

designated as an accredited-free, accredited-free (suspended), or modified accredited State. The regulations restrict the interstate movement of cattle or bison not known to be affected with or exposed to tuberculosis if those cattle or bison are moved from a nonmodified accredited State.

The status of a State is based on its freedom from evidence of tuberculosis, the effectiveness of the State's tuberculosis eradication program, and the degree of the State's compliance with the standards contained in a document titled "Uniform Methods and Rules—Bovine Tuberculosis Eradication," which has been made part of the regulations via incorporation by reference. A State must have no findings of tuberculosis in any cattle or bison in the State for at least 5 years to be designated as an accredited-free State. A State that reverts to modified accredited status from accredited free status due to the detection of tuberculosis in two or more herds in the State within a 48-month period is eligible to apply for the reinstatement of its accredited-free status following 2 years of freedom from evidence of tuberculosis and full compliance with the standards contained in the "Uniform Methods and Rules—Bovine Tuberculosis Eradication."

Before publication of this interim rule, Virginia was designated in § 77.1 of the regulations as a modified accredited State. Virginia, which had held accredited-free status, was designated as a modified accredited State in an interim rule published and effective on November 29, 1994 (59 FR 60885-60886, Docket No. 94-053-2) after the detection of tuberculosis in two herds in the State within 48 months. However, Virginia now meets the requirements for designation as an accredited-free State. Therefore, we are amending the regulations by removing Virginia from the list of modified accredited States in § 77.1 and adding it to the list of accredited-free States in that section.

Immediate Action

The Administrator of the Animal and Plant Health Inspection Service has determined that there is good cause for publishing this interim rule without prior opportunity for public comment. Immediate action is warranted to change the regulations so that they accurately reflect the current tuberculosis status of Virginia as an accredited-free State. This will provide prospective cattle and bison buyers with accurate and up-to-date information, which may affect the marketability of cattle and bison since some prospective buyers prefer to buy

cattle and bison from accredited-free States.

Because prior notice and other public procedures with respect to this action are impracticable and contrary to the public interest under these conditions, we find good cause under 5 U.S.C. 553 to make it effective upon publication in the **Federal Register**. We will consider comments that are received within 60 days of publication of this rule in the **Federal Register**. After the comment period closes, we will publish another document in the **Federal Register**. It will include a discussion of any comments we receive and any amendments we are making to the rule as a result of the comments.

Executive Order 12866 and Regulatory Flexibility Act

This rule has been reviewed under Executive Order 12866. For this action, the Office of Management and Budget has waived its review process required by Executive Order 12866.

Cattle and bison are moved interstate for slaughter, for use as breeding stock, or for feeding. Virginia has approximately 2,200 dairy herds and 28,800 beef herds with a combined total of approximately 1,212,100 cattle. Approximately 95 percent of herd owners would be considered small businesses. Changing the status of Virginia may enhance the marketability of cattle and bison from the State, since some prospective cattle and bison buyers prefer to buy cattle and bison from accredited-free States. This may result in some beneficial economic impact on some small entities. However, based on our experience in similar designations of other States, the impact should not be significant.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic 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 Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 7 CFR part 3015, subpart V.)

Executive Order 12988

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule: (1) Preempts all State and local laws and regulations that are in conflict with this rule; (2) has no retroactive effect; and (3) does not require administrative proceedings

before parties may file suit in court challenging this rule.

Paperwork Reduction Act

This rule contains no information collection or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

List of Subjects in 9 CFR Part 77

Animal diseases, Bison, Cattle, Reporting and recordkeeping requirements, Transportation, Tuberculosis.

Accordingly, 9 CFR part 77 is amended as follows:

PART 77—TUBERCULOSIS

1. The authority citation for part 77 continues to read as follows:

Authority: 21 U.S.C. 111, 114, 114a, 115-117, 120, 121, 134b, and 134f; 7 CFR 2.22, 2.80, and 371.2(d).

§ 77.1 [Amended]

2. In § 77.1, in the definition of *Accredited-free state*, paragraph (2) is amended by adding "Virginia," immediately after "Vermont,".

3. In § 77.1, in the definition of *Modified accredited state*, paragraph (2) is amended by removing the words "Texas, and Virginia" and adding the words "and Texas" in their place.

Done in Washington, DC, this 23rd day of June 1997.

Terry L. Medley,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 97-16867 Filed 6-26-97; 8:45 am]

BILLING CODE 3410-34-P

FEDERAL RESERVE SYSTEM

12 CFR Parts 204 and 209

[Regulations D and I; Docket No. R-0963]

Reserve Requirements of Depository Institutions and Issue and Cancellation of Capital Stock of Federal Reserve Banks

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board is amending Regulations D and I, Reserve Requirements of Depository Institutions and Issue and Cancellation of Capital Stock of Federal Reserve Banks, respectively, to define the location of a depository institution for purposes of Federal Reserve membership and reserve account maintenance. These amendments will facilitate interstate banking.

EFFECTIVE DATE: October 1, 1997.

FOR FURTHER INFORMATION CONTACT: Oliver Ireland, Associate General Counsel, (202/452-3625) or Stephanie Martin, Senior Attorney (202/452-3198), Legal Division. For the hearing impaired *only*, contact Diane Jenkins, Telecommunications Device for the Deaf (TDD) (202/452-3544), Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, D.C. 20551.

SUPPLEMENTARY INFORMATION: Recent statutory changes have eliminated many barriers to interstate banking.¹ Consequently, the number of depository institutions that operate branches in more than one Federal Reserve District is expected to increase. On January 2, 1998, the Federal Reserve Banks will begin to implement a new account structure that will provide a single Federal Reserve account for each domestic depository institution.

The advent of interstate banking raises questions as to how certain provisions of the Federal Reserve Act (FRA)² will apply to banks with interstate branches. Many of these questions are related to a bank's "location." To date, the Board and the Federal Reserve Banks generally have interpreted the term "location," as used in the FRA, to mean the geographic location of a bank, heavily influenced by the location specified in the bank's charter, or if no charter location is specified, the location of the bank's head office. This interpretation, however, may not always be appropriate in an interstate branching environment, where a bank may have offices in multiple Federal Reserve Districts and do most of its business in places other than its charter or head office location. In March 1997, the Board proposed amendments to its Regulation D (12 CFR part 204, Reserve Requirements of Depository Institutions) and Regulation I (12 CFR part 209, Issue and Cancellation of Capital Stock of Federal Reserve Banks) to define "location" for purposes of the Federal Reserve membership and reserve account maintenance (62 FR 11117, March 11, 1997).

Background

A member bank, even if it has interstate branches, must be a member of a particular Federal Reserve Bank. The membership question is closely related to other location issues such as where reserve accounts are located and

where account entries are posted. Every national bank is required to become a member and stockholder of the Federal Reserve Bank of its district (FRA section 2(1)). State banks may apply to the Board to subscribe to the stock of the Federal Reserve Bank organized within the district in which the applying bank is located (FRA section 9(1)). These provisions suggest that membership is limited to one Federal Reserve Bank and that membership is to be determined by the geographical location of the bank.

A bank must hold reserves at the Federal Reserve Bank of which it is a member or where it maintains an account (FRA section 19(c)(1)). Therefore, a nonmember bank would hold its reserve account at the Reserve Bank where it maintains an account for purposes of check collection and other payments services. FRA section 13(1) provides that the nonmember bank may maintain this clearing account with the Federal Reserve Bank of its district.

Charter or head office location is the *status quo* under the FRA as to where a bank is located for membership purposes and nonmember reserve account purposes. The National Bank Act requires a national bank's organization certificate to state the place where its operations of discount and deposit are to be carried on, designating the state, territory, or district, and the particular county and city, town, or village (12 U.S.C. 22). State laws may be less specific with respect to state-chartered banks, and the determination of the bank's location may not be ascertainable from the bank's charter.

Under a strict interpretation of the charter/head office rule, a bank could be a member only of the Reserve Bank whose district encompasses the location specified in its charter or, in the case of a state bank with no specific charter location, the location of its head office. For a bank with interstate branches, however, this location test may not be the appropriate means of determining where the bank is located for membership or reserve account purposes. An interstate bank may have its main office or do the bulk of its business somewhere other than its charter location and may wish to establish a Federal Reserve Bank relationship closer to its business headquarters. Similarly, a bank holding company with subsidiary banks in multiple Federal Reserve Districts that manages those banks as a combined business may wish to centralize operations in a single district. In addition, the Board and the Federal Reserve Banks may find it more efficient to administer a bank's account and perform other functions in a district

other than the district encompassing the charter or head office location.

Board's Proposal

Section 9(1) of the FRA authorizes the Board to prescribe rules and regulations governing applications by state banks to subscribe to the stock of the Federal Reserve Bank organized within the district in which the applying bank is located. Section 2(1) of the FRA requires national banks to become member banks in accordance with the provisions of the FRA, and section 11(i) gives the Board general authority to write rules necessary to perform its duties, functions, and services under the FRA. Accordingly, the Board proposed to amend Regulation I to set forth a definition of "location" for the purpose of acquiring Federal Reserve Bank stock. This amendment also would help answer other member bank location questions related to reserve account maintenance, supervision, and other issues.

The proposed Regulation I provision stated a general rule that, for membership purposes, a bank is considered to be located in the Federal Reserve District specified in the bank's charter or organizing certificate, or, if no such location is specified, the location of its head office. The Board could make exceptions to the general rule for a particular bank after considering certain criteria. Thus, if the bank's location were uncertain or its location based on its charter, organizing certificate, or head office differed from the location where it conducted most of its business, the Board, after consultation with the relevant Reserve Banks, could designate the appropriate location for membership purposes. (The relevant Reserve Banks are the Reserve Bank whose district contains the bank's charter or head office location and the Reserve Bank in whose district the bank is proposed to be located.)

One consideration in making this determination would be whether any other laws would require the bank to have a relationship with a particular Reserve Bank. For example, Massachusetts and Nebraska laws provide that state banks may become members of the Boston and Kansas City Reserve Banks, respectively.³ The Board could also consider other criteria, such as the business needs of the bank, where the head office of the bank is located, where the bank does the bulk of its business, and the location that would allow the bank, the Board, and the Reserve Banks to perform their

¹ See, the Riegle-Neal Interstate Banking and Branching Efficiency Act, Pub. L. 103-328, 108 Stat. 2338 (1994).

² 12 U.S.C. 221 *et seq.*

³ Mass. Gen. L. ch. 167F, section 8 (1996) and Neb. Rev. Stat. section 8-130 (1996).

functions most efficiently and effectively. For example, the Board might consider the efficiency of bank supervisory functions, account management, and Federal Reserve monetary policy. Generally, these amendments would not affect current relationships between banks and Federal Reserve Banks. A bank that already owns stock in or has an account at a Federal Reserve Bank may, but need not, seek a Board determination to change its location. The Board anticipates that the "location" issue will arise principally from mergers of existing banks or other changes in the organization or management of bank holding companies. Ordinarily, the Board expects that "location" decisions would be worked out between the Reserve Banks and the bank.

Although the proposed Regulation I amendment would be sufficient to determine where a member bank's reserve account would be located, the Board also proposed to amend Regulation D to clarify the location of nonmember bank reserve accounts. The Board proposed this amendment under the authority of section 19(c)(1) of the FRA, which provides that depository institutions must hold reserves subject to such rules and regulations that the Board may prescribe. The Regulation D amendment is similar to the Regulation I proposal and would, in effect, assure that nonmember banks are treated comparably to member banks for account location purposes.

Regulation D also applies to Edge and agreement corporations and U.S. branches and agencies of foreign banks. Section 25A of the FRA requires Edge corporations to carry reserves in the same amounts as the Board prescribes for member banks and authorizes the Board to write rules governing the operations of such corporations. Section 25 of the FRA also authorizes the Board to require agreement corporations to maintain reserves. Section 7 of the International Banking Act provides that Federal branches and agencies of foreign banks are subject to the FRA's reserve requirement provisions (including section 19(c)) as if they were member banks. That Act also provides that the Board may impose the same requirements on state-licensed branches and agencies of foreign banks after consultation and in cooperation with the state bank supervisory authorities. The Board requested comment on whether it should apply the same or similar criteria for determining the location of reserve accounts for U.S. branches and agencies of foreign banks and Edge and agreement corporations as it does for depository institutions.

Summary of Public Comments

The Board received 12 comments on the proposed amendments from the following categories of entities:

| | |
|------------------------------|----|
| Federal Reserve Banks | 4 |
| Bank holding companies | 3 |
| Commercial banks | 2 |
| Trade associations | 2 |
| Credit unions | 1 |
| Total | 12 |

All of the commenters supported the Board's proposed amendments in general and agreed that the amendments would provide operational efficiencies and flexibility that will be necessary in an interstate banking environment.

Role of Affected Bank

Three commenters asked the Board to clarify that, when making a location determination, the Board will consult with the affected depository institution as well as the affected Reserve Banks, as the decision could have a significant impact on the depository institution's operations. On a related point, two commenters suggested that the Board clarify that a depository institution may request a location determination. The Board had always intended that a location determination would involve consideration of the views of, and in many cases would be made at the initiation of, the affected institution. The Board has modified the final regulatory language to provide that the Board could make a location determination if it believes such a determination is necessary to enable the institution operate efficiently. The final amendments also provide that the Board will consult with the affected institution, as well as the relevant Reserve Banks, before making a location determination.

Limited Relocations

One commenter suggested that Board should avoid "forum-shopping" by limiting the number of times a bank may change its designated location and by allowing relocations only when undertaken in good faith and on a showing of good cause. As frequent relocations would probably not allow the Board and the Reserve Banks to perform their functions efficiently and effectively, the Board does not expect to allow frequent relocations for a single institution.

Multiple Federal Reserve Memberships

One commenter stated that, should the Board consider accommodating interstate banking and branching by allowing banks to become members of two or more Reserve Banks, such a

proposal would require careful analysis, further public comment, and perhaps a legislative change. The Board is not at this time considering allowing multiple Federal Reserve memberships for a single bank.

Pass-Through Provisions

One commenter encouraged the Board to consider additional amendments to Regulation D's pass-through provisions related to member banks and out-of-district correspondents. The Board is in the process of reviewing the pass-through provisions in light of the Reserve Banks' single-account structure.

Obtaining Payments Services From Other Reserve Banks

Two commenters asked what effect, if any, the proposed amendments would have on the ability of a depository institution to obtain payments and other financial services from a Reserve Bank other than the Reserve Bank at which it holds an account. The Board has proposed amendments to Regulation J (12 CFR part 210), governing the collection and return of checks through Federal Reserve Banks, that would allow an institution to use the check collection services of any Reserve Bank, regardless of where the institution maintains an account (62 FR 27547, May 20, 1997). The Reserve Banks are currently revising their operating circulars to provide institutions with similar flexibility for all Federal Reserve services. These amendments to Regulations D and I, therefore, would not affect the ability of an institution to obtain services from any Reserve Bank.

One of these commenters also asked whether an institution's account relationship and supervisory relationship could be with different Reserve Banks. Absent unusual circumstances, the Board expects that the most efficient and effective administration of Federal Reserve functions generally would require the account and supervisory functions for a particular depository institution to be located at a single Reserve Bank.

U.S. Branches and Agencies of Foreign Banks; Edge and Agreement Corporations

The Board received four comments on the treatment of U.S. branches and agencies of foreign banks and Edge and agreement corporations under the proposed amendments to Regulation D. All four commenters believed that it would be logical to determine the location of these entities in the same manner as for domestic institutions. The commenters also raised questions related to the number of Federal Reserve

accounts that a foreign bank family (or Edge or agreement corporation family) should maintain. The Board is currently reviewing the appropriate treatment for accounts of these entities for reserve purposes.

Effective Date

The effective date of the amendments to Regulations D and I is October 1, 1997. This will allow institutions to request location determinations three months in advance of the single account implementation date. Although the Board may make determinations during this three-month period, these determinations generally would not be effective until January 2, 1998.

Delegation of Authority

In conjunction with the final amendments discussed above, the Board is also amending its Rules Regarding the Delegation of Authority (12 CFR part 265) to provide that the Secretary of the Board may determine an institution's location under Regulation D or Regulation I if the relevant Federal Reserve Banks and the institution agree on the specific Reserve Bank in which the institution should hold stock or with which the institution should maintain a reserve account, and the agreed-upon location does not raise any significant policy issues. See Docket R-0973, elsewhere in today's **Federal Register**.

Final Regulatory Flexibility Analysis

Two of the three requirements of a final regulatory flexibility analysis (5 U.S.C. 604), (1) a succinct statement of the need for and the objectives of the rule and (2) a summary of the issues raised by the public comments, the agency's assessment of the issues, and a statement of the changes made in the final rule in response to the comments, are discussed above. The third requirement of a final regulatory flexibility analysis is a description of significant alternatives to the rule that would minimize the rule's economic impact on small entities and reasons why the alternatives were rejected.

The final amendments will apply to all depository institutions, regardless of size, and represent relatively minor changes to the existing rules. The amendments should not have a negative economic impact on small institutions, and, therefore, there were no significant alternatives that would have minimized the economic impact on those institutions. The amendments will clarify the location of an institution for Federal Reserve membership and reserve account maintenance purposes and, in some cases, could reduce economic burden on affected

institutions by allowing them to establish that location more conveniently.

List of Subjects

12 CFR Part 204

Banks, banking, Federal Reserve System, Reporting and recordkeeping requirements.

12 CFR Part 209

Banks, banking, Federal Reserve System, Reporting and recordkeeping requirements, Securities.

For the reasons set out in the preamble, 12 CFR parts 204 and 209 are amended as set forth below.

PART 204—RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS (REGULATION D)

1. The authority citation for part 204 continues to read as follows:

Authority: 12 U.S.C. 248(a), 248(c), 371a, 461, 601, 611, and 3105.

2. In § 204.3, paragraph (b) is revised to read as follows:

§ 204.3 Computation and maintenance.

* * * * *

(b) *Form and location of reserves.* (1) A depository institution, a U.S. branch or agency of a foreign bank, and an Edge or agreement corporation shall hold reserves in the form of vault cash, a balance maintained directly with the Federal Reserve Bank in the Federal Reserve District in which it is located, or a pass-through account. Reserves held in the form of a pass-through account shall be considered to be a balance maintained with a Federal Reserve Bank.

(2) (i) For purposes of this section, a depository institution is located in the Federal Reserve District that contains the location specified in the institution's charter or organizing certificate, or, if no such location is specified, the location of its head office, unless otherwise determined by the Board under paragraph (b)(2)(ii) of this section.

(ii) If the location specified in paragraph (b)(2)(i) of this section, in the Board's judgment, is ambiguous, would impede the ability of the Board or the Federal Reserve Banks to perform their functions under the Federal Reserve Act, or would impede the ability of the institution to operate efficiently, the Board will determine the Federal Reserve District in which the institution is located, after consultation with the institution and the relevant Federal Reserve Banks. The relevant Federal Reserve Banks are the Federal Reserve Bank whose District contains the

location specified in paragraph (b)(2)(i) of this section and the Federal Reserve Bank in whose District the institution is proposed to be located. In making this determination, the Board will consider any applicable laws, the business needs of the institution, the location of the institution's head office, the locations where the institution performs its business, and the locations that would allow the institution, the Board, and the Federal Reserve Banks to perform their functions efficiently and effectively.

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PART 209—ISSUE AND CANCELLATION OF CAPITAL STOCK OF FEDERAL RESERVE BANKS (REGULATION I)

3. The authority citation for part 209 continues to read as follows:

Authority: 12 U.S.C. 248, 321-338, 486, 1814, 1816.

4. A new § 209.15 is added to read as follows:

§ 209.15 Location of bank.

(a) *General rule.* For purposes of this part, a national bank or a state bank is located in the Federal Reserve District that contains the location specified in the bank's charter or organizing certificate, or, if no such location is specified, the location of its head office, unless otherwise determined by the Board under paragraph (b) of this section.

(b) *Board determination.* If the location of a bank as specified in paragraph (a) of this section, in the Board's judgment, is ambiguous, would impede the ability of the Board or the Federal Reserve Banks to perform their functions under the Federal Reserve Act, or would impede the ability of the bank to operate efficiently, the Board will determine the Federal Reserve District in which the bank is located, after consultation with the bank and the relevant Federal Reserve Banks. The relevant Federal Reserve Banks are the Federal Reserve Bank whose District contains the location specified in the paragraph (a) of this section and the Federal Reserve Bank in whose District the bank is proposed to be located. In making this determination, the Board will consider any applicable laws, the business needs of the bank, the location of the bank's head office, the locations where the bank performs its business, and the locations that would allow the bank, the Board, and the Federal Reserve Banks to perform their functions efficiently and effectively.

By order of the Board of Governors of the Federal Reserve System, June 23, 1997.

William W. Wiles,

Secretary of the Board.

[FR Doc. 97-16872 Filed 6-26-97; 8:45 am]

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FEDERAL RESERVE SYSTEM

12 CFR Part 265

[Docket No. R-0973]

Rules Regarding Delegation of Authority

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board is amending its delegation rules to allow the Secretary of the Board to determine the Federal Reserve District in which an institution is located for purposes of Federal Reserve membership and reserve account maintenance. This amendment should provide for more expeditious handling of location determinations.

EFFECTIVE DATE: October 1, 1997.

FOR FURTHER INFORMATION CONTACT:

Oliver Ireland, Associate General Counsel, (202/452-3625) or Stephanie Martin, Senior Attorney (202/452-3198), Legal Division. For the hearing impaired *only*, contact Diane Jenkins, Telecommunications Device for the Deaf (TDD) (202/452-3544), Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, D.C. 20551.

SUPPLEMENTARY INFORMATION: The Board has adopted amendments to its Regulations D (Reserve Requirements of Depository Institutions, 12 CFR part 204) and Regulation I (Issue and Cancellation of Capital Stock of Federal Reserve Banks, 12 CFR part 209) to define the location of a depository institution for purposes of Federal Reserve membership and reserve account maintenance. (See Docket No. R-0963, elsewhere in today's **Federal Register**.) The amendments provide that an institution is considered to be located in the Federal Reserve District specified in its charter or organizing certificate, or, if no such location is specified, the location of its head office. The Board could make exceptions to the general rule for a particular institution after considering certain criteria. Thus, if the institution's location were uncertain or its location based on its charter, organizing certificate, or head office differed from the location where it conducted most of its business, the Board could designate the appropriate

location, after consultation with the institution and the relevant Reserve Banks. (The relevant Reserve Banks are the Reserve Bank whose district contains the bank's charter, organizing certificate, license, or head office location and the Reserve Bank in whose district the bank is proposed to be located.)

The Board is delegating to the Secretary of the Board the authority to make a location determination under Regulation D or Regulation I if the relevant Federal Reserve Banks and the institution agree on the specific Reserve Bank in which the institution should hold stock or with which the institution should maintain a reserve account, and the agreed-upon location does not raise any significant policy issues.

Administrative Procedure Act

The Administrative Procedure Act (5 U.S.C. 553(b)(A)) exempts "rules of agency organization, procedure, or practice" from the notice of proposed rulemaking and public comment requirements. As the Board's delegation rules fall under this exemption, the Board is adopting these amendments without notice-and-comment procedures.

List of Subjects in 12 CFR Part 265

Authority delegations (Government agencies), Banks, banking, Federal Reserve System.

For the reasons set forth in the preamble, the Board is amending 12 CFR Part 265 as set forth below:

PART 265—RULES REGARDING DELEGATION OF AUTHORITY

1. The authority citation for part 265 continues to read as follows:

Authority: 12 U.S.C. 248 (i) and (k).

2. Section 265.5 is amended by adding a new paragraph (f) to read as follows:

§ 265.5 Functions delegated to Secretary of the Board.

* * * * *

(f) *Location of institution.* To determine the Federal Reserve District in which an institution is located pursuant to § 204.3(b)(2)(ii) of Regulation D (12 CFR part 204) or § 209.15(b) of Regulation I (12 CFR part 209) if:

- (1) The relevant Federal Reserve Banks and the institution agree on the specific Reserve Bank in which the institution should hold stock or with which the institution should maintain reserve balances; and
- (2) The agreed-upon location does not raise any significant policy issues.

By order of the Board of Governors of the Federal Reserve System, June 23, 1997.

William W. Wiles,

Secretary of the Board.

[FR Doc. 97-16871 Filed 6-26-97; 8:45 am]

BILLING CODE 6210-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 96-NM-154-AD; Amendment 39-10051; AD 97-13-05]

RIN 2120-AA64

Airworthiness Directives; Fokker Model F28 Mark 0100 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain Fokker Model F28 Mark 0100 series airplanes, that requires loosening certain nuts on the horizontal stabilizer control unit (HSCU) to reduce stress on bolts; a one-time inspection of certain bolts on the HSCU to detect cracking, and replacement, if necessary; application of corrosion protection to these bolts; and reassembly and reidentification of the modified HSCU. This amendment is prompted by reports indicating that stress corrosion, resulting from overtightening of nuts on these bolts, has caused some of these bolts to crack and fail. The actions specified by this AD are intended to prevent failure of these bolts because of stress corrosion cracking which, if not corrected, could lead to loss of control of the horizontal stabilizer and reduced controllability of the airplane.

DATES: Effective August 1, 1997.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of August 1, 1997.

ADDRESSES: The service information referenced in this AD may be obtained from Fokker Services B.V., Technical Support Department, P.O. Box 75047, 1117 ZN Schiphol Airport, The Netherlands. This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Tim Dulin, Aerospace Engineer,