certified that this rule will not have a significant economic impact on a substantial number of small entities. This rule lessens the regulatory impact of the order on dairy farmers and will not affect milk handlers.

The Department is issuing this rule in conformance with Executive Order 12866.

This final rule has been reviewed under Executive Order 12778, Civil Justice Reform. This rule is not intended to have a retroactive effect. This rule will not preempt any state or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with the Secretary a petition stating that the order, any provisions of the order, or any obligation imposed in connection with the order is not in accordance with the law and requesting a modification of an order or to be exempted from the order. A handler is afforded the opportunity for a hearing on the petition. After a hearing, the Secretary would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has its principal place of business, has jurisdiction in equity to review the Secretary's ruling on the petition, provided a bill in equity is filed not later than 20 days after the date of the entry of the ruling.

This order of termination is issued pursuant to the provisions of the Agricultural Marketing Agreement Act and of the order regulating the handling of milk in the Eastern Ohio-Western Pennsylvania marketing area.

Notice of proposed rulemaking was published in the **Federal Register** on March 24, 1995 (60 FR 15523) concerning a proposed termination of certain provisions of the order. Interested persons were afforded an opportunity to file written data, views and arguments thereon. Two comments supporting (and none opposing) the proposed termination were received.

After consideration of all relevant material, including the proposal in the notice, the comments received, and other available information, it is hereby found and determined that the following provisions of the order do not tend to effectuate the declared policy of the Act:

Sections 1036.105 through 1036.122, the undesignated center heading preceding them, and the reference to these provisions in § 1036.73.

Statement of Consideration

This rule terminates the advertising and promotion provisions of the Eastern Ohio-Western Pennsylvania Federal milk order. Milk Marketing Inc. (MMI), Dairylea Cooperative Inc., and Tri-County Producers Cooperative, all associations of dairy farmers whose milk is pooled on the Eastern Ohio-Western Pennsylvania Federal milk order, requested termination of the provisions.

The cooperatives stated that the primary purpose of these provisions, at the time of their implementation, was to increase producer participation in the advertising and promotion of milk and dairy products. However, the Dairy and Tobacco Adjustment Act of 1983 mandated that all dairy farmers contribute to such activities through a national program that includes all Federal order marketing areas (7 CFR part 1150). The cooperatives asserted that the advertising and promotion provisions of the order are redundant and create unnecessary expenses in view of the existence of qualified regional programs that are funded under the national advertising and promotion program. The efficiency and effectiveness of producer funds would be enhanced with termination of the Federal order advertising and promotion provisions. Thus, the cooperatives requested removal of the advertising and promotion provisions to eliminate administrative costs without affecting the integrity of the Federal order program or the national Dairy Promotion Program.

Comments favoring the termination of the provisions were received from National Farmers Organization (NFO) and a dairy farmer whose milk is pooled on Order 36. NFO reiterated the comments made by the three proponent cooperatives. The dairy farmer's comments favored the proposed termination of the provisions.

The advertising and promotion provisions of the Eastern Ohio-Western Pennsylvania Federal order should be terminated. Termination of the aforesaid sections of Order 36 would reduce administrative costs of the Order, while funding for dairy research and promotion would be maintained via 7 CFR part 1150, the Dairy Promotion Program. In addition, producers whose milk is pooled under the order support elimination of these provisions.

Section 608c(16)(A) of the Act authorizing Federal milk orders provides that any order provisions may be terminated separately whenever the Secretary makes a determination that such provisions obstruct or do not tend to effectuate the declared policy of the Act.

Therefore, the aforesaid provisions of the order are hereby terminated.

List of Subjects in 7 CFR Part 1036

Milk marketing orders.

For the reasons set forth in the preamble, the following provisions in Title 7, Part 1036, are amended as follows:

PART 1036—MILK IN THE EASTERN OHIO-WESTERN PENNSYLVANIA MARKETING AREA

1. The authority citation for 7 CFR Part 1036 continues to read as follows:

Authority: 7 U.S.C. 601–674.

§ 1036.73 [Amended]

2. In § 1036.73, paragraph (a)(2)(iii) is amended, effective July 1, 1995, by adding the word ''and'', and paragraph (a)(2)(iv) is removed and reserved.

§§ 1036.105 through 1036.121 [Removed]

3. Sections 1036.105 through 1036.121 are removed, effective July 1, 1995.

§ 1036.122 [Removed]

4. Section 1036.122 and the undesignated center heading preceding it are removed, effective August 1, 1995.

Dated: May 1, 1995.

David R. Shipman,

Acting Deputy Assistant Secretary, Marketing and Regulatory Programs.

[FR Doc. 95–11042 Filed 5–4–95; 8:45 am]

BILLING CODE 3410–02–P

FEDERAL RESERVE SYSTEM

12 CFR Part 265

[Docket No. R–0877]

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 Federal Reserve Banks to approve certain public welfare investments by state member banks under the Board's Regulation H. This amendment should provide for more expeditious processing of these requests.

EFFECTIVE DATE: June 5, 1995.

FOR FURTHER INFORMATION CONTACT: Stephanie Martin, Senior Attorney (202–452–3198), Legal Division; Sandra

Braunstein, Manager for Community Affairs (202–452–3378), Division of Consumer and Community Affairs; Larry Cunningham, Supervisory Financial Analyst, Division of Banking Supervision and Regulation (202–452–2701); for users of the Telecommunications Device for the Deaf (TDD) only, Dorothea Thompson (202–452–3544); Board of Governors of the Federal Reserve System, Washington, DC 20551.

SUPPLEMENTARY INFORMATION: Section 9(23) of the Federal Reserve Act (12 U.S.C. 338a) allows state member banks, under certain conditions, to make investments designed primarily to promote the public welfare. Section 9(23) provides that public welfare investments must not violate state law or expose the bank to unlimited liability. Section 9(23) limits the aggregate of the bank's public welfare investments to 5 percent of the bank's capital stock and surplus, but allows the Board to increase this limit to as much as 10 percent on a case-by-case basis.

The Board's Regulation H (12 CFR 208.21) permits state member banks to make public welfare investments without prior approval if the investment is one that is listed in the regulation and if the bank meets the regulation's capital and condition requirements. Specifically, a state member bank may make an investment, without prior approval, that the Board or the Comptroller of the Currency (OCC) previously has determined to be a public welfare investment or that is an investment in a community development financial institution.[1] In addition, Regulation H allows state member banks to invest without prior approval in an entity established solely to engage in certain community development activities, such as low- and moderate-income housing, nonresidential real estate development, small business development, and job training.

In order to make a public welfare investment without prior approval, a state member bank must (1) Limit any single investment to not more than 2 percent of the bank's capital stock and surplus, (2) be at least adequately capitalized, (3) be rated a composite CAMEL ''1'' or ''2,'' (4) be rated at least ''satisfactory'' (i.e., ''2'') in its last consumer compliance examination, and (5) not be subject to any written agreement, cease and desist order, capital directive, or prompt corrective action directive.

The Board is delegating to the Federal Reserve Banks the authority to approve certain public welfare investments by state member banks that do not meet the ''no-prior-approval'' conditions in Regulation H. Specifically, Reserve Banks may approve investments that meet all the conditions in § 208.21(b) of Regulation H, except that:

- The bank's compliance rating is ''3;''
- The investment would exceed 2 percent (but not 5 percent) of the bank's capital and surplus; or
- The aggregate of all such investments of the bank exceeds 5 percent (but not 10 percent) of its capital stock and surplus.

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 265.11 is amended by adding a new paragraph (e)(12) to read as follows:

§ 265.11 Functions delegated to Federal Reserve Banks.

* * * * *

(e) * * *

(12) *Public welfare investments.* To permit a state member bank to make a public welfare investment that meets the conditions set forth in § 208.21(b)(1)–(8) of Regulation H (12 CFR 208), except that:

(i) The state member bank received an overall rating of ''3'' as of its most recent consumer compliance examination;

(ii) The investment exceeds 2 percent, but does not exceed 5 percent, of the state member bank's capital stock and surplus as defined under 12 CFR 250.162; or

(iii) The aggregate of all such investments of the state member bank exceeds 5 percent, but does not exceed 10 percent, of its capital stock and surplus as defined under 12 CFR 250.162.

* * * * *

By order of the Board of Governors of the Federal Reserve System, May 1, 1995.

William W. Wiles,

Secretary of the Board.

[FR Doc. 95–11087 Filed 5–4–95; 8:45 am]

BILLING CODE 6210–01–P

[1] ''Community development financial institution'' is defined in the Community Development Banking and Financial Institutions Act of 1994 (Title I of Pub. L. 103–325, 108 Stat. 2160, section 103(5)).

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Parts 2 and 35

[Docket No. PL95–1–000]

Ratemaking Treatment of the Cost of Emissions Allowances in Coordination Rates; Order No. 579

Issued April 26, 1995.

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Final rule amendment and confirmation of interim rules as final.

SUMMARY: On December 15, 1994, the Commission issued a Policy Statement and Interim Rule Regarding Ratemaking Treatment of the Cost of Emissions Allowances in Coordination Rates. In the Policy Statement, codified in § 2.25, the Commission set forth the elements of what generally constitutes appropriate ratemaking treatment of sulfur dioxide emissions allowances in coordination transactions under the Federal Power Act. The Interim Rule, codified in § 35.23, implemented the filing guidelines set forth in the Policy Statement.

This order is issued in response to comments on the Interim rule (§ 35.23). It clarifies the Policy Statement (§ 2.25) in certain respects and adopts the Interim Rule, without modification, as a Final Rule.

EFFECTIVE DATE: June 5, 1995.

FOR FURTHER INFORMATION CONTACT:

Wayne W. Miller (Legal Information), Office of the General Counsel, Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, Telephone: (202) 208–0466

Moira Notargiacomo (Technical Information), Office of Electric Power Regulation, Federal Energy Regulatory Commission, 825 North Capitol Street NE., Washington, DC 20426, Telephone: (202) 208–1079.