

operating as Potosi Abstract, Potosi, Missouri, and thereby engage in the sale of title insurance in a town of less than 5,000, pursuant to § 225.25(b)(8)(iii) of the Board's Regulation Y. This activity will be conducted in Potosi, Missouri.

C. Federal Reserve Bank of Kansas City (John E. Yorke, Senior Vice President) 925 Grand Avenue, Kansas City, Missouri 64198:

1. *First Ainsworth Company*, Ainsworth, Nebraska; to engage in performing insurance activities in a town having a population not exceeding 5,000 pursuant to § 225.25(b)(8)(iii) of the Board's Regulation Y. These activities will be conducted in Bassett, Nebraska.

Board of Governors of the Federal Reserve System, March 7, 1995.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 95-6072 Filed 3-10-95; 8:45 am]

BILLING CODE 6210-01-F

Mellon Bank Corporation, Pittsburgh, Pennsylvania; Application to Engage in Certain Nonbanking Activities

Mellon Bank Corporation, Pittsburgh, Pennsylvania (Applicant), has applied pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) (BHC Act) and § 225.23(a)(3) of the Board's Regulation Y (12 CFR 225.23(a)(3)), to acquire the shares of Mellon Investment Products Corporation (Company) from its subsidiary bank, Mellon Bank, N.A. (Bank), both of Pittsburgh, Pennsylvania, and to engage in the following activities:

- 1) Underwriting and dealing to a limited extent in municipal revenue bonds (including certain industrial development bonds and unrated municipal revenue bonds), mortgage-related securities, consumer-receivable-related securities and commercial paper;
- 2) Underwriting and dealing in bank-eligible instruments pursuant to 12 CFR 225.25(b)(16);
- 3) Acting as agent in the private placement of securities, including providing related advisory services;
- 4) Acting as riskless principal in the purchase and sale of all types of securities on behalf of customers;
- 5) Providing securities brokerage services pursuant to 12 CFR 225.25(b)(15), including selling bank-eligible securities underwritten or dealt in by Company to retail customers;
- 6) Providing investment advisory services pursuant to 12 CFR 225.25(b)(4); and

7) Providing foreign exchange advisory and transactional services pursuant to 12 CFR 225.25(b)(17).

Section 4(c)(8) of the BHC Act provides that a bank holding company may, with Board approval, engage in any activity which the Board, after due notice and opportunity for hearing, has determined (by order or regulation) to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. This statutory test requires that two separate tests be met for an activity to be permissible for a bank holding company. First, the Board must determine that the activity is, as a general matter, closely related to banking. Second, the Board must find in a particular case that the performance of the activity by the applicant bank holding company may reasonably be expected to produce public benefits that outweigh possible adverse effects.

A particular activity may be found to meet the "closely related to banking" test if it is demonstrated that banks generally have provided the proposed activity, that banks generally provide services that are operationally or functionally similar to the proposed activity so as to equip them particularly well to provide the proposed activity, or that banks generally provide services that are so integrally related to the proposed activity as to require their provision in a specialized form. *National Courier Ass'n v. Board of Governors*, 516 F.2d 1229, 1237 (D.C. Cir. 1975). In addition, the Board may consider any other basis that may demonstrate that the activity has a reasonable or close relationship to banking or managing or controlling banks. Board Statement Regarding Regulation Y, 49 FR 806 (January 5, 1984).

Applicant maintains that the Board previously has determined that the proposed activities are closely related to banking. See 12 CFR 225.25 (b)(4), (15), (16) & (17); *PNC Financial Corp.*, 75 Federal Reserve Bulletin 396 (1989) (section 20 company providing securities brokerage services to retail customers with respect to bank-eligible securities underwritten or dealt in by the section 20 company); *Bankers Trust New York Corporation*, 75 Federal Reserve Bulletin 829 (1989) (acting as agent in the private placement of securities and purchasing and selling securities on the order of investors as a riskless principal); *Citicorp*, 73 Federal Reserve Bulletin 473 (1987), *aff'd sub nom. Securities Industry Ass'n v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir. 1988), *cert. den.*, 486 U.S. 1059 (1988), and *Chemical New York*

Corporation, 73 Federal Reserve Bulletin 731 (1987) (underwriting and dealing to a limited extent in municipal revenue bonds (including certain industrial development bonds), mortgage-related securities, consumer-receivable-related securities and commercial paper); and Letter dated December 5, 1994, to Bruce Moland, Assistant General Counsel, Norwest Corporation, from William W. Wiles, Secretary of the Board (underwriting and dealing to a limited extent in unrated municipal revenue bonds). Applicant states that it would conduct the proposed activities in accordance with the Board's orders, regulations and related interpretations, with two exceptions. In particular, Applicant proposes to establish up to two interlocking directors between Bank and Company. These directors would not be officers or employees of either Bank or Company. Applicant maintains that the Board previously has permitted similar interlocks. See *SunTrust Banks, Inc.*, 80 Federal Reserve Bulletin 938 (1994). Applicant also proposes that Company be permitted to have offices in buildings in which Bank also has offices. Applicant states that it would take a number of steps to ensure that Company's offices are separate and distinct from those of Bank.

In order to approve the proposal, the Board must determine that the proposed activities to be conducted by Company "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. 1843(c)(8). Applicant believes that the proposal will produce public benefits that outweigh any potential adverse effects. In particular, Applicant maintains that the proposal will enhance competition and enable Applicant to offer its customers a broader range of products. Applicant also maintains that its proposal would not result in any adverse effects.

In publishing the proposal for comment, the Board does not take a position on issues raised by the proposal. Notice of the proposal is published solely to seek the views of interested persons on the issues presented by the application and does not represent a determination by the Board that the proposal meets, or is likely to meet, the standards of the BHC Act. Any comments or requests for hearing should be submitted in writing and received by William W. Wiles,

Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, not later than March 29, 1995. Any request for a hearing on this application must, as required by § 262.3(e) of the Board's Rules of Procedure (12 CFR 262.3(e)), be accompanied by a statement of the reasons why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

This application may be inspected at the offices of the Board of Governors or the Federal Reserve Bank of Cleveland.

Board of Governors of the Federal Reserve System, March 7, 1995.

Jennifer J. Johnson,

Deputy Secretary of the Board.

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GENERAL SERVICES ADMINISTRATION

Change in Solicitation Procedures Under the Small Business Competitiveness Demonstration Program

AGENCY: Office of Acquisition Policy, GSA.

ACTION: Notice.

SUMMARY: Title VII of the "Business Opportunity Development Act of 1988" (Public Law 100-656) established the Small Business Competitiveness Demonstration Program and designated nine (9) agencies, including GSA, to conduct the program over a four (4) year period from January 1, 1989 to December 31, 1992. The Small Business Opportunity Enhancement Act of 1992 (Public Law 102-366) extended the demonstration program until September 1996 and made certain changes in the procedures for operation of the demonstration program. The law designated four (4) industry groups for testing whether the competitive capabilities of the specified industry groups will enable them to successfully compete on an unrestricted basis. The four (4) industry groups are: construction (except dredging); architectural and engineering (A&E) services (including surveying and mapping); refuse systems and related services (limited to trash/garbage collection); and non-nuclear ship repair. Under the program, when a participating agency misses its small business participation goal, restricted

competition is reinstated only for those contracting activities that failed to attain the goal. The small business goal is 40 percent of the total contract dollars awarded for construction, trash/garbage collection services, and non-nuclear ship repair and 35 percent of the total contract dollars awarded for architect-engineer services. This notice announces modifications to GSA's solicitation practices under the demonstration program based on a review of the agency's performance during the period from January 1, 1994 to December 31, 1994. Modifications to solicitation practices are outlined in the Supplementary Information section below and apply to solicitations issued on or after April 1, 1995.

EFFECTIVE DATE: April 1, 1995.

FOR FURTHER INFORMATION CONTACT: Tom Wisnowski, Office of GSA Acquisition Policy, (202) 501-1224.

SUPPLEMENTARY INFORMATION: Procurements of construction or trash/garbage collection with an estimated value of \$25,000 or less will be reserved for emerging small business concerns in accordance with the procedures outlined in the interim policy directive issued by the Office of Federal Procurement Policy (58 FR 13513, March 11, 1993).

Procurements of construction or trash/garbage collection with an estimated value that exceeds \$25,000 by GSA contracting activities will be made in accordance with the following procedures:

Construction Services in Groups 15, 16, and 17

Procurements for all construction services (except solicitations issued by GSA contracting activities in Regions 1, 2, 5, 6, 7, 9 and the National Capital Region in SIC Group 15, Regions 2, 5 and 9 for individual SIC code 1794, and Regions 1, 3, 4, 5, 7, 9 and the National Capital Region for individual SIC code 1796) shall be conducted on an unrestricted basis.

Procurements for construction services in SIC Group 15 issued by GSA contracting activities in Regions 1, 2, 5, 6, 7, 9, and the National Capital Region, for individual SIC code 1794 in Regions 2, 5 and 9, and for individual SIC Code 1796 in Regions 1, 3, 4, 5, 7, 9, and the National Capital Region, shall be set aside for small business when there is a reasonable expectation of obtaining competition for two or more small businesses. If no expectation exists, the procurements will be conducted on an unrestricted basis.

Region 1 encompasses the states of Connecticut, Maine, Massachusetts,

New Hampshire, Rhode Island and Vermont.

Region 2 encompasses the states of New Jersey, New York, and the territories of Puerto Rico and the Virgin Islands.

Region 3 encompasses the states of Pennsylvania, Delaware, West Virginia, Maryland (except Montgomery and Prince Georges counties), and Virginia (except the city of Alexandria and the counties of Arlington, Fairfax, Loudoun, and Prince William).

Region 4 encompasses the states of Alabama, Florida, Georgia, Kentucky, North Carolina, South Carolina, Mississippi, and Tennessee.

Region 5 encompasses the states of Illinois, Indiana, Ohio, Michigan, Minnesota, and Wisconsin.

Region 6 encompasses the states of Iowa, Kansas, Missouri and Nebraska.

Region 7 encompasses the states of Arkansas, Louisiana, Oklahoma, New Mexico, and Texas.

Region 9 encompasses the states of Arizona, California, Hawaii, and Nevada.

Region 10 encompasses the states of Alaska, Idaho, Oregon, and Washington.

The National Capital Region encompasses the District of Columbia, Montgomery and Prince Georges counties in Maryland, and the city of Alexandria and the counties of Arlington, Fairfax, Loudoun, and Prince William in Virginia.

Trash/Garbage Collection Services in PSC S205

Procurements for trash/garbage collection services in PSC S205 will be conducted on an unrestricted basis.

Architect-Engineer Services (all PSC Codes under the Demonstration Program):

Procurements for all architect-engineer services (except procurements issued by contracting activities in GSA Region 4 for service code C119, and in Region 9 for service code C219) shall be conducted on an unrestricted basis.

Procurements for architect-engineer services issued by GSA contracting activities in Region 4 for service code C119 and in Region 9 for service code C219 shall be set aside for small business when there is a reasonable expectation of obtaining competition from two or more small businesses. If no expectation exists, the procurement will be conducted on an unrestricted basis.

Region 4 encompasses the states of Alabama, Florida, Georgia, Kentucky, North Carolina, South Carolina, Mississippi, and Tennessee.

Region 9 encompasses the states of Arizona, California, Hawaii, and Nevada.