already authorized in the current rules.

Public participation in this amendment is not believed to be necessary because the amendment is expected to have little, if any, impact other than to provide the same action more efficiently.

Notice of proposed rulemaking is not required by law for this amendment on the basis that it constitutes "rules of agency * * * procedure, or practice" under 5 U.S.C. 553(b)(A).

The amendment is not within the Department's criteria for designating rules as "significant," published at 43 FR 21986 *et seq.* in compliance with Executive Order 12044 on "Improving Government Regulations."

About proceedings pending on the effective date of this amendment, we believe the fact that any such proceeding is handled pursuant to the rules as amended will not affect its outcome.

Executive Order

Regulatory impact analysis is not required for this amendment because it has been determined not to be a "major" rule as defined by section 1(B) of E.O. 12291. It will not have an annual effect on the economy of $100 million or more, will not result in major increases in costs or prices for consumers, individual industries, Government agencies, or geographic regions, and will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of U.S. based enterprises to compete with foreign based enterprises in domestic or export markets.

Regulatory Flexibility Act

This amendment has been determined not to have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act of 1980 (44 U.S.C. 250)

No information collection requirements are affected by this amendment.

List of Subjects in 9 CFR Part 202

Administrative practice and procedure, Reparation proceedings.

Done at Washington, DC, this 18th day of November, 1986.

B.H. (Bill) Jones,

Administrator, Packers and Stockyards Administration.

PART 202—[AMENDED]

Accordingly, Title 9 CFR Part 202 is amended as set forth below:

1. The authority citation for Part 202 continues to read as follows:

Authority: Sec. 407, 42 Stat. 169, as amended, 72 Stat. 1750, 77 Stat. 79, and 90 Stat. 1252–3 (7 U.S.C. 228); 7 CFR 2.17, 2.56.

2. Section 202.111 is revised to read as follows:

§ 202.111 Rule 11: Hearing, oral or written.

(a) *When held.* A hearing, oral or written, shall be held unless: (1) Each respondent admits or is deemed to admit sufficient allegations of the complaint to support the full amount claimed by the complainant as reparation; (2) each respondent admits liability to the complainant in the full amount claimed by the complainant as reparation; (3) before a hearing has been completed the parties agree in writing that the proceeding may be decided on the basis of the record as it stands at the time such agreement is filed; or (4) before a hearing has been completed the parties settle their dispute or the complainant withdraws the complaint.

(b) *Whether oral or written.* The hearing provided for in paragraph (a) of this section shall be oral if: (1) $10,000 or more is in controversy and any respondent files a written request for an oral hearing with such respondent's answer; or (2) $10,000 or more is in controversy and any complainant files a written request for an oral hearing on or before the 10th day after service on such complainant of notice that no respondent has filed a timely request for an oral hearing; or (3) less than $10,000 is in controversy and the presiding officer determines, upon written request by any party thereto, that an oral hearing is necessary to establish the facts and circumstances giving rise to the controversy. The hearing shall be written if not oral.

(c) *Withdrawal of request.* If $10,000 or more is in controversy and a party has timely filed a request for oral hearing, such party may withdraw such request at any time prior to completion of an oral hearing. If such a withdrawal leaves no pending request for oral hearing in the proceeding, and if the presiding officer has not decided that the hearing should be oral, each other party shall be served with notice of this and shall be given 10 days to request an oral hearing. If any party files a request for oral hearing in such time, the hearing shall be oral in accordance with paragraph (b) of this section.

(d) *Presiding Officer's recommendation.* The presiding officer may recommend voluntary withdrawal of a request for oral hearing, timely filed. Declining to make such withdrawal shall not affect the rights or interests of any party.

(e) *Representation.* Any party may appear in an oral hearing, or file evidence in a written hearing, in person or by counsel or other representative. For unethical or contumacious conduct in or in connection with a proceeding, the presiding officer may preclude a person from further acting as attorney or representative for any party to the proceeding; any such order of the presiding officer shall be served on the parties; an appeal to the Judicial Officer may be taken from any such order immediately.

[FR Doc. 86–26254 Filed 11–20–86; 8:45 am]

BILLING CODE 3410-02-M

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Ch. VII

Joint Policy Statement on Basic Financial Services; Interpretive Ruling and Policy Statement Number 86–2

AGENCY: National Credit Union Administration (NCUA).

ACTION: Interpretive Ruling and Policy Statement Number 86–2.

SUMMARY: The NCUA Board has adopted as its statement of general policy for federally insured credit unions the Federal Financial Institutions Examination Council (FFIEC) policy entitled "Joint Policy Statement on Basic Financial Services."

EFFECTIVE DATE: November 4, 1986.

ADDRRESS: National Credit Union Administration Board, 1776 G Street, NW., Washington, DC 20456.

FOR FURTHER INFORMATION CONTACT: Nicholas Veghts, Office of Examination and Insurance, at the above address, or telephone: (202) 357–1065.

SUPPLEMENTARY INFORMATION: At their October 2, 1986, meeting, the FFIEC approved a recommendation to the five regulatory financial agencies to adopt the Joint Policy Statement on Basic Financial Services. This Statement encourages efforts of trade associations and individual depository institutions toward the offering of basic financial services that would be accessible to low and moderate-income customers. It does not identify any particular accounts or services that institutions should offer. Instead, it identifies in broad terms the basic concepts that should be considered:

- A safe place to keep money
- A way to get cash; and
- A way to make third-party payments.

The Statement also states that any programs offered should be consistent with safe and sound business practices.

Dated this 4th day of November 1986.

By the National Credit Union Administration Board.

Rosemary Brady,

Secretary of the Board.

Interpretive Ruling and Policy Statement Number 86–2; Joint Policy Statement on Basic Financial Services

NCUA wishes to encourage such efforts by trade associations and individual credit unions that promote the offering of basic financial services, consistent with safe and sound business practices. While the specific types of services will, of course, vary because of differences in local needs and in the characteristics of individual credit unions, we encourage efforts to meet certain minimum needs of all consumers, in particular:

- The need for a safe and accessible place to keep money;
- The need for a way to obtain cash (including, for example, the cashing of government checks);
- The need for a way to make third party payments.

We believe that industry trade associations have a key role to play in this effort, and are in a position to encourage a constructive response without the rigidities of legislation or regulation. We realize that some associations have such programs already underway.

These programs could usefully:

1. Encourage members to offer and appropriately publicize low-cost basic

financial services such as those listed above.

2. Survey the current availability of such services among member credit unions.

3. Make available to members not providing such services material reflecting the successful experiences of other organizations.

[FR Doc. 86-26253 Filed 11-20-86; 8:45 am]
BILLING CODE 7535-01-M

FARM CREDIT ADMINISTRATION

12 CFR Parts 620 and 621

Disclosure to Shareholders; Accounting and Reporting Requirements

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: The Farm Credit Administration Board (FCA Board) adopted final amendments to existing regulations Part 620—Disclosure to Shareholders, and Part 621—Accounting and Reporting Requirements. The amendments to Part 620 delete certain disclosure requirements; limit specified disclosures to particular relevant situations; and make various related and technical changes. The amendments to Part 621 correct certain accounting provisions that may result in the misclassification of some loans in the financial statements of Farm Credit System (System) institutions.

EFFECTIVE DATE: These regulations shall become effective November 21, 1986; however, an officer or director who resigns from office before July 1, 1987, and does not stand for reelection in 1987 shall not be required to make disclosures otherwise required under § 620.3(j)(3) of the regulations.

FOR FURTHER INFORMATION CONTACT: Gary L. Norton, Senior Attorney, Office of General Counsel, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4020.

SUPPLEMENTARY INFORMATION:

Part 620—Discussion

On March 13, 1985, the Farm Credit Administration (FCA) adopted final regulations requiring the preparation and distribution of financial and operating reports to shareholders. See 51 FR 8644 (March 13, 1986). The final regulations established standards for the form, content, and distribution of annual reports by System banks and associations to shareholders. These regulations were further supplemented to require quarterly financial reporting as well. See 51 FR 21336 (June 12, 1986). Prior to the adoption of these regulations, no uniform standards existed and there was considerable variation in the reports of System institutions. The FCA regulations are modeled after regulations of Federal bank regulatory agencies and the Securities and Exchange Commission (SEC) applicable to banks and bank holding companies that are public companies under the Securities Exchange Act of 1934 (1934 Act), but are tailored to take into account structural and operational differences between System institutions and other federally chartered financial institutions and the value of disclosure to the participation of shareholders in their cooperative lending institutions.

Since the regulations were adopted, the FCA received a number of comments related to paragraph (j)(3) of § 620.3 regarding disclosures of indebtedness to the institution by senior officers and directors, their immediate families, and affiliated organizations.

This paragraph of the regulation requires that the reporting institution state in its annual report to shareholders, if true, that there have been loans outstanding during the last fiscal year to date to senior officers and directors that were made in the ordinary course of business on the same terms available to other persons for comparable transactions and that do not involve more than a normal risk of collectibility. Disclosure of loans to senior officers and directors, and their immediate families, and affiliated organizations need be made only if the loans do not meet these criteria. If a loan to any of the specified persons meets any of the disclosure criteria under the regulation, the person's name and the particulars of the loan as specified in the regulation must be described.

The comments received fall primarily into several categories. Some of the commentators objected to any disclosures of loans to officers, directors, their immediate families, and affiliates to shareholders, believing such disclosure constitutes an invasion of their privacy. Some of these commentators appear to believe that disclosure is routinely required even if the loans are performing loans, made in the ordinary course of business and on the same terms available to other borrowers. The majority of the other commentators do not object to some disclosure of senior officers' and directors' loans, but disagree with requiring the disclosure of loans made to immediate family members and affiliated organizations that meet the disclosure criteria. These commentators believe that such disclosure constitutes an inappropriate invasion of privacy of persons who have nothing to do with management of the institution; interferes with the control of immediate family members and affiliated organizations over disclosures of their private business affairs; is inconsistent with the alleged understanding by such persons at the time the loans were executed that the loan terms would be kept confidential; and will result in a flood of litigation. A number of commentators recommended that if a disclosure of loans to family members is to be made, disclosure only be required where a business relationship between such family members exists.

Another category of commentators suggested that no disclosures of the type described be required with respect to an officer or director who resigns or otherwise leaves office during the fiscal year or declines to stand for reelection. These commentators believe no useful purpose is served in requiring such disclosure if the persons involved have no further connection with the management or board of the institution.

Many of the comment letters reflect a lack of familiarity with the disclosure requirements for public companies, asserting incorrectly that FCA regulations are more extensive than those of other Federal regulators of publicly held financial institutions. While there are minor differences between the regulators, the basic regulatory framework and disclosure format is substantially similar to that of the other Federal regulators.

While the FCA has not taken a position on whether the voting stock of System institutions constitutes a security under the 1934 Act, the FCA's regulation is premised upon the belief that the System as an interdependent unit, whose stock is widely held and whose debt securities are widely distributed to and traded by the public, should be subject to disclosure requirements similar to those required of other public companies. The stock of System institutions does represent an economic interest in, and obligation to the respective institutions which carries attendant risks. In addition, such disclosure is needed to provide shareholders with sufficient information to hold directors and officers accountable for the performance of their fiduciary duties, to alert them to conflicts of interests or potential conflicts of interest, and to act as a prophylactic to keep such conflicts from arising. Further, the Board believes that since stockholders of System institutions