

Federal Assistance Program

The title and number of the Federal Assistance Program, as found in the catalog of Federal Domestic Assistance, to which this rule applies are: Cotton Production Stabilization—10.052.

Executive Order 12778

This final rule has been reviewed in accordance with Executive Order 12778. The provisions of the final rule do not preempt State laws, are not retroactive, and do not involve administrative appeals.

Executive Order 12372

This program/activity is not subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. See notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115 (June 24, 1983).

Paperwork Reduction Act

The amendments to 7 CFR parts 1413 and 1427 set forth in this final rule do not contain information collections that require clearance by the Office of Management and Budget under the provisions of 44 U.S.C. 35.

Background

This final rule amends 7 CFR part 1413 to set forth determinations on the 1995 ARP and the PLD Program and 7 CFR part 1427 to set forth the determinations on the 1995 price support level. General descriptions of the statutory basis for the 1995 ELS ARP percentage determination in this final rule were set forth in the proposed rule at 59 FR 55378 (November 7, 1994).

Three comments were received during the comment period. Two respondents recommended that an ARP level not higher than 10-percent would be sufficient to maintain a stable level of supplies. One respondent recommended a 15-percent ARP, but recognized that a 10-percent ARP would be acceptable.

In accordance with statutory requirements, the Secretary of Agriculture (Secretary) announced: a 10-percent ARP; a price support level of 79.65 cents per pound; and a target price of 95.6 cents per pound, for the 1995 ELS cotton program on December 1, 1994. The Secretary determined that a 10-percent ARP would maintain U.S. competitiveness in world markets while balancing the risks of excessive supplies and possible shortages. A 10-percent ARP reflects the current supply situation while signaling to domestic and foreign customers that the U.S. will be a reliable supplier.

Acreage Reduction

In accordance with section 103(h)(5) of the 1949 Act, an ARP has been established for the 1995 crop of ELS cotton at 10 percent. Accordingly, producers will be required to reduce their 1995 acreage of ELS cotton for harvest from the crop acreage base established for ELS cotton by at least this established percentage in order to be eligible for price support loans, purchase, and payments.

Paid Land Diversion

In accordance with section 103(h)(5)(B) of the 1949 Act, a PLD Program will not be implemented for the 1995 crop of ELS cotton.

Price Support Rate

In accordance with section 103(h)(2) of the 1949 Act, the price support rate has been established with respect to the 1995 crop of ELS cotton at 79.65 cents per pound.

Established (Target) Price

In accordance with section 103(h)(3)(B) of the 1949 Act, the established (target) price has been established with respect to the 1995 crop of ELS cotton at 95.6 cents per pound.

List of Subjects

7 CFR Part 1413

Acreage allotments, Cotton, Disaster assistance, Feed grains, Price support programs, Reporting and recordkeeping requirements, Rice, Soil conservation, Wheat.

7 CFR Part 1427

Cotton, Loan programs/agriculture, Packaging and containers, Price support programs, Reporting and recordkeeping requirements, Surety bonds, Warehouses.

Accordingly, 7 CFR parts 1413 and 1427 are amended as follows:

PART 1413—FEED GRAIN, RICE, UPLAND AND EXTRA LONG STAPLE COTTON, WHEAT AND RELATED PROGRAMS

1. The authority citation for 7 CFR part 1413 continues to read as follows:

Authority: 7 U.S.C. 1308, 1308a, 1309, 1441–2, 1444–2, 1444f, 1445b–3a, 1461–1469; 15 U.S.C. 714b and 714c.

2. Section 1413.54 is amended as follows by:

- A. Revising paragraphs (a)(5)(iii) and (a)(5)(iv), and
- B. Adding paragraphs (a)(5)(v),
- C. Adding paragraph (d)(5):

§ 1413.54 Acreage reduction program provisions.

- (a) * * *
- (5) * * *
- (iii) 1993 ELS cotton, 20 percent;
- (iv) 1994 ELS cotton, 15 percent; and
- (v) 1995 ELS cotton, 10 percent.

- * * * * *
- (d) * * *
- (5) For the 1995 crop:
- (i)–(iii) [Reserved]
- (iv) Shall not be made available to producers of ELS cotton.

* * * * *

3. Section 1413.103 is amended by adding paragraph (a)(8)(v) and revising paragraph (b) to read as follows:

§ 1413.103 Established (target) prices.

- (a) * * *
- (8) * * *
- (v) 1995 ELS cotton—\$.95.6/lb.
- (b) ELS cotton target price for the 1996 crop will be established as 120 percent of the loan rate for ELS cotton.

PART 1427—COTTON

4. The authority citation for 7 CFR part 1427 continues to read as follows:

Authority: 7 U.S.C. 1421, 1423, 1425, and 1444–2; 15 U.S.C. 7114b and 714c.

5. Section 1427.8 is amended as follows by:

- A. Revising paragraphs (a)(2)(iii) and (a)(2)(iv), and
- B. Adding paragraph (a)(2)(v):

§ 1427.8 Amount of loan.

- (a) * * *
- (2) * * *
- (iii) 1993 ELS cotton, 88.12 cents per pound;
- (iv) 1994 ELS cotton, 85.03 cents per pound; and
- (v) 1995 ELS cotton, 79.65 cents per pound.

* * * * *

Signed at Washington, DC on March 31, 1995.

Grant Buntrock,

Acting Executive Vice President, Commodity Credit Corporation.

[FR Doc. 95–8743 Filed 4–7–95; 8:45 am]

BILLING CODE 3410–05–P

DEPARTMENT OF ENERGY

10 CFR Part 600

Deviations for the Technology Reinvestment Project

AGENCY: Department of Energy.

ACTION: Rules; class deviations.

SUMMARY: The Department of Energy (DOE), pursuant to 10 CFR 600.4, hereby

announces two deviations from its Financial Assistance Rules for the Technology Reinvestment Project (TRP). The approval of these deviations ensures that the program goals and objectives are achieved and that public funds are conserved.

The TRP is a joint agency effort which implements the provisions of Defense Conversion, Reinvestment, and Transition Act of 1992. The Advanced Research Projects Agency, Department of Energy, National Aeronautics and Space Administration, Department of Commerce through the National Institutes of Standards and Technology, the Department of Transportation and the National Science Foundation are the six agencies collaborating in the TRP. The mission of TRP is to stimulate the transition to a growing, integrated, national industrial capability which provides the most advanced, affordable, military systems and the most competitive commercial production. The TRP seeks to harness the best talents available to focus on technology innovation, extension, infrastructure, and education and training for product and process technologies of critical importance to both national security and the national economy.

The two deviations have been approved because they are required to achieve program objectives. The first deviation will permit budget periods in excess of 12 months consistent with the solicitation and the second deviation permits DOE to withhold payments with 30 days verbal advance notification.

EFFECTIVE DATE: April 25, 1995.

FOR FURTHER INFORMATION CONTACT: Cynthia Yee, Office of Clearance and Support, [HR-522.2], U.S. Department of Energy, 1000 Independence Avenue, SW., Washington, DC 20585, (202) 586-1140.

SUPPLEMENTARY INFORMATION: In this notice, the DOE announces that, pursuant to 10 CFR Part 600, the Deputy Assistant Secretary for Procurement and Assistance Management has made a determination of the need for two deviations to the DOE Financial Assistance Rules. The determination document, dated March 13, 1995 provides for deviations for TRP recipients as explained below [i.e., a "class deviation"].

Deviation Number 1 deviates from the 12-month budget period limitation contained in 600.31(b). This deviation is necessary to permit projects with budget periods in excess of 12 months to be awarded. The solicitation allows for budgets with a base term of 12 to 24 months with options for additional 12 to 24 months. Therefore, deviation is required to execute those financial assistance

agreements for projects with performance periods greater than 12 months.

Deviation Number 2 permits the withholding of payment for failure to meet established milestone schedules with 30 days verbal notice of failure to make progress, thereby providing adequate advance notice of non-compliance. This is a deviation to 600.122(h) and 600.28 and furthers the program objective of reducing the administrative burden.

Issued in Washington, DC, March 13, 1995.

Richard H. Hopf,

Deputy Assistant Secretary for Procurement and Assistance Management.

[FR Doc. 95-8630 Filed 4-7-95; 8:45 am]

BILLING CODE 6450-01-P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Part 3

[Docket No. 95-07]

RIN 1557-AB14

Risk-Based Capital Requirements—Low Level Recourse

AGENCY: Office of the Comptroller of the Currency, Treasury.

ACTION: Final rule.

SUMMARY: The Office of the Comptroller of the Currency (OCC) is revising its risk-based capital standards as required by section 350 of the Riegle Community Development and Regulatory Improvement Act of 1994. This final rule modifies the risk-based capital treatment of recourse obligations to ensure that the amount of capital that a bank must hold against a recourse obligation does not exceed the bank's maximum contractual exposure. This corrects an anomaly in the existing risk-based capital standards under which the capital requirement could exceed a bank's maximum exposure.

EFFECTIVE DATE: May 10, 1995.

FOR FURTHER INFORMATION CONTACT:

David Thede, Senior Attorney, Securities and Corporate Practices Division (202/874-5210), Stephen Jackson, National Bank Examiner, (202) 874-5070, Office of the Comptroller of the Currency, 250 E Street, SW., Washington, DC 20219.

SUPPLEMENTARY INFORMATION: The Office of the Comptroller of the Currency (OCC) is revising its risk-based capital standards as required by section 350 of the Riegle Community Development and Regulatory Improvement Act of 1994, Pub. L. 103-325, 108 Stat. 2160 (the "CDRI Act"). Under the OCC's current

risk-based capital standards, assets transferred with recourse are reported on the balance sheet in regulatory reports. These amounts are thus included in the calculation of banks' risk-based capital and leverage capital ratios. Where a bank holds a low level of recourse, the amount of capital required could exceed the bank's maximum contractual liability under the recourse agreement. This can occur in transactions in which a bank contractually limits its recourse exposure to less than the full effective risk-based capital requirement for the assets transferred—generally, 4 percent for mortgage assets and 8 percent for other assets.

The OCC and the other Federal banking agencies (the Office of Thrift Supervision, Federal Reserve Board, and Federal Deposit Insurance Corporation) have long recognized this anomaly in the risk-based capital standards. On May 25, 1994, the Federal banking agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), issued a notice of proposed rulemaking and advance notice of proposed rulemaking (59 FR 27116) covering the capital treatment of recourse obligations and direct credit substitutes. The notice proposed, among other things, to amend the agencies' risk-based capital guidelines to limit the capital charge in low level recourse transactions to an institution's maximum contractual recourse liability. For these types of transactions the proposal would effectively result in a dollar capital charge for each dollar of low level recourse exposure, up to the full effective risk-based capital requirement on the underlying assets.

Of the 38 commenters that sent comments to the OCC in response to the May 25 proposal, 13 commenters specifically addressed limiting the capital requirement for low level recourse transactions to a bank's maximum contractual exposure. All 13 supported the limit, although many advocated additional changes to the OCC's capital standards for recourse obligations.

On September 23, 1994, the CDRI Act was signed into law. The OCC is issuing this final rule now in order to implement section 350. Consequently, this final rule covers only the limitation of the capital requirement to a bank's maximum contractual exposure and does not address any of the other issues raised in the May 25, 1994, proposal. The OCC and the other Federal banking agencies will continue to consider those other issues.