

# Rules and Regulations

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## FARM CREDIT ADMINISTRATION

### 12 CFR Part 615

RIN 3052-AB66

#### Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations; Global Debt

**AGENCY:** Farm Credit Administration.

**ACTION:** Final rule.

**SUMMARY:** The Farm Credit Administration (FCA) adopts as final without change an interim rule that clarifies the Federal Farm Credit Banks Funding Corporation's (Funding Corporation) statutory authority to use more than one fiscal agent to facilitate the sale of Systemwide debt securities. The rule permits the Funding Corporation to employ fiscal agents other than Federal Reserve Banks (FRBs) for issuance of dollar denominated Systemwide debt securities in foreign capital markets. The rule recognizes the authority of the Funding Corporation to issue, sell, and distribute Systemwide debt securities on behalf of the Farm Credit banks (banks) on a global basis and allows the banks to engage in debt marketing practices used by other Government-Sponsored Enterprises (GSEs).

**EFFECTIVE DATE:** January 2, 1996.

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or

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**SUPPLEMENTARY INFORMATION:** On November 24, 1995, the FCA published an interim rule with a request for public comments (60 FR 57916). The interim

rule clarified the Funding Corporation's statutory authority to employ fiscal agents other than FRBs for issuance of dollar-denominated Systemwide debt securities in foreign capital markets and required the Funding Corporation Board of Directors to approve each prospective global agent. The interim rule also established a new subpart that differentiates Systemwide debt securities distributed outside the United States from those issued through the FRBs under existing Funding Corporation programs. In adopting the interim rule, the FCA noted that marketing debt internationally may broaden the investor base for Systemwide debt securities and lead to lower funding costs.

The FCA received one comment on the interim rule. In its comment letter, the Funding Corporation supported the interim rule as essential for the successful issuance of securities under a global debt program. The Funding Corporation also requested clarification on the reference in the preamble to "\* \* \* the requirement that the Funding Corporation Board of Directors approve each prospective global agent *and clearing system*" (60 FR 57919) (emphasis added). The Funding Corporation pointed out that, in contrast, the interim rule does not refer to Funding Corporation board approval of clearing systems but only to approval of "each global agent" (§ 615.5502(b)).

The preamble was designed to emphasize the significant role a global agent plays in global debt offerings rather than place an additional requirement on the Funding Corporation Board of Directors. The intent of the regulation is only to require the Funding Corporation Board of Directors to approve each prospective global agent. The preamble broadly contrasts the operational risks of using a global agent and international clearing system(s) with the operational risks of using the FRBs as fiscal agent and the FRBs' book-entry system and recognizes that the global agent will have significant influence on the determination of which international clearing system(s) are used.

As a practical matter, the Funding Corporation, global agent, and dealers will agree on the clearing system(s) that will be made available for clearance and settlement of transactions in advance of any primary distribution of global debt

securities. Therefore, information concerning the clearance and settlement procedures and the responsibilities of program participants can be provided in either the offering circular or pricing supplement.

With this clarification, the FCA Board adopts the interim rule amending 12 CFR part 615, which was published at 60 FR 57916 on November 24, 1995, as final without change.

#### List of Subjects in 12 CFR Part 615

Accounting, Agriculture, Banks, banking, Government securities, Investments, Rural areas.

Dated: March 19, 1996.

Floyd Fithian,

Secretary, Farm Credit Administration Board.  
[FR Doc. 96-7107 Filed 3-22-96; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 95-NM-48-AD; Amendment 39-9549; AD 96-07-01]

#### Airworthiness Directives; McDonnell Douglas Model DC-10-10, -15, -30, and -40 Series Airplanes, and KC-10A (Military) Airplanes

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Final rule.

**SUMMARY:** This amendment adopts a new airworthiness directive (AD), applicable to certain McDonnell Douglas Model DC-10 series airplanes and KC-10A (military) airplanes, that requires visual inspections to detect failure of the attachments located in the banjo No. 4 fitting of the vertical stabilizer. This amendment also requires an eddy current inspection to detect cracking of the flanges and bolt holes of that fitting, and repair or replacement of attachments. This amendment is prompted by reports of failed attachments of the vertical stabilizer; the failures are attributed to fatigue. The actions specified by this AD are intended to prevent loss of the fail safe capability of the vertical stabilizer due to cracking of its attachments.

**DATES:** Effective April 24, 1996.