(2) Price support will be available to the cooperative for the quantity of a farm-stored commodity that is, pursuant to such cooperative's marketing agreement with a member, part of the cooperative's pool.

* * * * *

(5) Commodities pledged as collateral for CCC price support loans shall be free and clear of all liens and encumbrances based on an approved cooperative's financial agreements or the cooperative shall obtain a completed Form CCC–679, Lien Waiver. Approved cooperatives shall not take any action to cause a lien or encumbrance to be placed on a commodity after a loan is approved.

* * * * *

13. Redesignated § 1425.18 is amended by revising paragraphs (a) and (a)(1) and adding paragraph (b)(5) to read as follows:

§ 1425.18 Distribution of proceeds.

(a) *CCC loans, purchases, and loan deficiency payments.* (1) If CCC makes available price support loans, purchases, or loan deficiency payments with respect to any quantity of the eligible commodity in a pool, the proceeds from such loans, purchases, or loan deficiency payments shall be distributed to members participating in such pool on the basis of the quantity and quality of the commodity delivered by each member which is included in the pool less any authorized charges for services performed or paid by the cooperative which are necessary to condition the commodity or otherwise make the commodity eligible for price support. Except with respect to commodities which are pledged as collateral for a price support loan and which are redeemed within 15 work days from the date the cooperative receives the loan proceeds from CCC, such proceeds shall be distributed within 15 work days from such date. Loan deficiency payments received from CCC shall be distributed within 15 work days of receipt from CCC.

* * * * *

(b) * * *

(5) When notified by CCC that pool distributions to a member of any eligible pool must be reduced for a program year, farm, or crop, cooperatives shall refrain from making such pool distributions and shall, if appropriate, reimburse CCC for such distributions.

* * * * *

14. Redesignated § 1425.20 is revised to read as follows:

§ 1425.20 Nondiscrimination.

The cooperative shall not, on the basis of race, color, age, sex, religion, marital status, national origin, physical disability, or mental disability, deny any producer participation in, or otherwise subject any producer to discrimination with respect to any benefits resulting from its approval to obtain price support and shall comply with the provisions of Title VI of the Civil Rights Act of 1964 and the Secretary's regulations issued thereunder, appearing in §§ 15.1 through 15.12 of this title; section 504 of the Rehabilitation Act of 1973, as amended by the Rehabilitation Comprehensive Services and Developmental Disabilities Amendments of 1978; and provisions of the Age Discrimination Act of 1975, as amended. The cooperative shall not discriminate against employees under Title VII of the Civil Rights Act of 1964, as amended, or the Equal Pay Act of 1963 or Title VI of the Civil Rights Act of 1964 as administered by the Equal Employment Opportunity Commission, and shall handle employee discrimination complaints as provided for in 28 CFR part 42 and 29 CFR part 1691. The United States shall have the right to enforce compliance with such statutes and regulations by suit or by any other action authorized by law. The cooperative shall submit a certification with its application that the regulations cited in this section have been read and understood and that the cooperative will abide by them.

15. A new § 1425.23 is added to read as follows:

§ 1425.23 Reports.

(a) Approved cooperatives shall annually provide CCC with a PSL–86R report to applicable county Consolidated Farm Service Agency offices. The report shall include all eligible and ineligible commodity receipts by Farm Service Agency farm number for each member.

(b) Approved cooperatives shall at least annually report by commodity and by crop the marketing loan gains, loan deficiency payments, and any other CCC program payments received on behalf of each producer member.

Signed in Washington, DC, on December 23, 1994.

Bruce R. Weber,

Acting Executive Vice President, Commodity Credit Corporation.

[FR Doc. 95–560 Filed 1–10–95; 8:45 am]

BILLING CODE 3410–05–P

FARM CREDIT ADMINISTRATION

12 CFR Parts 614 and 618

RIN 3052–AB51

Loan Policies and Operations; General Provisions; Collateral Evaluation Requirements, Actions on Applications, Review of Credit Decisions, and Releasing Information

AGENCY: Farm Credit Administration.

ACTION: Notice of effective date; technical amendment.

SUMMARY: The Farm Credit Administration (FCA) published an interim rule with request for comments on September 12, 1994 (59 FR 46725), amending 12 CFR parts 614 and 618 to change collateral evaluation requirements for Farm Credit System (FCS or System) institutions. The rule also made conforming changes related to Board of Governors of the Federal Reserve (FRB) regulations interpreting the Equal Credit Opportunity Act (ECOA). In accordance with 12 U.S.C. 2252, the effective date of the rule is 30 days from the date of publication in the **Federal Register** during which either or both Houses of Congress are in session. Based on the records of the sessions of Congress, the effective date of the regulations is January 4, 1995.

DATES: The regulations amending 12 CFR parts 614 and 618, published on September 12, 1994 (59 FR 46725) are effective January 4, 1995.

FOR FURTHER INFORMATION CONTACT:

Dennis K. Carpenter, Senior Policy Analyst, Office of Examination, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4498, TDD (703) 883–4444, or

James M. Morris, Senior Attorney, Office of General Counsel, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4020, TDD (703) 883–4444.

SUPPLEMENTARY INFORMATION:

I. General

The amendments to 12 CFR parts 614 and 618, as published (59 FR 46725), address issues raised by recent regulatory revisions by the other Federal financial institutions' regulatory agencies (Federal regulatory agencies),[1] comments received in response to the FCA's published request for ''regulatory burden'' comments (58 FR 34003, June 23, 1993), and amendments made to

[1] The Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), Federal Reserve Board (FRB), and the Office of Thrift Supervision (OTS).

FRB regulations interpreting the Equal Credit Opportunity Act.[2]

The FCA Board received six comment letters in response to its request for comments on the interim rule. Comments were received from the Farm Credit Council (FCC), two Farm Credit Banks (FCBs), one agricultural credit association (ACA), the American Society of Farm Managers and Rural Appraisers, Inc. (ASFMRA), and the American Society of Appraisers (ASA).

Based upon a review of the comments received, the FCA has made a technical revision to § 614.4260(c)(5) to clarify what constitutes a ''subsequent loan transaction.'' However, the FCA does not find it necessary to further amend the regulations as published on September 12, 1994 (59 FR 46725). The FCA does believe the comments raise some issues needing clarification, and discusses those issues in the following section-by-section analysis.

II. Section-by-Section Analysis

A. Section 614.4245—Collateral Evaluation Policies

An FCB commented that it would be appropriate to amend § 614.4245 to provide that the collateral evaluation policy adopted by an institution's board shall identify when a collateral evaluation will be required for a loan servicing transaction, but at a minimum require a collateral evaluation when a loan servicing transaction either involves the advancing of new funds, or would alter or affect the institution's collateral position.

The FCA's position is that, at a minimum, a collateral valuation will be completed on all ''subsequent loan transactions,'' (as specified in § 614.4260(c)(5), which include but are not limited to servicing actions, reamortizations, modifications of loan terms, partial releases, etc.). Depending upon the circumstances and nature of the subsequent loan transaction and its impact upon the adequacy of the collateral, such collateral valuations may take the form of an updated report referencing previous evaluations or a more detailed evaluation. The explanatory language of the interim regulation indicated that a new real estate appraisal will be completed when there has been an advancement of new funds (including capitalizing interest) and there has been a material increase in the credit risk. If there are no new funds advanced (other than reasonable closing costs) or, even if new funds have been advanced but there has been no material increase in the risk then a valuation may be sufficient, depending upon the institution's policies and procedures and the individual circumstances. The form and content of the valuation may range from an update, referencing previous evaluations and any changes, to a more detailed ''limited'' or ''complete'' evaluation (as defined by USPAP).

B. Section 614.4255—Independence Requirements

The FCC requested clarification that the internal control procedures may provide for post-review of credit decisions on a sampling basis. The ACA commented that the wording in this section implies that all credit decisions are either prior approved or post-reviewed, and requested that credit decisions be post-reviewed on a sampling basis.

Section 614.4255 requires the institution to have appropriate internal controls in place if they intend to use officers and employees as evaluators. The regulation refers the reader to § 618.8430 for guidance for the required internal controls. Section 618.8430 requires institutions to establish appropriate internal control policies and procedures that provide effective control over operations of the institution, including standards for collateral evaluation and scope of review selection. The regulation provides the institution the flexibility to establish the scope of the collateral and credit review (including sampling) as part of the institution's internal controls. The FCA considers a sampling of individual credit decisions to be an acceptable internal control as long as the scope of selection is sufficient to adequately identify risk in the loan portfolio.

C. Section 614.4260—Evaluation Requirements

When an appraisal by a State licensed or certified appraiser is not required, the FCC and ACA believe it would be more clear and less susceptible to misinterpretation if, ''subsequent loan transaction'' were defined to include specific loan servicing actions, such as reamortizations and partial releases. Similarly, an FCB believes it would be helpful if the regulation itself clearly stated that subsequent loan transactions include loan servicing transactions such as reamortizations and releases.

It is the intent of the regulations that ''subsequent loan transactions'' include, but are not limited to, transactions such as renewals, reamortizations, partial releases, and modifications of loan repayment terms and maturity dates. Therefore, the FCA has made a technical change to the regulation (§ 614.4260(c)(5)) to further identify examples of ''subsequent loan transactions'' where a real estate appraisal may not be necessary.

Another FCB suggested that portions of FCA's explanatory comments contained in the preamble seem to be in conflict as to when an evaluation is needed on servicing actions. The FCB urges the FCA to clarify that a new evaluation is required only when new funds are advanced or there is a material increase in credit risk. The FCB also contends that requiring a collateral evaluation on all subsequent loan transactions is overly burdensome.

A similar comment has been addressed in the discussion of § 614.4245. Whenever there is a subsequent loan transaction the institution must make a determination as to the effect upon the adequacy of the collateral securing the loan as well as the impact upon the overall credit characteristics of the loan. Depending upon the circumstances, this can be accomplished through the completion of a collateral valuation or a real estate appraisal. As stated earlier, the form and content of the valuation may require nothing more than a restricted report identifying the affected collateral, references to previous evaluations, and recognition of any material changes. However, depending upon the nature of the subsequent transaction and the effect upon the collateral and the associated risk the institution may be required to provide a more detailed evaluation report ranging from a limited report to a full USPAP appraisal.

The ASFMRA was concerned that all of the Federal regulatory agencies had fashioned too broad an exception for a business loan, creating an effective ''de minimis'' of $1,000,000, regardless of the purpose of the loan. The ASFMRA believes that a $250,000 limit should apply where the purpose of the loan is for real estate acquisition or permanent improvement.

The FCA recognizes the concern of the ASFMRA as it relates to the application of the $1,000,000 business loan exception. However, the FCA believes that, in accordance with the March 31, 1993 Presidential directive, absent safety and soundness concerns, lenders must be afforded additional flexibility to provide credit to small- and medium-sized businesses. The Federal regulatory agencies have provided this flexibility with the $1,000,000 exception provision. The

[2] The FRB published final regulations (Regulation B) on December 16, 1993 (58 FR 65657) implementing the Equal Credit Opportunity Act, 15 U.S.C. 1691–1691f, as amended by the FDIC Improvement Act of 1991, Pub. L. 102–242, 105 Stat. 2236.

FCA does not believe that the $1,000,000 exception creates undue risk for System institutions since the FCA's regulations still require full compliance with the Uniform Standards of Professional Appraisal Practices (USPAP) requirements for all loans in excess of the $250,000 *de minimis* level. The FCA regulation is conservative because it establishes minimum criteria for all collateral evaluations, whether completed under USPAP or not.[3] These FCA criteria provide flexibility for the presentation of the evaluation, but otherwise are comparable to the ''departure provision'' minimums contained in USPAP.

The ASA strongly opposed those portions of the Interim Rule that it felt would ''exempt the vast majority of farm credit loan transactions from the appraisal requirements of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).'' The ASA believes that FCA has underestimated the risk to safety and soundness created by exempting 90 percent of the FCS's real estate loan volume and close to 80 percent of total loan volume from professional appraisal requirements. In addition, the ASA contends that the cost differential between an appraisal and a valuation of approximately $300 per evaluation reported by the System is overestimated and does not take into account the significant reduction in costs that will occur once System institutions are permitted to obtain limited appraisals prepared pursuant to USPAP's Departure Provision. The ASA further stated that the FCA may have overlooked substantial opposition to the Federal regulatory agencies' appraisal rule changes from Federal regional banking and thrift regulatory officials, and even from the thrift industry itself.

The FCA has reviewed the comments received from the ASA and considered those comments in the context of their application to the operations and risk of the FCS institutions. In addition to reviewing ASA's written comments, the FCA, at the ASA's request, met with representatives of the ASA to discuss the proposed final rule and their concerns. The FCA understands the basis for the ASA's concerns with the standards for state-sanctioned appraisers and risk in residential lending markets but believes that the portfolio structure and associated risks of the System are different. The FCS institutions' portfolios contain only a small percentage of residential loans, representing only 6 percent of the total real estate mortgage loan volume and 13 percent of the total number of mortgage loans. It should also be noted that FIRREA does not apply to FCS institutions. The FCA's regulations do, however, address similar appraisal policies in addition to concerns and issues specifically related to the FCS institutions and their collateral evaluation requirements. As indicated by the statistics cited earlier, the large majority of the System's loans and related collateral is agricultural in nature, therefore requiring agricultural-based knowledge and evaluation standards. The fact that an individual is a State licensed or certified appraiser does not ensure that the individual possesses the necessary training and expertise to value a given agricultural property. On the other hand, there are individuals who have the training and expertise to value such properties, but have not obtained a State license or certification.

FCA's regulations require the FCS institutions to establish criteria and standards concerning educational and expertise levels necessary to adequately and competently value the types of collateral found within the institution's portfolio. The FCA collateral regulations constitute only one of a number of statutory and regulatory controls placed on System institutions (e.g., maximum loan to value of 85 percent, first lien requirements for mortgage loans, and annual FCA examinations). These statutory and regulatory requirements form the framework for addressing certain safety and soundness concerns. In addition, the System institutions are restricted by certain statutory eligibility requirements which serve to limit the outer boundaries of the FCS lending institutions' activities. Given the existence of these additional statutory and regulatory requirements, the FCA believes that the collateral evaluation requirements contained in the Interim Rule adequately identify and address System risks from a safety and soundness standpoint.

D. Section 614.4265—Real Property Evaluations

An FCB commented that the cost of compliance with this section of the regulation is unjustified considering that other regulators do not require this level of compliance with USPAP for real estate collateral evaluations on ''business loans'' that are in excess of $250,000 and not otherwise exempted by § 614.4260(c). Therefore, the FCB urges FCA to delete the requirement for USPAP compliance for business loans over $250,000 and less than $1,000,000. Another FCB commented that most appraisers with the training necessary to perform a real estate evaluation in compliance with USPAP are in fact state-certified or state-licensed and that this requirement therefore makes the exemption meaningless, placing the System at a severe competitive disadvantage. The ACA also maintained that the cost of compliance with this section of the regulation is unjustified considering that other regulators do not require this level of compliance with USPAP. Both FCBs and the ACA believe that the requirement places System institutions at a competitive disadvantage.

On the other hand, the ASFMRA applauded the FCA's action to require that all evaluations above $250,000 meet the standards established under USPAP, but it was troubled by the provision allowing valuations to be completed by persons who are not licensed or certified. The ASFMRA urged the FCA to consider extending the USPAP provision to recognize that all valuations, irrespective of the ''de minimis'' level, be completed under USPAP or under the Departure provision of USPAP.

The ASA stated that by requiring all real estate valuations to be performed by licensed or certified appraisers in accordance with USPAP, the FCA could achieve all of the regulatory flexibility it deems necessary and reduce regulatory burden even below the level set by the Interim Rule. The ASA contends that instead of easing the burden of regulatory compliance, the Interim Rule only adds to the patchwork of confusing exemption criteria under which the necessity for obtaining a licensed or certified appraisal will be dependent on an analysis, for each loan, of a variety of complex factors. They also contend that because many of these factors are so subjective in nature that they almost invite noncompliance. Both the ASA and ASFMRA proposed that the FCA extend USPAP requirements to all FCS loan transactions where collateral is valued.

The FCA believes that financial institutions operating in today's environment must engage collateral evaluators that are cognizant of the current appraisal industry standards, including knowledge of and compliance with the USPAP standards. In order for lenders to accept appraisal reports as support for their credit decisions there must be an assurance that such reports

[3] Subsequent to the publication of the FCA's interim collateral evaluation regulation revisions the other Federal financial regulatory agencies adopted, on October 27, 1994, a set of ''Interagency Appraisal and Evaluation Guidelines'' which provide guidance for the development and application of prudent appraisal and evaluation policies, procedures, practices, and standards. Such guidelines are similar to the guidelines established in the FCA's collateral evaluation regulations.

are accurate and adequate to withstand the legal and technical scrutiny of borrower rights, foreclosure, bankruptcy, and other adverse credit actions. Therefore, the FCA also believes that anyone valuing any form of collateral should be familiar with, and, when required by the regulations, comply with USPAP.

While it might be argued that there is some additional expense involved with USPAP related training and compliance (e.g., field training, USPAP compliance training, and compliance with basic educational course requirements), such expenses are considered necessary to comply with the industry standards and current prudent lending practices. It is FCA's position that knowledge of current appraisal industry practices (including USPAP standards) is a necessary part of any evaluator training that is developed and provided by the System institutions pursuant to the requirements of § 614.4245. The FCA's regulations do provide flexibility to the System relative to the use of specific forms and the providing of necessary training requirements. However, whether conducted internally or through various appraiser affiliated educational programs, there is an expected level of education, expertise, and familiarity with USPAP standards. Therefore, the FCA does not view the requirement for USPAP on transactions in excess of the $250,000 *de minimis* level to create an unnecessary expense burden.

The FCA regulations provide basic criteria for collateral evaluation practices in order to address safety and soundness concerns. However, an additional intent of the regulations is to provide the FCS institutions flexibility to administer their own programs within the confines of state appraisal agencies and appraisal industry standards. It is not the intent of the FCA to dictate the form of the evaluation process, but rather to establish the basic criteria. The FCA believes that adopting full USPAP compliance for all collateral-based loan transactions would be unnecessary and overly burdensome. The FCA also believes the regulations provide a balanced approach which addresses the concerns of both the appraisal industry and the System.

E. Section 614.4443—Review Process

An FCB requested clarification of the deletion of the language ''or a borrower who has applied for a restructuring'' that is now in the existing regulation, lest it be read as excluding borrowers seeking restructuring.''

By definition (§ 614.4440(b)) the term applicant means ''any person who completes and executes a formal application for an extension of credit from a qualified lender, or a borrower who completes an application for restructuring.'' A borrower whose application for restructuring has been denied has the rights specified in § 614.4443(c), including the right to obtain an independent collateral evaluation. It is not the intent of the FCA to exclude borrowers who have applied for restructuring.

F. Section 618.8320—Data Regarding Borrowers and Loan Applicants

An FCB urged FCA to consider seeking clarification of the Federal Reserve Board's position on redacting confidential third-party information from copies of appraisals provided to applicants.

The present amendment of § 618.8320 conforms FCA regulations to reflect the requirements of the Equal Credit Opportunity Act. Section 618.8320 is being amended to state that collateral evaluation reports may be released to a loan applicant when required by the ECOA or related regulations. The ECOA is interpreted by the FRB which has amended its regulations to require release of ''appraisal reports.'' Those regulations define ''appraisal report'' to mean the documents relied upon by a creditor in evaluating the value of the dwelling. (See 12 CFR 202.5a(c). The FRB, in its explanatory language concerning the published final regulation (58 FR 65657, December 16, 1993), provided a discussion of the appraisal report definition as follows:

> The statute does not define an appraisal report; however, the legislative history suggests that it is the complete appraisal report signed by the appraiser, including all information submitted to the lender by the appraiser for the purpose of determining the value of residential property. The proposed definition was based on the legislative history, and stated that an appraisal report referred to the documents relied upon by a creditor in evaluating the market value of residential property containing one-to-four family units on which a lien will be taken as collateral for an extension of credit, including reports prepared by the creditor. The proposal stated that an appraisal report would not be limited to reports prepared by third parties.
>
> The final rule provides the same meaning for an appraisal report as was proposed, but the definition has been shortened for clarity. A consumer who requests a copy of the appraisal report will be entitled to receive a copy of any third party appraisal that has been performed. For consistency with the rules implementing the prohibitions of the Fair Housing Act on discrimination in appraising residential real property, an appraisal report includes all written comments and other documents submitted to the creditor in support of the appraiser's estimate or opinion of value. (See 24 CFR 100.135(b).)
>
> The ''appraisal report'' does not include copies of ''review appraisals,'' agency-issued statements of appraised value, or any internal documents *if* a third party appraisal report was used to establish the value of the security. Even when a third party appraisal has been performed, however, a consumer requesting a copy of the report also must receive a copy of documents that reflect the creditor's valuation of the dwelling when that valuation is *different* from that stated in the third party appraisal report. Such documents would include staff appraisals or other notes indicating why the value assigned by the third party appraiser is not the appropriate valuation.
>
> The right to receive a copy of an appraisal report provided under Regulation B includes, but is not limited to, transactions in which appraisals by a licensed or certified appraiser are required by federal law. If the value of the dwelling has been determined by the creditor and a third party appraiser has not been used, the appraisal report would be the report of the creditor's staff appraiser, where applicable, or the other documents of the creditor which assign value to the dwelling.

The FCA believes that the aforementioned discussion taken from the FRB's final rule publication provides a reasonable and thorough explanation of what constitutes an ''appraisal report.'' However, any further clarification of the scope of the Regulation B requirement should be derived directly from the FRB.

List of Subjects in 12 CFR Part 614

Agriculture, Banks, banking, Foreign trade, Reporting and recordkeeping requirements, Rural areas.

For reasons stated in the preamble, part 614 of chapter VI, title 12 of the Code of Federal Regulations is amended to read as follows:

PART 614—LOAN POLICIES AND OPERATIONS

1. The authority citation for part 614 continues to read as follows:

Authority: Secs. 1.3, 1.5, 1.6, 1.7, 1.9, 1.10, 2.0, 2.2, 2.3, 2.4, 2.10, 2.12, 2.13, 2.15, 3.0, 3.1, 3.3, 3.7, 3.8, 3.10, 3.20, 3.28, 4.12, 4.12A, 4.13, 4.13B, 4.14, 4.14A, 4.14C, 4.14D, 4.14E, 4.18, 4.19, 4.36, 4.37, 5.9, 5.10, 5.17, 7.0, 7.2, 7.6, 7.7, 7.8, 7.12, 7.13, 8.0, 8.5 of the Farm Credit Act (12 U.S.C. 2011, 2013, 2014, 2015, 2017, 2018, 2071, 2073, 2074, 2075, 2091, 2093, 2094, 2096, 2121, 2122, 2124, 2128, 2129, 2131, 2141, 2149, 2183, 2184, 2199, 2201, 2202, 2202a, 2202c, 2202d, 2202e, 2206, 2207, 2219a, 2219b, 2243, 2244, 2252, 2279a, 2279a–2, 2279b, 2279b–1, 2279b–2, 2279f, 2279f–1, 2279aa, 2279aa–5); sec. 413 of Pub. L. 100–233, 101 Stat. 1568, 1639.

Subpart F—Collateral Evaluation Requirements

2. Section 614.4260 is amended by revising the introductory text of paragraph (c)(5) to read as follows:

§ 614.4260 Evaluation requirements.

* * * * *

(c) * * *

(5) Subsequent loan transactions (which include but are not limited to loan servicing actions, reamortizations, modifications of loan terms, and partial releases), provided that either:

* * * * *

Dated: January 5, 1995.

Floyd Fithian,

Acting Secretary, Farm Credit Administration Board.

[FR Doc. 95–678 Filed 1–10–95; 8:45 am]

BILLING CODE 6705–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 121

[Docket No. 25148; Admt. No. 121–240]

Antidrug Program for Personnel Engaged in Specified Aviation Activities; Correction

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; correction.

SUMMARY: This document contains a correction to a final rule, Antidrug Program for Personnel Engaged in Specified Aviation Activities; Correction, published in the **Federal Register** on December 28, 1994.

EFFECTIVE DATE: December 28, 1994.

FOR FURTHER INFORMATION CONTACT: Ms. Julie B. Murdoch, (202) 366–6710.

Correction to Final Rule

In the final rule beginning on page 66672, in the issue of Wednesday, December 28, 1994, the following correction is being made:

1. On page 66672, second column, in the heading, the amendment number should be ''121–240''.

Dated: January 4, 1995.

Donald P. Byrne,

Assistant Chief Counsel, Office of Chief Counsel.

[FR Doc. 95–596 Filed 1–10–95; 8:45 am]

BILLING CODE 4910–13–M

Coast Guard

33 CFR Part 117

[CGD01–94–159]

RIN 2115–AE47

Drawbridge Operation Regulations; Fore River, MA

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

SUMMARY: The Coast Guard has changed the regulations governing the Quincy Weymouth SR3A Bridge over the Fore River at mile 3.5 between Quincy Point and North Weymouth, Massachusetts. This final rule changes the exemption in the regulations which had allowed any commercial vessel to obtain a bridge opening during the two vehicular traffic rush hour periods. This final rule will require the bridge to open only for self-propelled vessels greater than 10,000 gross tons during the two rush hour periods. This change to the regulations is expected to alleviate some of the traffic congestion caused when the bridge opens during rush hour.

EFFECTIVE DATE: February 10, 1995.

ADDRESSES: Unless otherwise indicated, documents referred to in this preamble are available for copying and inspection at the First Coast Guard District, Bridge Branch office located in the Captain John Foster Williams Federal Building, 408 Atlantic Ave., Boston, Massachusetts 02110–3350, room 628, between 6:30 a.m. and 3 p.m., Monday through Friday, except federal holidays. The telephone number is (617) 223–8364.

FOR FURTHER INFORMATION CONTACT: John W. McDonald, Project Manager, Bridge Branch, (617) 223–8364.

SUPPLEMENTARY INFORMATION:

Drafting Information

The principal persons involved in drafting this final rule are Mr. John W. McDonald, Project Officer, Bridge Branch, and Lieutenant Commander Samuel R. Watkins, Project Counsel, District Legal Office.

Regulatory History

On September 27, 1994, the Coast Guard published a notice of proposed rulemaking entitled ''Drawbridge Operation Regulations; Fore River, Massachusetts'' in the **Federal Register** (59 FR 49228). The Coast Guard received three letters commenting on the proposal. No public hearing was requested, and none was held.

Background and Purpose

The Coast Guard received requests from state and local officials to change the operating regulations listed in 33 CFR 117.621 which state that the Quincy Weymouth Bridge need not be opened from 6:30 a.m. to 9 a.m. and from 4:30 p.m. to 6:30 p.m., Monday through Friday. However, commercial vessels were exempt from these two vehicular rush hour closed periods and could have the bridge opened on signal at any time. Traffic delays resulted whenever the bridge opened during the morning and evening rush hours.

This final rule will change the wording to allow only self-propelled vessels greater than 10,000 gross tons to obtain a bridge opening during the two rush hour periods. By further limiting the number of rush hour openings, this change to the regulations should provide relief from traffic delays.

Discussion of Comments and Changes

Three comment letters were received by the Coast Guard in response to the publication of the notice of proposed rulemaking. Two letters were in favor of the proposed change to the regulations. One letter urged that the existing regulations be retained. No changes to the proposed rule have been made.

Regulatory Evaluation

This rule is not a significant regulatory action under section 3(f) of Executive Order 12866 and does not require an assessment of potential costs and benefits under section 6(a)(3) of that order. It has been exempted from review by the Office of Management and Budget under that order. It is not significant under the regulatory policies and procedures of the Department of Transportation (DOT) (44 FR 11040; February 26, 1979). The Coast Guard expects the economic impact of this final rule to be so minimal that a full Regulatory Evaluation, under paragraph 10e of the regulatory policies and procedures of DOT is unnecessary. This conclusion is based on the fact that the regulation will not prevent mariners from passing through the Quincy Weymouth Bridge, but will only require mariners to plan their transits around the two closed periods.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the Coast Guard considered whether this final rule will have a significant economic impact on a substantial number of small entities. ''Small entities'' may include (1) small businesses and not-for-profit organizations that are independently owned and operated and are not