

*Day 1—March 11**Methodology Overview and Description of Analytical Tools*

9:00 a.m.—9:15 a.m.

Opening Remarks, Overview, Agenda Review

9:15 a.m.—9:30 a.m.

Description of the Review Process  
—Major objectives of the process rule regarding the analysis of manufacturer impacts  
—Process description  
—Schedule

9:30 a.m.—9:45 a.m.

Analytical Framework  
—Measures of impact  
—Firms considered  
—Balance of qualitative and quantitative assessments

9:45 a.m.—10:30 a.m.

Description of New Approach  
—Overview  
—Relationship to other standards analyses  
—Phase 1, Industry Profile  
—Phase 2, Industry Cash Flow  
—Phase 3, Sub-Group Analysis

10:30 a.m.—10:45 a.m.

Break

10:45 a.m.—12:00 noon

Description of the GRIM Model  
—Role and applicability of the GRIM Model  
—Financial principles  
—Input requirements  
—Output results  
—Open discussion, suggested modification, e.g. inclusion of return on investment

12:00 noon—1:00 p.m.

Lunch

1:00 p.m.—2:00 p.m.

Preparing the Industry Profiles  
—Industry characterization  
—Industry data book

2:00 p.m.—3:30 p.m.

Issues in Shipments Forecasts—*Panel and Open Discussion*  
—Role of forecasting models in the manufacturer impact analyses  
—General description of models, including

- Input requirements
- Outputs
- Key assumptions
- Uncertainty analysis
- Track record
- Operating characteristics

—New spread sheet approach  
—Advantages and disadvantages of alternate approaches to forecasting shipments for GRIM

3:30 p.m.—5:00 p.m.

Optional hands-on computer training on the models

*Day 2—March 12**Methodology Implementation*

9:00 a.m.—9:15 a.m.

Opening Remarks, Agenda Review

—Objectives

9:15 a.m.—9:45 a.m.

Review of Day One Outcomes

—Key issues

—DOE perspective

—Stakeholder comments

9:45 a.m.—10:00 a.m.

Break

10:00 a.m.—11:30 a.m.

Estimating Manufacturing Costs for Input to GRIM—*Panel and Open Discussion*

—Relationship to engineering analysis

—Uncertainty in key variables

—Variability between firms

—Data collection methods e.g.

ASHRAE methodology

—Costs not considered in GRIM

11:30 a.m.—12:30 p.m.

Lunch

12:30 p.m.—1:30 p.m.

Estimating Prices for Input to GRIM—*Panel and Open Discussion*

—Relationship to life-cycle cost analysis

—Economic concepts

—DOT methodology

—Alternative forecasts

—Scenario/uncertainty analysis

—Open discussion

1:30 p.m.—2:30 p.m.

Estimating Shipments for Input to GRIM—*Panel and Open Discussion*

—Relationship to national benefits forecasts

—Appropriateness of existing forecasting models

—Simplified spreadsheet model

—Alternative forecasts

—Scenario/uncertainty analysis

—Open discussion

2:30 p.m.—2:45 p.m.

Break

2:45 p.m.—4:15 p.m.

Non-Model Impact Evaluation—*Panel and Open Discussion*

—Competitive impacts

—Manufacturing capacity, lost investment

—Employment impacts

—Information gathering and assessment methodology

—Cumulative impacts

4:15 p.m.—4:45 p.m.

Other Issues/Alternative Methods/  
Stakeholder Comments

4:45 p.m.—5:00 p.m.

Discussion of Future Steps

—Working group(s) composition, role and meetings

5:00 p.m.

Adjourn

Issued in Washington, DC, on February 18, 1997.

Christine A. Ervin,  
*Assistant Secretary, Energy Efficiency and Renewable Energy.*

[FR Doc. 97-4427 Filed 2-21-97; 8:45 am]

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**10 CFR Part 835**

[Docket Number EH-RM-96-835]

**Occupational Radiation Protection****AGENCY:** Office of Environment, Safety and Health, DOE.**ACTION:** Proposed Rule; Extension of Public Comment Period.**SUMMARY:** The Department of Energy (DOE) published a notice of proposed rulemaking on December 23, 1996, (61 FR 67600) concerning amending its primary standards for occupational radiation protection. That notice provided the public with the opportunity to provide written comments on this issue with a written comment period to end on February 21, 1997. Today's notice extends this written comment period to March 31, 1997.**DATES:** Written comments and data must be received by the Department on or before March 31, 1997.**ADDRESSES:** Written comments and data (5 copies and, if possible, a computer disk) should be addressed to Dr. Joel Rabovsky, U.S. Department of Energy, Office of Environment, Safety and Health, EH-52, EH-RM-96-835, 1000 Independence Avenue, SW, Washington, DC 20585. Telephone: 202 586-3012.**FOR FURTHER INFORMATION CONTACT:** Dr. Joel Rabovsky, U.S. Department of Energy, Office of Environment, Safety and Health, EH-52, 1000 Independence Avenue, SW, Washington, DC 20585. Telephone: 301 903-2135.

For information concerning the submission of comments, contact Ms. Andi Kasarsky on (202) 586-3012.

Issued in Washington, DC on February 18, 1997.

Peter N. Brush,

*Principal Deputy Assistant Secretary for Environment, Safety and Health.*

[FR Doc. 97-4426 Filed 2-21-97; 8:45 am]

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**FARM CREDIT ADMINISTRATION****12 CFR Part 650**

RIN 3052-AB72

**Federal Agricultural Mortgage Corporation; Receivers and Conservators****AGENCY:** Farm Credit Administration.**ACTION:** Proposed rule.**SUMMARY:** The Farm Credit Administration (FCA), by the FCA

Board (Board), proposes to amend the regulations that appertain to the Federal Agricultural Mortgage Corporation (Farmer Mac or Corporation) by adding a subpart to govern a receivership or conservatorship. This action is the result of changes made to the Farm Credit Act of 1971, as amended (Act), by the Farm Credit System Reform Act of 1996 (1996 Reform Act), Pub. L. 104-105 (Feb. 10, 1996). The proposed rule implements the receivership/conservatorship authorities granted to the FCA in the 1996 Reform Act and by previous law.

**DATES:** Written comments should be received on or before March 26, 1997.

**ADDRESSES:** Comments may be mailed or delivered to Patricia W. DiMuzio, Director, Regulation Development Division, Office of Policy Development and Risk Control, Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102-5090 or sent by facsimile transmission to FAX number (703) 734-5784. Comments may also be submitted via electronic mail to "reg-comm@fca.gov". Copies of all communications received will be available for review by interested parties in the Office of Policy Development and Risk Control, Farm Credit Administration.

**FOR FURTHER INFORMATION CONTACT:** Larry W. Edwards, Director, Office of Secondary Market Oversight, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4051, TDD (703) 883-4444.

**SUPPLEMENTARY INFORMATION:** The 1996 Reform Act added section 8.41 to the Act, which grants the FCA the authority to place the Corporation into receivership and expands FCA's existing authority to place the Corporation into conservatorship. The 1996 Reform Act provides that the receiver or conservator appointed for the Corporation shall have such powers as are authorized in regulations adopted by the FCA and that such powers shall be comparable to those of a receiver or conservator appointed pursuant to section 4.12(b) of the Act. The proposed regulations implement these statutory provisions.

Based on the comparability requirement in section 8.41(e), the proposed regulations contain most of the provisions of existing part 627 (§§ 627.2700-627.2790) with certain modifications as necessary to implement section 8.41 and to reflect the unique characteristics of Farmer Mac.<sup>1</sup> The following is a section-by-

section summary of the proposed regulations.

*Section 650.50—Grounds for Appointment of a Receiver or Conservator*

The 1996 Reform Act incorporated the grounds for receivership or conservatorship listed in existing section 4.12(b) of the Act and added an additional criterion for determining whether the Corporation is insolvent. Insolvency is defined in proposed § 650.50(a) as when: (1) The assets of the Corporation are less than its obligations to creditors and others; or (2) the Corporation is unable to pay its debts as they fall due in the ordinary course of business. The remaining grounds listed in section 4.12(b) are incorporated in proposed § 650.50(a) with one exception. Section 4.12(b)(6) is inapplicable to Farmer Mac because it pertains solely to the inability to pay the principal or interest on "insured obligations." Section 5.51 of the Act defines "insured obligations" as those obligations issued by Farm Credit System banks and, therefore, does not include the obligations of Farmer Mac.

Proposed § 650.50(b) incorporates the three additional grounds that are in the 1996 Reform Act for appointment of a receiver for the Corporation. A receiver may be appointed if: (1) The authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or (2) the Corporation is classified under section 8.35 of the Act as within enforcement level III or IV and the alternative actions available under subtitle B are not satisfactory; and (3) prior to appointing a receiver under the first two conditions, the FCA determines that the appointment of a conservator would not be appropriate.

Pursuant to the 1996 Reform Act, proposed § 650.50(c) authorizes the FCA to appoint a conservator for Farmer Mac if its authority to purchase qualified loans or issue or guarantee loan-backed securities is suspended. Proposed § 650.50(c) also incorporates the authority in section 8.37 of the Act for the FCA to appoint a conservator for Farmer Mac if the Corporation is classified under section 8.35 of the Act as within enforcement level III or IV.

*Section 650.51—Action for Removal of Receiver or Conservator*

Proposed § 650.51 contains the procedures provided by the 1996 Reform Act for the Corporation to challenge the FCA's appointment of a

receiver or conservator. Proposed § 650.51 also authorizes the Corporation's board of directors to meet following the appointment of the receiver or conservator in order to authorize the filing of an action for removal of the receiver or conservator.

*Section 650.52—Voluntary Liquidation*

Proposed § 650.52 incorporates the authority in the 1996 Reform Act for Farmer Mac to voluntarily liquidate with the consent of the FCA, provided that the liquidation is conducted in accordance with a plan of liquidation approved by the FCA. Although the regulation does not require that a voluntary liquidation include a receiver, the FCA may, in its discretion, appoint a receiver as part of an approved liquidation plan. If a receiver is appointed to conduct a voluntary liquidation of the Corporation, the receivership will be conducted pursuant to these regulations, except to the extent that a plan for voluntary liquidation, approved by the stockholders and FCA, provides otherwise.

In addition, proposed § 650.52 requires that the resolution of the Corporation's board of directors and the liquidation plan be submitted to the FCA for preliminary approval. If preliminary approval is given, the resolution must be approved by the Corporation's stockholders. The stockholder voting procedures would be in accordance with the Corporation's bylaws. Following an affirmative vote of the stockholders, the FCA will consider final approval of the resolution and plan for voluntary liquidation.

*Section 650.55—Appointment of a Receiver*

Consistent with part 627, proposed § 650.55 provides for notification of the Corporation immediately upon appointment of the receiver and for public notification in the Federal Register. Further, upon appointment of the receiver, all rights, privileges, and powers of the board of directors, officers, and employees of the Corporation would be vested exclusively in the receiver, except that the board of directors is authorized by proposed § 650.51 to maintain an action to challenge the receivership. Finally, pursuant to the 1996 Reform Act, proposed § 650.55 authorizes the FCA to cancel the charter of the Corporation upon appointment of the receiver or at such later date as the FCA determines is appropriate, but not later than the conclusion of the receivership.

<sup>1</sup> For more information on the regulations in 12 CFR part 627, see 57 FR 46482 (Oct. 9, 1992); 57

FR 23348 (Jun. 3, 1992); 54 FR 1148 (Jan. 12, 1989); 51 FR 32444 (Sept. 12, 1986).

*Section 650.56—Powers and Duties of the Receiver*

Pursuant to the requirement in the 1996 Reform Act that the powers of a receiver or conservator of Farmer Mac be comparable to the powers of a receiver or conservator of a Farm Credit institution, proposed § 650.56 incorporates all of the powers of receivers found in § 627.2725, except those few that deal only with the functions of banks and associations and would not be applicable to a receiver of Farmer Mac. Generally, a receiver or conservator of Farmer Mac would have all of the rights and powers that the Corporation had prior to the appointment of the conservator or receiver, including the power to issue guarantees of securities. The FCA requests comment on whether it would be appropriate to place limitations on any of these powers of Farmer Mac and if so asks for comment concerning specific reasons for any such limitation. In addition, the 1996 Reform Act authorizes a receiver or conservator of Farmer Mac to borrow funds to meet the ongoing administrative expenses and other liquidity needs of the receivership or conservatorship. Funds may be borrowed from such sources, in such amounts, and at such rates of interest as the receiver or conservator determines are necessary or appropriate to fund the working capital needs of the receivership or conservatorship.

*Section 650.57—Report to Congress*

Proposed § 650.57 incorporates the 1996 Reform Act requirement that the receiver submit a report to Congress on the financial condition of the receivership if the receiver determines that it is likely that there will be insufficient assets of the receivership to pay all valid claims.

*Section 650.58—Preservation of Equity*

Proposed § 650.58 provides for preservation of the equities of the Corporation in receivership until final distribution and also protects the equities of the Corporation in a voluntary liquidation until the stockholders and the FCA have approved the liquidation plan. If a voluntary liquidation is approved by the stockholders and the FCA and a receiver is appointed, disposition of equities of the Corporation would proceed in accordance with proposed § 650.62(b). If a receiver is not appointed, disposition would proceed according to the plan of liquidation approved by the FCA pursuant to proposed § 650.52.

*Section 650.59—Notice to Stockholders*

Proposed § 650.59 incorporates the provisions in part 627 for notifying stockholders of the appointment of a receiver.

*Section 650.60—Creditor Claims*

The requirements for publication of a notice to creditors, allowance of claims, and payment of claims contained in part 627 are incorporated in proposed § 650.60.

*Section 650.61—Priority of Claims*

Proposed § 650.61 governs the priority of claims that apply to the distribution of assets of the Corporation in receivership. Distribution of assets begins with the first class of claims and will continue with each succeeding class until all claims are paid or the assets of the Corporation are exhausted. First in priority would be administrative expenses of the Corporation in receivership, including any amounts borrowed for working capital pursuant to proposed § 650.56(b)(3). Also included in this class would be FCA's annual assessment of the Corporation pursuant to section 5.15 of the Act,<sup>2</sup> including any unpaid amounts as of the date of appointment of the receiver. Section 5.15 requires that the FCA determine, assess and collect the costs of supervising and examining the Corporation separate from the costs of administering the Act with regard to other Farm Credit System institutions. The intent of separate apportionment is to ensure, in accordance with section 8.1(a)(3), that Farmer Mac does not pay for the costs of supervising and examining the other Farm Credit System institutions and that the other institutions do not pay FCA's similar costs related to Farmer Mac. The FCA believes that providing for FCA assessments as an administrative expense of the receivership and a first priority claim is necessary to ensure that the provisions of the Act regarding separate assessments are not violated.

Next in priority are administrative expenses of the Corporation, incurred within 60 days prior to the receiver's taking possession, claims for wages and salaries of employees of the Corporation, and claims for taxes, respectively. Following these claims, all claims of creditors that are secured by specific assets of the Corporation would be paid. Finally, payments would be made for the claims of general creditors of the Corporation.

<sup>2</sup>Such assessments will continue until the Corporation's charter is canceled and the Office of Secondary Market Oversight is abolished.

The FCA notes that pursuant to these priorities, obligations of Farmer Mac, whether general obligations issued under section 8.6(e)(2) or obligations issued to the Secretary of the Treasury under section 8.13, will fall in either the category of secured obligations (§ 650.61(f)) or unsecured obligations (§ 650.61(g)) depending on the terms of each individual debt issuance. The FCA is considering whether the Secretary of the Treasury should be afforded a priority higher than other creditors and requests comments.

In addition, the maximum amount for wage and salary claims of employees not engaged by the receiver in proposed § 650.61(d) is stated in terms of the 1992 baseline of \$3,000. The baseline will be adjusted to compute the maximum compensation limit at the time of any receivership.<sup>3</sup>

*Section 650.62—Payment of Claims*

Proposed § 650.62 provides for payment of claims according to the priorities set forth in proposed § 650.61 and distribution of the remainder of the assets of the Corporation according to the Corporation's bylaws.

*Section 650.63—Inventory, Audit, and Reports*

The requirements in part 627 for an inventory of assets, annual audit of the receivership, annual accounting to stockholders (available upon request), and a report to each stockholder at the conclusion of the receivership summarizing the disposition of the assets and claims are incorporated into proposed § 650.63.

*Section 650.64—Final Discharge and Release of the Receiver*

Proposed § 650.64 provides that after the receiver has made a final distribution of the assets of the receivership, the receivership will be terminated and the receiver finally discharged and released. In addition, if the charter of the Corporation has not been canceled pursuant to proposed § 650.55(c), the charter will be canceled at the time of discharge and release of the receiver.

<sup>3</sup>If the FCA were to compute the maximum compensation limit based on 1996 and include the 1996 number as the baseline year, the maximum claim amounts under part 627 and part 650, as calculated in any year subsequent to 1996, would be slightly different due to the different base amounts. The FCA believes that the maximum claim amount for wages and salaries of employees not retained by a receiver should be the same when computed under any FCA receivership regulation.

**Section 650.65—Appointment of a Conservator**

Consistent with part 627, proposed § 650.65 provides for notification of the appointment of a conservator and authorizes the Board to terminate the conservatorship at any time and direct the conservator to turn over the Corporation's operation to such management as the Board may designate.

**Section 650.66—Powers and Duties of the Conservator**

Pursuant to the requirement in the 1996 Reform Act that a conservator of the Corporation have powers comparable to those of a conservator of a Farm Credit institution appointed under section 4.12(b) of the Act, proposed § 650.66 incorporates the powers and duties of conservators that are contained in part 627. A conservator for Farmer Mac will have all of the powers of a receiver of Farmer Mac with the exception of those listed in proposed § 650.56(b)(2) and (b)(16).

**Section 650.67—Inventory, Examination, and Reports to Stockholders**

Proposed § 650.67 requires the conservator to prepare an inventory of assets and liabilities of the Corporation and clarify that the FCA has authority to examine the Corporation in conservatorship. Further, the Corporation in conservatorship will be required to file financial reports with the FCA in accordance with § 620.40 and part 621 and will be required to comply with the applicable provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934.

**Section 650.68—Final Discharge and Release of the Conservator**

Proposed § 650.68 requires the conservator to file a report on its activities with the FCA at such time as the conservator is relieved of its duties and will then be completely and finally released.

**List of Subjects in 12 CFR Part 650**

Agriculture, Banks, banking, Conflicts of interests, Rural areas.

For the reasons stated in the preamble, part 650 of chapter VI, title 12 of the Code of Federal Regulations is proposed to be amended to read as follows:

**PART 650—FEDERAL AGRICULTURAL MORTGAGE CORPORATION**

1. The authority citation for part 650 is revised to read as follows:

Authority: Secs. 4.12, 5.9, 5.17, 8.11, 8.37, 8.41 of the Farm Credit Act (12 U.S.C. 2183, 2243, 2252, 2279aa-11, 2279bb-6, 2279cc); sec. 514 of Pub. L. 102-552, 106 Stat. 4102; sec. 118 of Pub. L. 104-105, 110 Stat. 168.

2. Part 650 is amended by adding a new subpart C to read as follows:

**Subpart C—Receiver and Conservator**

Sec.

- 650.50 Grounds for appointment of a receiver or conservator.
- 650.51 Action for removal of receiver or conservator.
- 650.52 Voluntary liquidation.
- 650.55 Appointment of a receiver.
- 650.56 Powers and duties of the receiver.
- 650.57 Report to Congress.
- 650.58 Preservation of equity.
- 650.59 Notice to stockholders.
- 650.60 Creditor claims.
- 650.61 Priority of claims.
- 650.62 Payment of claims.
- 650.63 Inventory, audit, and reports.
- 650.64 Final discharge and release of the receiver.
- 650.65 Appointment of a conservator.
- 650.66 Powers and duties of the conservator.
- 650.67 Inventory, examination, and reports to stockholders.
- 650.68 Final discharge and release of the conservator.

**Subpart C—Receiver and Conservator****§ 650.50 Grounds for appointment of a receiver or conservator.**

(a) The grounds for the appointment of a receiver or conservator for the Corporation are:

(1) The Corporation is insolvent. For purposes of this paragraph, insolvent means:

(i) The assets of the Corporation are less than its obligations to its creditors and others; or

(ii) The Corporation is unable to pay its debts as they fall due in the ordinary course of business;

(2) There has been a substantial dissipation of the assets or earnings of the Corporation due to the violation of any law, rule, or regulation, or the conduct of an unsafe or unsound practice;

(3) The Corporation is in an unsafe or unsound condition to transact business;

(4) The Corporation has committed a willful violation of a final cease-and-desist order issued by the Farm Credit Administration Board;

(5) The Corporation is concealing its books, papers, records, or assets, or is refusing to submit its books, papers, records, assets, or other material relating to the affairs of the Corporation for inspection to any examiner or any lawful agent of the Farm Credit Administration Board.

(b) In addition to the grounds set forth in paragraph (a) of this section, a

receiver can be appointed for the Corporation if the Farm Credit Administration determines that the appointment of a conservator would not be appropriate when one of the following conditions exists:

(1) The authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or

(2) The Corporation is classified under section 8.35 of the Act as within enforcement level III or IV and the alternative actions available under subtitle B of title VIII of the Act are not satisfactory.

(c) In addition to the grounds set forth in paragraph (a) of this section, a conservator can be appointed for the Corporation if:

(1) The Corporation is classified under section 8.35 of the Act as within enforcement level III or IV; or

(2) The authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended.

**§ 650.51 Action for removal of receiver or conservator.**

Upon the appointment of a receiver or conservator for the Corporation by the Farm Credit Administration Board pursuant to § 650.50 of this subpart, the Corporation may, within 30 days of such appointment, bring an action in the United States District Court for the District of Columbia, for an order requiring the Farm Credit Administration Board to remove the receiver or conservator and, if the charter has been canceled, to rescind the cancellation of the charter. Notwithstanding any other provision of this part, the Corporation's board of directors is empowered to meet subsequent to such appointment and authorize the filing of an action for removal. An action for removal may be authorized only by the Corporation's board of directors.

**§ 650.52 Voluntary liquidation.**

(a) The Corporation may voluntarily liquidate by a resolution of its board of directors, but only with the consent of, and in accordance with a plan of liquidation approved by, the Farm Credit Administration Board. Upon adoption of such resolution, the Corporation shall submit the resolution and proposed voluntary liquidation plan to the Farm Credit Administration for preliminary approval. The Farm Credit Administration Board, in its discretion, may appoint a receiver as part of an approved liquidation plan. If a receiver is appointed for the Corporation as part of a voluntary

liquidation, the receivership shall be conducted pursuant to the regulations of this part, except to the extent that an approved plan of liquidation provides otherwise.

(b) If the Farm Credit Administration Board gives preliminary approval to the liquidation plan, the board of directors of the Corporation shall submit the resolution to liquidate to the stockholders for a vote in accordance with the bylaws of the Corporation.

(c) The Farm Credit Administration Board will consider final approval of the resolution to voluntarily liquidate and the liquidation plan after an affirmative stockholder vote on the resolution.

**§ 650.55 Appointment of a receiver.**

(a) The Farm Credit Administration Board may in its discretion appoint, ex parte and without prior notice, a receiver for the Corporation provided that one or more of the grounds for appointment as set forth in § 650.50 of this subpart exist.

(b) Upon the appointment of the receiver, the Chairman of the Farm Credit Administration Board shall immediately notify the Corporation and shall publish a notice of the appointment in the Federal Register.

(c) Upon the issuance of the order placing the Corporation into liquidation and appointing the receiver, all rights, privileges, and powers of the board of directors, officers, and employees of the Corporation shall be vested exclusively in the receiver. The Farm Credit Administration Board may cancel the charter of the Corporation on such date as the Farm Credit Administration determines is appropriate, but not later than the conclusion of the receivership and discharge of the receiver.

**§ 650.56 Powers and duties of the receiver.**

(a) *General.* Upon appointment as receiver, the receiver shall take possession of the Corporation in order to wind up the business operations of the Corporation, collect the debts owed to the Corporation, liquidate its property and assets, pay its creditors, and distribute the remaining proceeds to stockholders. The receiver is authorized to exercise all powers necessary to the efficient termination of the Corporation's operation as provided for in this part.

(2) Upon its appointment as receiver, the receiver automatically succeeds to:

(i) All rights, titles, powers, and privileges of the Corporation and of any stockholder, officer, or director of the Corporation with respect to the Corporation and the assets of the Corporation; and

(ii) Title to the books, records, and assets of any other legal custodian of the Corporation.

(3) The receiver of the Corporation serves as the trustee of the receivership estate and conducts its operations for the benefit of the creditors and stockholders of the Corporation.

(b) *Specific powers.* The receiver may:

(1) Exercise all powers as are conferred upon the officers and directors of the Corporation under law and the articles and bylaws of the Corporation.

(2) Take any action the receiver considers appropriate or expedient to carry on the business of the Corporation during the process of liquidating its assets and winding up its affairs.

(3) Borrow funds in accordance with section 8.41(f) of the Act to meet the ongoing administrative expenses or other liquidity needs of the receivership.

(4) Pay any sum the receiver deems necessary or advisable to preserve, conserve, or protect the Corporation's assets or property or rehabilitate or improve such property and assets.

(5) Pay any sum the receiver deems necessary or advisable to preserve, conserve, or protect any asset or property on which the Corporation has a lien or in which the Corporation has a financial or property interest, and pay off and discharge any liens, claims, or charges of any nature against such property.

(6) Investigate any matter related to the conduct of the business of the Corporation, including, but not limited to, any claim of the Corporation against any individual or entity, and institute appropriate legal or other proceedings to prosecute such claims.

(7) Institute, prosecute, maintain, defend, intervene, and otherwise participate in any legal proceeding by or against the Corporation or in which the Corporation or its creditors or stockholders have any interest, and represent in every way the Corporation, its stockholders and creditors.

(8) Employ attorneys, accountants, appraisers, and other professionals to give advice and assistance to the receivership generally or on particular matters, and pay their retainers, compensation, and expenses, including litigation costs.

(9) Hire any agents or employees necessary for proper administration of the receivership.

(10) Execute, acknowledge, and deliver, in person or through a general or specific delegation, any instrument necessary for any authorized purpose, and any instrument executed under this paragraph shall be valid and effective as

if it had been executed by the Corporation's officers by authority of its board of directors.

(11) Sell for cash or otherwise any mortgage, deed of trust, chose in action, note, contract, judgment or decree, stock, or debt owed to the Corporation, or any property (real or personal, tangible or intangible).

(12) Purchase or lease office space, automobiles, furniture, equipment, and supplies, and purchase insurance, professional, and technical services necessary for the conduct of the receivership.

(13) Release any assets or property of any nature, regardless of whether the subject of pending litigation, and repudiate, with cause, any lease or executory contract the receiver considers burdensome.

(14) Settle, release, or obtain release of, for cash or other consideration, claims and demands against or in favor of the Corporation or receiver.

(15) Pay, out of the assets of the Corporation, all expenses of the receivership (including compensation to personnel employed to represent or assist the receiver) and all costs of carrying out or exercising the rights, powers, privileges, and duties as receiver.

(16) Pay, out of the assets of the Corporation, all approved claims of indebtedness in accordance with the priorities established in this part.

(17) Take all actions and have such rights, powers, and privileges as are necessary and incident to the exercise of any specific power.

(18) Take such actions, and have such additional rights, powers, privileges, immunities, and duties as the Farm Credit Administration Board authorizes by order or by amendment of any order or by regulation.

**§ 650.57 Report to Congress.**

On a determination by the receiver that there are insufficient assets of the receivership to pay all valid claims against the receivership, the receiver shall submit to the Secretary of the Treasury and Congress a report on the financial condition of the receivership.

**§ 650.58 Preservation of equity.**

(a) Except as provided for upon final distribution of the assets of the Corporation pursuant to § 650.62 of this subpart, no capital stock, equity reserves, or other allocated equities of the Corporation in receivership shall be issued, allocated, retired, sold, distributed, transferred, or assigned.

(b) Immediately upon the adoption of a resolution by its board of directors to voluntarily liquidate the Corporation,

the capital stock, equity reserves, and allocated equities of the Corporation shall not be issued, allocated, retired, sold, distributed, transferred, assigned, or applied against any indebtedness of the owners of such equities. Such activities could resume if the stockholders of the Corporation or the Farm Credit Administration Board disapprove the resolution. In the event the resolution is approved by the stockholders of the Corporation and the Farm Credit Administration Board, the liquidation plan shall govern disposition of the equities of the Corporation, except that if the Corporation is placed in receivership, the provisions of paragraph (a) of this section shall govern further disposition of the equities of the Corporation.

**§ 650.59 Notice to stockholders.**

As soon as practicable after a receiver takes possession of the Corporation, the receiver shall notify, by first class mail, each holder of stock of the following matters:

- (a) The number of shares such holder owns;
- (b) That the stock and other equities of the Corporation may not be retired or transferred until the liquidation is completed, whereupon the receiver will distribute a liquidating dividend, if any, to the stockholders; and
- (c) Such other matters as the receiver or the Farm Credit Administration deems necessary.

**§ 650.60 Creditor claims.**

(a) Upon appointment, the receiver shall promptly publish a notice to creditors to present their claims against the Corporation, with proof thereof, to the receiver by a date specified in the notice, which shall be not less than 90 calendar days after the first publication. The notice shall be republished approximately 30 days and 60 days after the first publication. The receiver shall promptly send, by first class mail, a similar notice to any creditor shown on the Corporation's books at the creditor's last address appearing thereon. Claims filed after the specified date shall be disallowed except as the receiver may approve them for full or partial payment from the Corporation's assets remaining undistributed at the time of approval.

(b) The receiver shall allow any claim that is timely received and proved to the receiver's satisfaction. The receiver may disallow in whole or in part any creditor's claim or claim of security, preference, or priority that is not proved to the receiver's satisfaction or is not timely received and shall notify the claimant of the disallowance and reason therefor. Sending the notice of

disallowance by first class mail to the claimant's address appearing on the proof of claim shall be sufficient notice. The disallowance shall be final unless, within 30 days after the notice of disallowance is mailed, the claimant files a written request for payment regardless of the disallowance. The receiver shall reconsider any claim upon the timely request of the claimant and may approve or disapprove such claim in whole or in part.

(c) Creditors' claims that are allowed shall be paid by the receiver from time to time, to the extent funds are available therefor and in accordance with the priorities established in this part and in such manner and amounts as the receiver deems appropriate. In the event the Corporation has a claim against a creditor of the Corporation, the receiver shall offset the amount of such claim against the claim asserted by such creditor.

**§ 650.61 Priority of claims.**

The following priority of claims shall apply to the distribution of the assets of the Corporation in liquidation:

- (a) All costs, expenses, and debts incurred by the receiver in connection with the administration of the receivership, all FCA assessments for the costs of supervising and examining the Corporation, and any amounts borrowed pursuant to § 650.56(b)(3).
- (b) Administrative expenses of the Corporation, provided that such expenses were incurred within 60 days prior to the receiver's taking possession, and that such expenses shall be limited to reasonable expenses incurred for services actually provided by accountants, attorneys, appraisers, examiners, or management companies, or reasonable expenses incurred by employees that were authorized and reimbursable under a preexisting expense reimbursement policy and that, in the opinion of the receiver, are of benefit to the receivership, and shall not include wages or salaries of employees of the Corporation.

(c) If authorized by the receiver, claims for wages and salaries, including vacation pay, earned prior to the appointment of the receiver by an employee of the Corporation whom the receiver determines it is in the best interest of the receivership to engage or retain for a reasonable period of time.

(d) If authorized by the receiver, claims for wages and salaries, including vacation pay, earned prior to the appointment of the receiver, up to a maximum of three thousand dollars (\$3,000) per person as adjusted for inflation, by an employee of the Corporation not engaged or retained by

the receiver. The adjustment for inflation shall be the percentage by which the Consumer Price Index (as prepared by the Department of Labor) for the calendar year preceding the appointment of the receiver exceeds the Consumer Price Index for the calendar year 1992.

- (e) All claims for taxes.
- (f) All claims of creditors which are secured by specific assets of the Corporation, with priority of conflicting claims of creditors within this same class to be determined in accordance with priorities of applicable Federal or State law.

(g) All claims of general creditors.

**§ 650.62 Payment of claims.**

(a) All claims of each class described in § 650.61 of this subpart shall be paid in full or provisions shall be made for such payment prior to the payment of any claim of a lesser priority. If there are insufficient funds to pay all claims in a class in full, distribution to that class will be on a pro rata basis.

(b) Following the payment of all claims, the receiver shall distribute the remainder of the assets of the Corporation, if any, to the owners of stock and other equities in accordance with the priorities for impairment set forth in section 8.4(e)(3) of the Act and the bylaws of the Corporation.

**§ 650.63 Inventory, audit, and reports.**

(a) As soon as practicable after taking possession of the Corporation, the receiver shall take an inventory of the assets and liabilities as of the date possession was taken.

(b) The receivership shall be audited on an annual basis by a certified public accountant selected by the receiver.

(c) The receiver shall make an annual accounting or report, as appropriate, available upon request to any stockholder of the Corporation or any member of the public, with a copy provided to the Farm Credit Administration.

(d) As soon as practicable after final distribution, the receiver shall send to each stockholder of record a report summarizing the disposition of the assets of the receivership and claims against the receivership.

**§ 650.64 Final discharge and release of the receiver.**

After the receiver has made a final distribution of the assets of the receivership, the receivership shall be terminated, the charter shall be canceled by the Farm Credit Administration Board if such cancellation has not previously occurred, and the receiver shall be finally discharged and released.

**§ 650.65 Appointment of a conservator.**

(a) The Farm Credit Administration Board may in its discretion appoint, ex parte and without prior notice, a conservator for the Corporation provided that one or more of the grounds for appointment as set forth in § 650.50 of this subpart exist;

(b) Upon the appointment of a conservator, the Chairman of the Farm Credit Administration shall immediately notify the Corporation and shall publish a notice of the appointment in the Federal Register.

(c) As soon as practicable after the conservator takes possession of the Corporation, the conservator shall notify, by first class mail, each holder of stock in the Corporation of the establishment of the conservatorship and shall describe the effect of the conservatorship on the Corporation's operations and equity holdings.

(d) Upon the issuance of the order placing the Corporation in conservatorship, all rights, privileges, and powers of the members, board of directors, officers, and employees of the Corporation are vested exclusively in the conservator.

(e) The Farm Credit Administration Board may, at any time, terminate the conservatorship and direct the conservator to turn over the Corporation's operations to such management as the Farm Credit Administration Board may designate, in which event the provisions of this subpart shall no longer apply.

**§ 650.66 Powers and duties of the conservator.**

(a) The conservator shall direct the Corporation's further operation until the Farm Credit Administration Board decides that the Corporation can operate without the conservatorship or places the Corporation into receivership. Upon correction or resolution of the problem or condition that provided the basis for the appointment, the Farm Credit Administration Board may turn the Corporation over to such management as the Farm Credit Administration Board may direct.

(b) The conservator shall exercise all powers necessary to continue the ongoing operations of the Corporation, to conserve and preserve the Corporation's assets and property, and otherwise protect the interests of the Corporation, its stockholders, and creditors as provided in this subpart.

(c) The conservator serves as the trustee of the Corporation and conducts its operations for the benefit of the creditors and stockholders of the Corporation.

(d) The conservator may exercise the powers that a receiver of the Corporation may exercise under any of the provisions of § 650.56(b) of this subpart, except paragraphs (b)(2) and (b)(16). In interpreting the applicable paragraphs for purposes of this section, the terms "conservator" and "conservatorship" shall be read for "receiver" and "receivership".

(e) The conservator may also take any other action the conservator considers appropriate or expedient to the continuing operation of the Corporation.

**§ 650.67 Inventory, examination, and reports to stockholders.**

(a) As soon as practicable after taking possession of the Corporation, the conservator shall take an inventory of the assets and liabilities of the Corporation as of the date possession was taken. One copy of the inventory shall be filed with the Farm Credit Administration.

(b) The conservatorship shall be examined by the Farm Credit Administration in accordance with section 8.11 of the Act.

(c) The conservatorship shall prepare and file financial reports and other documents in accordance with the requirements of § 620.40 and part 621 of this chapter. The conservator of the Corporation shall provide the certification required in § 621.14 of this chapter.

**§ 650.68 Final discharge and release of the conservator.**

At such time as the conservator shall be relieved of its conservatorship duties, the conservator shall file a report on the conservator's activities with the Farm Credit Administration. The conservator shall thereupon be completely and finally released.

Dated: February 19, 1997.  
Floyd Fithian,  
Secretary, Farm Credit Administration Board.  
[FR Doc. 97-4475 Filed 2-21-97; 8:45 am]  
BILLING CODE 6705-01-P

**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Part 39**

[Docket No. 96-CE-56-AD]

RIN 2120-AA64

**Airworthiness Directives; I. A. M. Rinaldo Piaggio Model P180 Airplanes**

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

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** This document proposes to adopt a new airworthiness directive (AD) that would apply to certain I. A. M. Rinaldo Piaggio (Piaggio) Model P180 airplanes. The proposed action would require repetitively inspecting for cracks around the vertical pin and the torque tube bottom flange of the rudder and the fasteners that connect the torque tube to the bottom flange. If cracks are evident, the proposed action would require modifying the rudder torque tube bottom flange assembly by replacing the cracked part with a part of improved design which would terminate the repetitive inspection. The proposed AD is the result of several reports of fatigue cracks around the pin that vertically supports the rudder axle. The actions specified by the proposed AD are intended to prevent fatigue cracks in the rudder torque tube bottom flange which could result in loss of rudder control and possible loss of the airplane.

**DATES:** Comments must be received on or before April 30, 1997.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Central Region, Office of the Assistant Chief Counsel, Attention: Rules Docket No. 96-CE-56-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106. Comments may be inspected at this location between 8 a.m. and 4 p.m., Monday through Friday, holidays excepted.

Service information that applies to the proposed AD may be obtained from I. A. M. Rinaldo Piaggio, S.p.A., Via Cibrario, 4 16154 Genoa, Italy. This information also may be examined at the Rules Docket at the address above.

**FOR FURTHER INFORMATION CONTACT:** Mr. Tom Rodriguez, Program Officer, Brussels Aircraft Certification Division, FAA, Europe, Africa, and Middle East Office, c/o American Embassy, B-1000 Brussels, Belgium; telephone (322) 508.2715; facsimile (322) 230.6899; or Mr. Roman T. Gabrys, Project Officer, Small Airplane Directorate, Aircraft Certification Service, FAA, 1201 Walnut, suite 900, Kansas City, Missouri 64106; telephone (816) 426-6934; facsimile (816) 426-2169.

**SUPPLEMENTARY INFORMATION:**

Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the Rules Docket number and be submitted in triplicate to