

5.87 percent, of the voting shares of Cardinal Bancorp II, Inc., St. Louis, Missouri, and thereby indirectly acquire United Bank of Union, Union, Missouri.

Board of Governors of the Federal Reserve System, May 14, 1998.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 98-13316 Filed 5-18-98; 8:45 am]

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FEDERAL RESERVE SYSTEM

Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than June 3, 1998.

A. Federal Reserve Bank of Cleveland (Paul Kaboth, Banking Supervisor) 1455 East Sixth Street, Cleveland, Ohio 44101-2566:

1. *FirstMerit Corporation*, Akron, Ohio; to acquire Security First Corp., Mayfield Heights, Ohio, and thereby indirectly acquire Security Federal Savings & Loan Association of Cleveland, Cleveland, Ohio, and First Federal Security Bank of Kent, Kent, Ohio, and thereby engage in permissible savings and loan activities, pursuant to § 225.28(b)(4)(ii) of the Board's Regulation Y.

Board of Governors of the Federal Reserve System, May 14, 1998.

Jennifer J. Johnson,

Deputy Secretary of the Board.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

Fees for Consultation Services for Ship Construction and Renovation

AGENCY: Centers for Disease Control and Prevention (CDC), Department of Health and Human Services (HHS).

ACTION: Notice.

SUMMARY: This notice announces fees for conducting voluntary inspections of newly constructed or renovated cruise ships. This notice also announces a change in the proposal to charge a fee for consultation on construction and renovation, and to add a new "mega" size category to the sanitation inspection fee schedule.

DATES: Fees for construction and renovation inspections are effective June 18, 1998.

FOR FURTHER INFORMATION CONTACT: Daniel M. Harper, Program Manager, Vessel Sanitation Program, National Center for Environmental Health, telephone (770) 488-3524 or e-mail DMH2@CDC.GOV, or Dave Forney, Public Health Advisor, Division of Environmental Hazards and Health Effects, National Center for Environmental Health, telephone (770) 488-7333 or e-mail DLF1@CDC.GOV.

SUPPLEMENTARY INFORMATION:

Purpose and Background

A notice of request for public comment on a proposal to charge fees for consultation services for ship construction and renovation, and to create a new "Mega" category for the routine sanitary inspection of ships was published in the **Federal Register** on November 17, 1997, [Volume 62, Pages 61336-61338]. A subsequent amendment to extend the comment period an additional 30 days was published in the **Federal Register** on January 13, 1998, [Volume 63, Number 8, Page 1973].

Discussion of Comments

The public notice of the intent to collect fees for consultation services for ship construction and renovation and to create a new "Mega" category for routine inspections provided a 45 day

comment period which was extended an additional 28 days at the request of the members of the cruise ship industry. During the comment period, comments were received from two sources, one of which was the International Council of Cruise Lines (ICCL) representing the 17 largest passenger cruise lines that call on major ports in the U.S. and abroad. Discussion of the comments received and CDC's responses follows:

Comment: One commentator stated that the use of Gross Register Tons alone does not correctly indicate a ship's capacity to carry passengers and crew, while the Total Safe Number does, and better reflects the type of ship that is being inspected.

Response: The fees set forth in the public notice were based on Gross Register Tonnage (GRT) of the passenger vessels as reported by Lloyds of London. CDC believes that the use of GRT is a reasonable and equitable method for determining fees since the number and size of the food service areas and the size of the onboard water systems are generally functions of the vessel's GRT. CDC, after considering the commentator's alternative proposal, sees no advantage in the commentator's proposal over CDC's. CDC will continue to periodically review the fee schedule. If actual experience in fee collection indicates that CDC's proposed system does result in substantial inequity, CDC will act promptly to correct the situation.

Comment: One commentator stated that the proposed "Mega" category placed an increased financial burden on these large craft by increasing the basic inspection fee by approximately 31% over what these ships were charged in 1997. In addition, the galley size and complexity on these ships is not significantly different than that found on ships in the Extra Large category.

Response: It has been CDC's experience that the size and complexity of the galleys and water systems aboard ships >90,000 GRT are often greater than those found on smaller ships. It is also our belief that performing sanitation inspections of these ships requires additional staff time and resources. However, we have not quantified the increase in resources. Therefore, CDC agrees to postpone any modifications to the existing category structure until there can be a more thorough evaluation of the time, effort and other factors involved with the inspection of these ships.

Comment: One commentator stated that the fee increase in the FY 98 budget should adequately cover the costs of providing construction consultation services without the creation of a new