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Presidential Documents

Title 3—

Executive Order 12784 of December 19, 1991

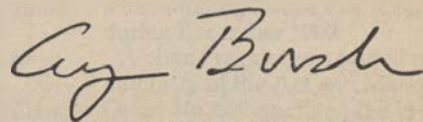
The President

Delegation of Authority Regarding the Naval Petroleum and Oil Shale Reserves

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3 and sections 7427 and 7428 of title 10 of the United States Code, and in order to meet the goals and requirements of the Naval Petroleum and Oil Shale Reserves, it is hereby ordered as follows:

Section 1. The functions vested in the President by sections 7427 and 7428 of title 10 of the United States Code are delegated to the Secretary of Energy.

Sec. 2. On or before June 30, 1994, the Secretary of Energy shall prepare and submit to the President a comprehensive report of the agreements and programs executed under the authority granted under this order. The authority delegated herein expires on October 2, 1994.



THE WHITE HOUSE,
December 19, 1991.

[FR Doc. 91-30745

Filed 12-19-91; 4:25 pm]

Billing code 3195-01-M

Rules and Regulations

Federal Register

Vol. 56, No. 246

Monday, December 23, 1991

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510. The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 907

[Navel Orange Regulation 725]

Navel Oranges Grown in Arizona and Designated Part of California

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This regulation establishes the quantity of California-Arizona navel oranges that may be shipped to domestic markets during the period from December 20 through December 26, 1991. Consistent with program objectives, such action is needed to establish and maintain orderly marketing conditions for fresh California-Arizona navel oranges for the specified week. Regulation was recommended by the Navel Orange Administrative Committee (Committee), which is responsible for local administration of the navel orange marketing order.

EFFECTIVE DATES: Regulation 725 (7 CFR part 907) is effective for the period from December 20 through December 26, 1991.

FOR FURTHER INFORMATION CONTACT: Christian D. Nissen, Marketing Specialist, Marketing Order Administration Branch, Fruit and Vegetable Division, Agricultural Marketing Service, U.S. Department of Agriculture, room 2523-S, P.O. Box 96456, Washington, DC 20090-6456; telephone: (202) 720-1754.

SUPPLEMENTARY INFORMATION: This final rule is issued under Marketing Order No. 907 (7 CFR part 907), as amended, regulating the handling of navel oranges grown in Arizona and designated part of California. This order is effective under the Agricultural Marketing Agreement Act of 1937, as

amended, hereinafter referred to as the "Act."

This final rule has been reviewed by the Department of Agriculture (Department) in accordance with Departmental Regulation 1512-1 and the criteria contained in Executive Order 12291 and has been determined to be a "non-major" rule.

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Administrator of the Agricultural Marketing Service (AMS) has considered the economic impact of the use of volume regulations on small entities as well as larger ones.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 130 handlers of California-Arizona navel oranges subject to regulation under the navel orange marketing order and approximately 4,000 navel orange producers in California and Arizona. Small agricultural producers have been defined by the Small Business Administration (13 CFR 121.601) as those having annual receipts of less than \$500,000, and small agricultural service firms are defined as those whose annual receipts are less than \$3,500,000. The majority of handlers and producers of California-Arizona navel oranges may be classified as small entities.

The California-Arizona navel orange industry is characterized by a large number of growers located over a wide area. The production area is divided into four districts which span Arizona and part of California. The largest proportion of navel orange production is located in District 1, Central California, which represented about 79 percent of the total production in 1990-91. District 2 is located in the southern coastal area of California and represented almost 18 percent of 1990-91 production; District 3 is the desert area of California and Arizona, and it represented slightly less than 3 percent; and District 4, which represented slightly less than 1 percent, is northern California. The Committee's

revised estimate of 1991-92 production is 64,600 cars (one car equals 1,000 cartons at 37.5 pounds net weight each), as compared with 32,895 cars during the 1990-91 season.

The three basic outlets for California-Arizona navel oranges are the domestic fresh, export, and processing markets. The domestic fresh (regulated) market is a preferred market for California-Arizona navel oranges while the export market continues to grow. The Committee has estimated that about 68 percent of the 1991-92 crop of 64,600 cars will be utilized in fresh domestic channels (43,650 cars), with the remainder being exported fresh (14 percent), processed (16 percent), or designated for other uses (2 percent). This compares with the 1990-91 total of 16,675 cars shipped to fresh domestic markets, about 51 percent of that year's crop. In comparison to other seasons, 1990-91 production was low because of a devastating freeze that occurred during December 1990.

Volume regulations issued under the authority of the Act and Marketing Order No. 907 are intended to provide benefits to producers. Producers benefit from increased returns and improved market conditions. Reduced fluctuations in supplies and prices result from regulating shipping levels and contribute to a more stable market. The intent of regulation is to achieve a more even distribution of oranges in the market throughout the marketing season.

Based on the Committee's marketing policy, the crop and market information provided by the Committee, and other information available to the Department, the costs of implementing the regulations are expected to be more than offset by the potential benefits of regulation.

Reporting and recordkeeping requirements under the navel orange marketing order are required by the Committee from handlers of navel oranges. However, handlers in turn may require individual producers to utilize certain reporting and recordkeeping practices to enable handlers to carry out their functions. Costs incurred by handlers in connection with recordkeeping and reporting requirements may be passed on to growers.

Major reasons for the use of volume regulations under this marketing order are to foster market stability and

enhance producer revenue. Prices for navel oranges tend to be relatively inelastic at the producer level. Thus, even a small variation in shipments can have a great impact on prices and producer revenue. Under these circumstances, strong arguments can be advanced as to the benefits of regulation to producers, particularly smaller producers.

The Committee adopted its marketing policy for the 1991-92 season on June 25, 1991. The Committee reviewed its marketing policy at district meetings as follows: Districts 1 and 4 on September 24, 1991, in Visalia, California; and District 2 and 3 on October 1, 1991, in Ontario, California. The Committee subsequently revised its marketing policy at a meeting on October 15, 1991. The marketing policy discussed, among other things, the potential use of volume and size regulations for the ensuing season. The Committee considered the use of volume regulation for the season. This marketing policy is available from the Committee or Mr. Nissen. The Department reviewed that policy with respect to administrative requirements and regulatory alternatives in order to determine if the use of volume regulations would be appropriate.

The Committee met publicly on December 17, 1991, in Newhall, California, to consider the current and prospective conditions of supply and demand and recommended, with 7 members voting in favor, 3 opposing, and 1 abstaining, that 800,000 cartons is the quantity of navel oranges deemed advisable to be shipped to fresh domestic markets during the specified week. The marketing information and data provided to the Committee and used in its deliberations was compiled by the Committee's staff or presented by Committee members at the meeting. This information included, but was not limited to, price data for the previous week from Department market news reports and other sources, preceding week's shipments and shipments to date, crop conditions and weather and transportation conditions.

The Department reviewed the Committee's recommendation in light of the Committee's projections as set forth in its 1991-92 marketing policy. The recommended amount of 800,000 cartons compares to the 900,000 specified in the Committee's shipping schedule. However, the Department, based on its independent analysis, and information provided by the Committee, has revised the recommendation and established volume regulation in the amount of 950,000 cartons. Of the 950,000 cartons, 91.11 percent or 865,545 cartons are

allotted for District 1, and 8.89 percent or 84,455 cartons are allocated for District 3. Handlers in Districts 2 and 4 will not be regulated as they are not shipping a sufficient quantity of navel oranges to warrant volume regulation at this point in the season.

During the week ending on December 12, 1991, shipments of navel oranges to fresh domestic markets, including Canada, totaled 2,030,000 cartons compared with 2,252,000 cartons shipped during the week ending on December 13, 1990. Export shipments totaled 151,000 cartons compared with 220,000 cartons shipped during the week ending on December 13, 1990. Processing and other uses accounted for 358,000 cartons compared with 489,000 cartons shipped during the week ending on December 13, 1990.

Fresh domestic shipments to date this season total 6,372,000 cartons compared with 9,527,000 cartons shipped by this time last season. Export shipments total 833,000 cartons compared with 1,035,000 cartons shipped by this time last season. Processing and other use shipments total 1,236,000 cartons compared with 2,042,000 cartons shipped by this time last season.

For the week ending December 12, 1991, regulated shipments of navel oranges to the fresh domestic market were 2,017,000 cartons on an adjusted allotment of 2,077,000 cartons which resulted in net undershipments of 60,000 cartons. Regulated shipments for the current week (December 13 through December 19) are estimated at 1,800,000 cartons on an adjusted allotment of 1,829,000 cartons. Thus, overshipments of 71,000 cartons could be carried forward into the week ending on December 26, 1991.

The average f.o.b. shipping point price for the week ending on December 12, 1991, was \$10.08 per carton based on a reported sales volume of 1,619,000 cartons. The season average f.o.b. shipping point price to date is \$10.47 per carton. The average f.o.b. shipping point prices for the week ending on December 13, 1990, was \$8.58 per carton; the season average f.o.b. shipping point price at this time last year was \$9.24.

The Department's Market News Service reported that, as of December 17, demand for first grade 72-88s sizes is moderate, very good for other sizes. Prices for first grade 56s are slightly higher, while prices for other sizes are reported as about steady.

Committee members discussed implementing volume regulation at this time, as well as different levels of allotment. It was reported that poor weather conditions are hampering

harvesting in District 1, and that maturity problems are continuing to affect some districts. Due to these problems, several members stated they expected carryovers from the week ending December 19. Another member stated that demand will be limited due to Christmas. It was also recommended that Districts 2 and 4 remain open in light of the relatively small early maturity requests. Three Committee members favored open movement at this time, while the majority of Committee members favored the issuance of general maturity allotment.

According to the National Agricultural Statistics Service, the 1990-91 season average fresh equivalent on-tree price for California-Arizona navel oranges was \$7.75 per carton, 119 percent of the season average parity equivalent price of \$6.52 per carton.

Based upon fresh utilization levels indicated by the Committee and an econometric model developed by the Department, the 1991-92 season average fresh on-tree price is estimated at \$6.33 per carton, about 85 percent of the estimated fresh on-tree parity equivalent price of \$7.44 per carton.

Limiting the quantity of navel oranges that may be shipped during the period from December 20, through December 26, 1991, would be consistent with the provisions of the marketing order by tending to establish and maintain, in the interest of producers and consumers, an orderly flow of navel oranges to market.

Based on considerations of supply and market conditions, and the evaluation of alternatives to the implementation of this volume regulation, the Administrator of the AMS has determined that this final rule will not have a significant economic impact on a substantial number of small entities and that this action will tend to effectuate the declared policy of the Act.

A proposed rule regarding the implementation of volume regulation and a proposed shipping schedule for California-Arizona navel oranges for the 1991-92 season was published in the September 30, 1991, issue of the *Federal Register* (56 FR 49432). The Department is currently in the process of analyzing comments received in response to this proposal and, if warranted, may finalize that action this season. However, issuance of this final rule implementing volume regulation for the regulatory week ending on December 26, 1991, does not constitute a final decision on that proposal.

Pursuant to 5 U.S.C. 553, it is further found and determined that it is impracticable, unnecessary, and contrary to the public interest to give

preliminary notice, engage in further public procedure with respect to this action and that good cause exists for not postponing the effective date of this action until 30 days after publication in the **Federal Register**. This is because there is insufficient time between the date when information became available upon which this regulation is based and the effective date necessary to effectuate the declared policy of the Act.

In addition, market information needed for the formulation of the basis for this action was not available until December 17, 1991, and this action needs to be effective for the regulatory week which begins on December 20, 1991. Further, interested persons were given an opportunity to submit information and views on the regulation at an open meeting, and handlers were apprised of its provisions and effective time. It is necessary, therefore, in order to effectuate the declared purposes of the Act, to make this regulatory provision effective as specified.

List of Subjects in 7 CFR Part 907

Marketing agreements, Oranges, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 907 is amended as follows:

PART 907—[AMENDED]

1. The authority citation for 7 CFR part 907 continues to read as follows:

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

2. Section 907.1025 is added to read as follows:

Note: This section will not appear in the Code of Federal Regulations.

§ 907.1025 Navel Orange Regulation 725.

The quantity of navel oranges grown in California and Arizona which may be handled during the period from December 20 through December 23, 1991, is established as follows:

- (a) District 1: 865,545 cartons;
- (b) District 2: unlimited cartons;
- (c) District 3: 84,455 cartons;
- (d) District 4: unlimited cartons.

Dated: December 18, 1991.

Robert C. Keeney,

Deputy Director, Fruit and Vegetable Division.

[FR Doc. 91-30631 Filed 12-19-91; 8:45 am]

BILLING CODE 3410-02-M

FEDERAL RESERVE SYSTEM

12 CFR Part 203

[Regulation C; Docket No. R-0736]

Home Mortgage Disclosure; Correction

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; Correction.

SUMMARY: The Board published a final rule concerning annual reporting requirements for home mortgage disclosure on November 26, 1991, that contains an error in amendatory instruction 3 preceding § 203.4.

EFFECTIVE DATE: January 1, 1992.

FOR FURTHER INFORMATION CONTACT: W. Kurt Schumacher, Staff Attorney, Division of Consumer and Community Affairs, at 202-452-2412; for the hearing impaired only, contact Dorothea Thompson, Telecommunications Device for the Deaf, at 202-452-3544, Board of Governors of the Federal Reserve System, Washington, DC 20551.

In **Federal Register** rule (FR Doc. 91-28336) published at page 59853, column 3, of the issue for Tuesday, November 26, 1991, make the following correction:

On page 59857, column 2, amendatory instruction 3 in part 203 is corrected to read as follows:

"3. Section 203.4 is amended by revising the introductory text of paragraph (a) to read as follows:"

Board of Governors of the Federal Reserve System, December 17, 1991.

William W. Wiles,

Secretary of the Board.

[FR Doc. 91-30548 Filed 12-20-91; 8:45 am]

BILLING CODE 6210-01-F

12 CFR Part 229

[Regulation CC; Docket No. R-0717]

RIN 7100-AB01

Availability of Funds and Collection of Checks

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; correction.

SUMMARY: The Board published a final rule for its Regulation CC regarding deposits to nonproprietary ATMs on Tuesday, February 26, 1991. The Board's publication contained errors in some of the amendatory instructions. The Board is publishing technical corrections to those instructions.

EFFECTIVE DATE: September 1, 1990.

FOR FURTHER INFORMATION CONTACT:

Stephanie Martin, Senior Attorney (202/452-3198), Legal Division. For the hearing impaired only, contact Dorothea Thompson, Telecommunications Device for the Deaf, at (202/452-3544), Board of Governors of the Federal Reserve System, Washington, DC 20551.

In the Board's Final Rule regarding its Regulation CC (Federal Reserve Docket No. R-0717, FR Doc. 91-4460) published at page 7799 of the issue for Tuesday, February 26, 1991, make the following corrections:

PART 229—[CORRECTED]

1. On page 7801, column 3, in part 229, amendatory instruction 2 is revised to read as follows: "In § 229.12, paragraphs (a), (b) introductory text, (b)(4), (c)(1) introductory text, the first and third sentences of paragraphs (d), and (f) are revised to read as follows:"

2. On page 7802, column 2, in appendix E to part 229, amendatory instruction 4(a) is revised to read as follows: "In the Commentary to § 229.12, the last sentence of paragraph (a), the second paragraph of paragraph (b), and paragraph (f) are revised to read as follows:"

By order of the Board of Governors of the Federal Reserve System, December 17, 1991.

William W. Wiles,

Secretary of the Board.

[FR Doc. 91-30549 Filed 12-20-91; 8:45 am]

BILLING CODE 6210-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Parts 71 and 73

[Airspace Docket No. 90-AWP-2]

Establishment of Restricted Areas R-2535A and R-2535B; San Nicolas Island, CA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action establishes Restricted Areas R-2535A and R-2535B San Nicolas Island, CA. Currently, Warning Area W-289 overlies San Nicolas Island. Because the U.S. Government owns the Island, and the Navy controls it, the airspace over and within 12 miles of San Nicolas Island is U.S. domestic airspace. A restricted area is, therefore, the appropriate airspace designation. The Continental Control Area is also amended to include both areas.

EFFECTIVE DATE: 0901 U.T.C., March 5, 1992.

FOR FURTHER INFORMATION CONTACT: Linda Ullom, Military operations Program Office (ATM-420), Office of Air Traffic System Management, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone: (202) 267-7683.

SUPPLEMENTARY INFORMATION:

History

On July 31, 1990, the FAA proposed to amend parts 71 and 73 of the Federal Aviation Regulations (14 CFR parts 71 and 73) to establish restricted areas R-2535A and R-2535B and to amend the Continental Control Area to include both areas (55 FR 31066). Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments objecting to the proposal were received. Except for editorial changes, these amendments are the same as those proposed in the notice. Sections 71.151 and 73.25 of parts 71 and 73 of the Federal Aviation Regulations were republished in FAA Handbook 7400.7 and FAA Handbook 7400.8 dated November 1, 1991.

The Rule

These amendments to parts 71 and 73 of the Federal Aviation Regulations establish Restricted Areas R-2535A and R-2535B, San Nicolas Island, CA. Currently, warning area W-289 overlies San Nicolas Island. The U.S. Government owns the island, and the U.S. Navy controls the land. Therefore, the airspace over and within 12 miles of San Nicolas Island is domestic airspace and a restricted area is the appropriate airspace designation. Activities to be conducted in the restricted areas are the same as those currently being conducted in the warning area. They include simulated weapons deliveries, bombing profiles, ground based missile intercept missions, special meteorological sampling rocket launches, and ground and airborne based laser weapons tests. The Continental Control Area is amended to include R-2535A and R-2535B. Additionally, W-289 is amended by separate action to exclude the airspace which coincides with R-2535A and R-2535B.

Environmental Review

In compliance with the National Environmental Policy Act of 1969 (NEPA), the U.S. Navy evaluated the environmental impacts resulting from the establishment of Restricted Areas R-2535A and R-2535B. The Navy

determined the impacts to be negligible, and also determined that the action qualified for a categorical exclusion from environmental review under the Navy's procedures. Accordingly, the reasons for the categorical exclusion were documented, and further environmental assessment was not accomplished. The activities to be conducted in the new restricted areas are identical to the activities currently conducted in the same airspace. The action will have no effect other than maintenance of the status quo, either on the airspace included in the restricted areas, or on surrounding airspace and air routes used for the handling of civil air traffic by ATC. The controlling agency, the Los Angeles Air Route Traffic Control Center, does not routinely route traffic through the area. Accordingly, the establishment of the restricted areas will have no effect on current air traffic procedures or on the routing or altitude of civil aircraft operations in the area.

Based upon the environmental documentation developed by the Navy, no change in the Navy's activities in the area resulting from the establishment of R-2535A and R-2535B, and the FAA's review of the ATC procedures in effect in the area before and after adoption of the two restricted areas, the FAA finds that there will be no significant impact on the environment as a result of this action.

Conclusion

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Parts 71 and 73

Aviation safety, Continental control area, and Restricted areas.

Adoption of the Amendments

Accordingly, pursuant to the authority delegated to me, parts 71 and 73 of the Federal Aviation Regulations (14 CFR

parts 71 and 73) are amended, as follows:

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, REPORTING POINTS, JET ROUTES, AND AREA HIGH ROUTES

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. App. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 71.151 [Amended]

2. § 71.151 is amended as follows:

R-2535A San Nicolas Island, CA [New]

R-2535B San Nicolas Island, CA [New]

PART 73—SPECIAL USE AIRSPACE

3. The authority citation for part 73 continues to read as follows:

Authority: 49 U.S.C. App. 1348(a), 1354(a), 1510, 1522; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

§ 73.25 [Amended]

4. § 73.25 is amended as follows:

R-2535A San Nicolas Island, CA [New]

Boundaries: Beginning at lat. 33°20'10" N., long. 119°31'10" W.; to lat. 33°18'18" N., long. 119°28'29" W.; to lat. 33°10'10" N., long. 119°31'10" W.; to lat. 33°12'00" N., long. 119°35'30" W.; to lat. 33°14'20" N.; long. 119°37'40" W.; to lat. 33°18'40" N., long. 119°38'10" W.; to lat. 33°19'10" N., long. 119°37'10" W.; to the point of beginning.

Designated altitudes: Surface to 100,000 feet MSL.

Time of designation: 0600-2200 local time Monday-Friday; other times by NOTAM at least 24 hours in advance.

Controlling agency: FAA, Los Angeles ARTCC.

Using agency: U.S. Navy, Commander, Pacific Missile Test Center, Point Mugu, CA.

R-2535B San Nicolas Island, CA [New]

Boundaries: Beginning at lat. 33°18'18" N., long. 119°28'29" W.; to lat. 33°17'40" N., long. 119°24'50" W.; to lat. 33°13'50" N., long. 119°21'50" W.; to lat. 33°10'10" N., long. 119°24'20" W.; to lat. 33°10'10" N., long. 119°29'40" W.; to lat. 33°10'10" N., long. 119°31'10" W.; to the point of beginning.

Designated altitudes: Surface to 100,000 feet MSL.

Time of designation: 0600-2200 local time Monday-Friday; other times by NOTAM at least 24 hours in advance.

Controlling agency: FAA, Los Angeles ARTCC

Using agency: U.S. Navy, Commander, Pacific Missile Test Center, Point Mugu, CA.

Issued in Washington, DC, on December 13, 1991.

Jerry W. Ball,

Acting Manager, Airspace-Rules and Aeronautical Information Division.

[FR Doc. 91-30531 Filed 12-20-91; 8:45 am]

BILLING CODE 4910-13-M

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 30

Foreign Futures and Option Transactions

AGENCY: Commodity Futures Trading Commission.

ACTION: Order.

SUMMARY: The Commodity Futures Trading Commission ("Commission") and the French Commission des Operations de Bourse ("COB") have amended the side letter dated June 6, 1990 between the Commission and the COB, which facilitates the operation of the Mutual Recognition Memorandum of Understanding between the Commission and the COB. Specifically, the Commission and COB have agreed to revise paragraph 2 of the Side Letter to reflect the use of subordinated debt to fulfill net equity requirements for French firms.

EFFECTIVE DATE: December 23, 1991.

FOR FURTHER INFORMATION CONTACT:

Jane C. Kang Esq., or Robert H. Rosenfeld, Esq., Division of Trading and Markets, Commodity Futures Trading Commission, 2033 K Street, NW., Washington, DC 20581. Telephone: (202) 254-8955.

SUPPLEMENTARY INFORMATION: On June 6, 1990, the Commodity Futures Trading Commission and the French Commission des Operations de Bourse entered into a Mutual Recognition Memorandum of Understanding ("MRMOU"). See 55 FR 23902 (June 13, 1990). This arrangement generally will permit all products of one jurisdiction to be offered to customers located in the other jurisdiction, subject to certain conditions specified in the MRMOU. Further, the arrangement will permit brokers licensed in one jurisdiction to sell the products of that jurisdiction to customers located in the other jurisdiction, generally by complying with the rules of the licensing jurisdiction, and with requirements agreed to by the Commission and the COB.

The Commission and COB also entered into a Side Letter dated June 6, 1990 ("Side Letter"), see 55 FR 23907, for the purpose of facilitating the operation

of the MRMOU and to further clarify certain conditions imposed for the implementation of the MRMOU. Paragraph 2 of the Side Letter articulates certain requirements applicable to French and United States firms concerning prudential requirements which are a condition to the recognition of firms under the MRMOU. Among other matters, paragraph 2(a) of the Side Letter as agreed on June 6, 1990 stated that a member of the Marche a Terme International de France ("MATIF") firm must maintain net equity as required under the Conseil du Marche a Terme ("CMT") General Regulation provided that, according to such regulation, no subordinated debt or guarantee may be substituted for such net equity in order to meet the minimum capital requirements. See 55 FR at 23908.

By letter dated September 17, 1991 the COB notified the Commission that the CMT General Regulation establishing the French capital requirements (CMT Rule R86-01) had been amended by CMT Rule R91-20, July 23, 1991. Consistent with CMT rules, members of MATIF may use subordinated debt as regulatory capital.

The Commission believes that there is no reason why French firms may not, consistent with the MRMOU, utilize subordinated debt as regulatory capital as permitted under CMT rules, and has agreed with the COB to amend the Side Letter.

Accordingly, by this Order the Commission, consistent with Article VI of the MRMOU, the Commission is amending paragraph 2 of the Side Letter to the MRMOU to read as follows:

2. Prudential Requirements

(a) In the case of an Authorized Person, such Person will maintain net equity as required under the CMT General Regulation, provided that, according to such regulation, no guarantee may be substituted for such net equity in order to fulfill the minimum capital requirements, *i.e.*, (currently) FF 7.5 million for non clearing members, FF 50 million for individual clearing members, and FF 375 million for general clearing members, and provided, further, that, if a more stringent financial requirement is imposed by the European Economic Community on European investment firms, the Authorized Person will meet such requirement;

List of Subjects in 17 CFR Part 30

Commodity futures; commodity options; foreign futures and foreign options.

PARTS 30 [AMENDED]

17 CFR part 30 is amended as follows:

1. The authority citation for part 30 continues to read as follows:

Authority: Secs. 2(a)(1)(A), 4, 4c, and 8a of the Commodity Exchange Act, 7 U.S.C. 2, 6, 6c, and 12a.

APPENDIX C TO PART 30 [AMENDED]

2. Appendix C to part 30 is amended by revising the existing entry concerning Annex E to the Mutual Recognition Memorandum of Understanding in its entirety to read as follows:

Authorized Persons as designated in Annex E to the Mutual Recognition Memorandum of Understanding

FR date and citation: June 13, 1990, 55 FR 2390; December 23, 1991.

Issued in Washington, DC on December 17, 1991.

Jean A. Webb,

Secretary to the Commission.

[FR Doc. 91-30502 Filed 12-20-91; 8:45 am]

BILLING CODE 6351-01-M

17 CFR Part 30

Foreign Futures and Option Transactions

AGENCY: Commodity Futures Trading Commission.

ACTION: Order.

SUMMARY: The Commodity Futures Trading Commission ("Commission") is issuing this Order pursuant to which option contracts on the Notional Bond, 3-month PIBOR and the 3-month EURODEM futures contracts traded on the Marche a Terme International de France ("MATIF") may be offered or sold to persons located in the United States. This Order is issued pursuant to: (1) Commission rule 30.3(a), 17 CFR 30.3(a) (1991), which makes it unlawful for any person to engage in the offer or sale of a foreign option product until the Commission, by order, authorizes such foreign option to be offered or sold in the United States; and (2) the procedures established in the Commission's Order issued on June 6, 1990, 55 FR 23902 (June 13, 1990) (Mutual Recognition Memorandum of Understanding ("MRMOU") with the French Commission des Operations de Bourse).

EFFECTIVE DATE: January 22, 1992.

FOR FURTHER INFORMATION CONTACT:

Robert Rosenfeld, Esq., Division of Trading and Markets, Commodity Futures Trading Commission, 2033 K Street, NW., Washington, DC 20581. Telephone: (202) 254-8955.

SUPPLEMENTARY INFORMATION: The Commission has issued the following order: