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.

The OCC, in consultation with the other banking agencies, will issue further guidance specifying how the modified capital standard will be implemented for reporting purposes. Following issuance of this additional guidance, the OCC intends to amend the rule to include a specific description of the reporting treatment.

Regulatory Flexibility Act

It is hereby certified that this final rule will not have a significant economic impact on a substantial number of small entities. This final rule will increase somewhat the measured risk-based capital ratios of banks of all sizes that sell assets with low levels of recourse and will have a beneficial, but not material, effect on those banks.

Executive Order 12866

The OCC has determined that this final rule is not a significant regulatory action under Executive Order 12866.

List of Subjects in 12 CFR Part 3

Administrative practice and procedure, Capital risk, National banks, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons set out in the preamble, part 3 of chapter I of title 12 of the Code of Federal Regulations is amended as follows:

PART 3—MINIMUM CAPITAL RATIOS; ISSUANCE OF DIRECTIVES

1. The authority citation for part 3 is revised to read as follows:

Authority: 12 U.S.C. 93a, 161, 1818, 1828(n), 1828 note, 1831n note, 1835, 3907, and 3909.

2. In appendix A to part 3, section 3 is amended by adding a new paragraph (c) to read as follows:

Appendix A to Part 3—Risk-Based Capital Guidelines

* * * * *

Section 3. Risk Categories/Weights for On-Balance Sheet Assets and Off-Balance Sheet Items

* * * * *

(c) *Recourse Obligations.* Where the amount of recourse liability retained by a bank is less than the capital requirement for credit-risk exposure, the bank shall maintain capital for the recourse liability equal to the amount of credit-risk exposure retained. Any recourse liability that is subject to this section 3(c) is not subject to any additional capital treatment under sections 3(a) or 3(b) of this appendix A.

* * * * *

Dated: March 17, 1995.

Eugene A. Ludwig,

Comptroller of the Currency.

[FR Doc. 95–8719 Filed 4–7–95; 8:45 am]

BILLING CODE 4810–33–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 94–NM–170–AD; Amendment 39–9191; AD 95–08–02]

Airworthiness Directives; Jetstream Model 4101 Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain Jetstream Model 4101 airplanes, that requires installation of new case drain pipes and an additional fairlead support for the hydraulics case drain line in the rear spar area of the engine/nacelle. This amendment is prompted by reports of fatigue failure of the case drain line in the hydraulics system. The actions specified by the proposed AD are intended to prevent the loss of main system hydraulics as a result of lack of support against vibration and subsequent fatigue failure of the case drain line for the hydraulics system.

DATES: Effective May 10, 1995.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of May 10, 1995.

ADDRESSES: The service information referenced in this AD may be obtained from Jetstream Aircraft, Inc., P.O. Box 16029, Dulles International Airport, Washington, DC 20041–6029. 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: Sam Grober, Aerospace Engineer, Standardization Branch, ANM–113, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055–4056; telephone (206) 227–1187; fax (206) 227–1320.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to certain Jetstream Model 4101 airplanes series airplanes was published in the **Federal Register** on December 16, 1994 (59 FR 64875). That action proposed to require installation of new case drain pipes and an additional fairlead support for the hydraulics case drain line in the rear spar area of the engine/nacelle. –

Interested persons have been afforded an opportunity to participate in the making of this amendment. Due consideration has been given to the single comment received. –

The commenter supports the proposed rule. –

After careful review of the available data, including the comment noted above, the FAA has determined that air safety and the public interest require the adoption of the rule as proposed. –

The FAA estimates that 9 airplanes of U.S. registry will be affected by this AD, that it will take approximately 10 work hours per airplane to accomplish the required actions, and that the average labor rate is $60 per work hour. Required parts will be supplied by the manufacturer at no cost to operators. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be $5,400, or $600 per airplane. –

The total cost impact figure discussed above is based on assumptions that no operator has yet accomplished any of the requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted. –

The regulations adopted herein will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment. –

For the reasons discussed above, I certify that this action (1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from the Rules Docket at the location provided under the caption **ADDRESSES.**