

trail use/rail banking under 49 CFR 1152.29 will be due no later than March 8, 1999.<sup>2</sup> Each trail use request must be accompanied by a \$150 filing fee. See 49 CFR 1002.2(f)(27).

All filings in response to this notice must refer to STB Docket No. AB-558X and must be sent to: (1) Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001; and (2) Joseph D. Anthofer, 1416 Dodge Street, Room 830, Omaha, NE 68179-0830.

Persons seeking further information concerning abandonment procedures may contact the Board's Office of Public Services at (202) 565-1592 or refer to the full abandonment or discontinuance regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis (SEA) at (202) 565-1545. [TDD for the hearing impaired is available at (202) 565-1695.]

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by SEA will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Other interested persons may contact SEA to obtain a copy of the EA (or EIS). EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: February 4, 1999.

By the Board, David M. Konschnik,  
Director, Office of Proceedings.

**Vernon A. Williams,**

Secretary.

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## DEPARTMENT OF THE TREASURY

### Office of the Comptroller of the Currency

#### Federal Reserve System

#### Federal Deposit Insurance Corporation

### Agency Information Collection Activities: Submission for OMB Review; Joint Comment Request

**AGENCIES:** Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Submission for OMB review; joint agency comment request.

**SUMMARY:** On October 1, 1998, the OCC, the Board, and the FDIC (the agencies) requested public comment for 60 days on proposed revisions to the Consolidated Reports of Condition and Income (Call Report), which are currently approved collections of information. After considering the comments received, the Federal Financial Institutions Examination Council (FFIEC), of which the agencies are members, approved the proposed revisions, including selecting one of two alternatives for one proposed change. Therefore, in accordance with the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the agencies hereby give notice that they plan to submit to the Office of Management and Budget (OMB) requests for review of the Call Report collections of information.

In accordance with the requirements of the Paperwork Reduction Act of 1995, the OCC, the Board, and the FDIC may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid Office of Management and Budget (OMB) control number.

Comments are invited on: (a) Whether the Call Report collections of information are necessary for the proper performance of the agencies' functions, including whether the information has practical utility; (b) the accuracy of the agencies' estimates of the burden of the information collections, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collections on respondents, including through the use of automated collection techniques or other forms of information

technology; and (e) estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

**DATES:** Comments must be submitted on or before March 18, 1999.

**ADDRESSES:** interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the OMB control number(s), will be shared among the agencies.

**OCC:** Written comments should be submitted to the Communications Division, Office of the Comptroller of the Currency, 250 E Street, SW, Third Floor, Washington, DC 20219; Attention: Paperwork Docket No. 1557-0081 [Fax number (202) 874-5274; Internet address:

regs.comments@occ.treas.gov]. Comments will be available for inspection and photocopying at the ODD's Public Reference Room, 250 E Street, SW, Washington, DC 20219 between 9:00 a.m. and 5:00 p.m. on business days. Appointments for inspection of comments may be made by calling (202) 874-5043.

**Board:** Written comments should be addressed to Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, or delivered to the Board's mail room between 8:45 a.m. and 5:15 p.m., and to the security control room outside of those hours. Both the mail room and the security control room are accessible from the courtyard entrance on 20th Street between Constitution Avenue and C Street, NW. Comments received may be inspected in room M-P-500 between 9:00 a.m. and 5:00 p.m., except as provided in § 261.12 of the Board's Rules Regarding Availability of Information, 12 CFR 261.12(a).

**FDIC:** Written comments should be addressed to Robert E. Feldman, Executive Secretary, Attention: Comments/OES, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429. Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7:00 a.m. and 5:00 p.m. (Fax number: (202) 898-3838; Internet address: comments@fdic.gov). Comments may be inspected and photocopied in the FDIC Public Information Center, Room, 100, 801 17th Street, NW, Washington, DC, between 9:00 a.m. and 4:30 p.m. on business days.

A copy of the comments may also be submitted to the OMB desk officer for the agencies: Alexander T. Hunt, Office

<sup>2</sup> DK&S states that, because it has already agreed to transfer the property to Harding University for use in constructing campus housing, DK&S will not negotiate with any party for transfer of the line for trail use.

of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, room 3208, Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or a copy of the submission may be obtained by contacting:

*OCC:* Jessie Gates, OCC Clearance Officer, or Camille Dixon, Legislative and Regulatory Activities Division, (202) 874-5090, Office of the Comptroller of the Currency, 250 E Street, SW, Washington, DC 20219.

*Board:* Mary M. West, Chief, Financial Reports Section, (202) 452-3829, Division of Research and Statistics, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551.

Telecommunications Device for the Deaf (TDD) users may contact Diane Jenkins, (202) 452-3544, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551.

*FDIC:* Steven F. Hanft, FDIC Clearance Officer, (202) 898-3907, Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

**SUPPLEMENTARY INFORMATION:** Request for OMB approval to extend, with revision, the following currently approved collections of information:

*Report Title:* Consolidated Reports of Condition and Income (Call Report).

*Form Number:* FFIEC 031, 032, 033, 034.<sup>1</sup>

*Frequency of Response:* Quarterly.

*Affected Public:* Business or other for-profit.

*For OCC*

*OMB Number:* 1557-0081.

*Estimated Number of Respondents:* 2,600 national banks.

*Estimated Time per Response:* 39.92 burden hours.

*Estimated Total Annual Burden:* 415,220 burden hours.

*For Board*

*OMB Number:* 7100-0036.

*Estimated Number of Respondents:* 994 state member banks.

*Estimated Time per Response:* 45.80 burden hours.

*Estimated Total Annual Burden:* 182,101 burden hours.

*For FDIC*

*OMB Number:* 3064-0052.

*Estimated Number of Respondents:* 5,985 insured state nonmember banks.

*Estimated Time per Response:* 29.67 burden hours.

*Estimated Total Annual Burden:* 710,345 burden hours.

The estimated time per response is an average which varies by agency because of differences in the composition of the banks under each agency's supervision (e.g., size distribution of banks, types of activities in which they are engaged, and number of banks with foreign offices). The time per response for a bank is estimated to range from 15 to 400 hours, depending on individual circumstances.

#### General Description of Report

This information collection is mandatory: 12 U.S.C. 161 (for national banks), 12 U.S.C. 324 (for state member banks), and 12 U.S.C. 1817 (for insured state nonmember commercial and savings banks). Except for select sensitive items, this information collection is not given confidential treatment. Small business (i.e., small banks) are affected.

#### Abstract

Banks file Call Reports with the agencies each quarter for the agencies' use in monitoring the condition and performance of reporting banks and the industry as a whole. In addition, Call Reports provide the most current statistical data available for evaluating bank corporate applications such as mergers, for identifying areas of focus for both on-site and off-site examinations, and for monetary and other public policy purposes. Call Reports are also used to calculate all banks' deposit insurance and Financing Corporation assessments and national banks' semiannual assessment fees.

#### Current Actions

On October 1, 1998, the OCC, the Board, and the FDIC jointly published a notice soliciting comments for 60 days on proposed revisions to the Call Report (63 FR 52794). The notice described the specific changes that the agencies, with the approval of the FFIEC, were proposing to implement as of March 31, 1999.

The agencies initially proposed to revise the Call Report effective March 31, 1999, by: deleting the existing items from the amortized cost and fair value of high-risk mortgage securities and (on the FFIEC 034 report) for losses deferred pursuant to 12 U.S.C. 1823(j); adding new items for accumulated net gains (losses) on cash flow hedges and for the year-to-date change in this new component of equity capital in response

to the issuance of a new accounting standard for derivative instruments and hedging activities; either adding a new item or expanding the scope of an existing item in order to distinguish nonmortgage servicing assets from other intangible assets; and making a number of instructional changes, primarily to incorporate recent changes in accounting standards, to further conform with generally accepted accounting principles in other areas, and to improve the reporting of certain regulatory capital information.

After considering the comments, the FFIEC and the agencies decided to proceed with all of the proposed changes. With respect to nonmortgage servicing assets, the FFIEC and the agencies selected the proposed approach under which the scope of the existing item for "purchased credit card relationships" would be expanded to include these servicing assets.

#### Comments

In response to this notice, the agencies collectively received two comment letters, both of which were from bankers' associations. One association supported the proposed reductions in detail, accepted the new items proposed for accumulated net gains (losses) on cash flow hedges, preferred the approach for reporting nonmortgage servicing assets which the FFIEC and the agencies have decided to implement, and supported the proposed instructional change affecting the reporting of market risk equivalent assets. This association did not address the other proposed instructional changes. The second association stated that it "generally concurs with the proposals" and favored adding a new item to the Call Report for nonmortgage servicing assets, an approach that the FFIEC and the agencies decided not to take. This association did not comment on any of the proposed instructional changes. However, it recommended that "unless there is an overriding need for immediate implementation \* \* \* any changes to the Call Report be postponed until the March 31, 2000 report to avoid complicating Year 2000 systems compliance requirements."

The FFIEC and the agencies believe that it may be less problematic to implement the new cash flow hedge items and the nonmortgage servicing assets reporting change in 1999 than to delay implementation until the first quarter of 2000. Because of their fiscal years, some banks must implement Financial Accounting Standards Board (FASB) Statement No. 133, Accounting for Derivative Instruments and Hedging Activities (FAS 133), in the third or

<sup>28</sup>The FFIEC 031 report form is filed by banks with domestic and foreign offices. The FFIEC 032 report form is filed by banks with domestic offices only and total assets of \$100 million or more but less than \$300 million. The FFIEC 034 report form is filed by banks with domestic offices only and total assets of less than \$100 million.

fourth quarter of 1999. Other banks may choose to adopt FAS 133 earlier than required at the beginning of any fiscal quarter in 1999, e.g., as of January 1, 1999. The information to be reported in the new cash flow hedge items is information that banks adopting FAS 133 in 1999 will be required to report in financial statements prepared under generally accepted accounting principles in 1999. Banks not required to adopt FAS 133 until the year 2000 will not have any amounts to report in the new items during 1999. In addition, only a relatively small percentage of banks hold freestanding derivatives that are subject to FAS 133. As of September 30, 1998, approximately 500 of the more than 8,900 FDIC-insured commercial banks reported having such derivatives. Some banks may also hold financial instruments with embedded derivatives that may be separated from the host contract and accounted for as a derivative under FAS 133.

As for nonmortgage servicing assets, the regulatory capital amendment which led the agencies to propose this reporting change took effect on October 1, 1998. Banks with nonmortgage servicing assets that wish to include these assets in regulatory capital, subject to the limits set forth in the agencies' capital standards, have already modified their internal regulatory capital calculation procedures for this change and are already reporting regulatory capital information in Call Report Schedule RC-R—Regulatory Capital in accordance with the amended capital standards. Under these capital standards, nonmortgage servicing assets must be combined with purchased credit card relationships for purposes of applying a Tier 1 capital sublimit. Therefore, revising the existing Call Report item for purchased credit card relationships to include nonmortgage servicing assets (rather than having separate items for each of these two types of intangibles, which the agencies had also proposed as an alternative) is similar to the approach taken in the capital standards. In addition, this Call Report revision should affect only a small number of banks. Fewer than 100 reported that they had any purchased credit card relationships as of September 30, 1998. Call Report data for that date also suggest that fewer than 100 banks had any nonmortgage servicing assets.

In its comment letter, the first bankers' association also commented that the agencies have not yet made significant progress in satisfying the requirements of Section 307 of the Riegle Community Development and Regulatory Improvement Act of 1994.

Section 307 requires the four federal banking and thrift agencies to work jointly to develop a single form for the filing of core information by banks, savings associations, and bank holding companies. It also directs the agencies to review the information they collect from these institutions that supplements the core information and eliminate those reporting requirements that are not warranted for safety and soundness or other public purposes. In this regard, the FFIEC and the agencies regularly review the existing Call Report requirements in order to identify items that are no longer sufficiently useful to warrant their continued collection. Since 1995 these reviews have led to the elimination of numerous items and reductions in the level of detail in several areas.

In addition, the FFIEC and the agencies have, as part of their Section 307 efforts, adopted generally accepted accounting principles as the reporting basis for the Call Report; combined the four sets of Call Report instructions into a single comprehensive set; developed an index to the instructions; made the Call Report forms, instructions, and data available on the Internet; and implemented an electronic filing requirement for the Call Report. The FFIEC and the agencies are currently surveying Call Report users within the agencies and are continuing to review the uses of individual Call Report items in order to ascertain their relative importance to the agencies. These actions are part of the agencies' ongoing effort to eliminate information with the least practical utility and to increase uniformity among regulatory reports.

#### *Summary of the Revisions to the Call Report*

The revisions to the Call Report listed below, which have been approved by the FFIEC, must be reviewed and approved by OMB. The agencies expect to implement these changes as of the March 31, 1999, report date. Unless otherwise indicated, the revisions will apply to all four sets of report forms (FFIEC 031, 032, 033, and 034). Nonetheless, as is customary for Call Report changes, banks are advised that, for the March 31, 1999, report date, reasonable estimates may be provided for any new or revised item for which the requested information is not readily available.

#### Deletions

(1) In Schedule RC-B—Securities, the agencies are deleting Memorandum items 8.a and 8.b for the amortized cost and fair value of "High-risk mortgage securities."

(2) The agencies are deleting the balance sheet items on the FFIEC 034 report forms for small banks relating to deferred agricultural loan losses (Schedule RC, items 12.b, 12.c, 28.b, and 28.c).

#### New or Revised Items

(1) The agencies are adding a new item 26.c to the equity capital section of Schedule RC—Balance Sheet for accumulated net gains (losses) on cash flow hedges under FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities. The agencies also are adding a new item 11.b to Schedule RI-A—Changes in Equity Capital for the year-to-date change in these accumulated net gains (losses). Existing item 11 on Schedule RI-A is renumbered as item 11.a.

(2) In Schedule RC-M—Memoranda, the agencies are expanding the scope of item 6.b.(1), "Purchased credit card relationships," to cover "Purchased credit card relationships and nonmortgage servicing assets," with item 6.b.(2) covering the remaining "All other identifiable intangible assets." Through 1998, nonmortgage servicing assets have been reported in item 6.b.(2).

#### Instructional Changes

(1) The agencies are revising the instructions to conform with American Institute of Certified Public Accountants' Statements of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use, and 98-5, Reporting on the Costs of Start-Up Activities.

(2) The agencies are adding a new entry to the Glossary section of the instructions which discusses the reporting of securities activities, including descriptions of certain trading practices. These practices were previously discussed in the agencies' 1992 Supervisory Policy Statement on Securities Activities, which was replaced in April 1998 by a revised policy statement on investment securities that does not address these reporting issues.

(3) The agencies are revising the Glossary entry for "Allowance for Loan and Lease Losses" to indicate that the cost basis of a loan or lease that has been reduced through a direct write-down may not be increased at a later date by reversing the previous write-down.

(4) The agencies are revising the Glossary entry for "Business Combinations" and the instructions for the Schedule RC-M, item 6.c, "Goodwill," to clarify that goodwill cannot ordinarily be sold or divided

to a parent company or affiliate or charged off in the year of acquisition.

(5) For banks subject to the market risk capital guidelines, the agencies are revising the instructions for reporting "Net risk-weighted assets" in item 3.d.(1) of Schedule RC-R—Regulatory Capital so that the bank's "Market risk equivalent assets" are included in this item. The caption for item 3.d.(2) of Schedule RC-R is modified to read "Market risk equivalent assets included in net risk-weighted assets above." This makes the reporting of "Net risk-weighted assets" in the Call Report consistent with the reporting of this item in the FR Y-9C bank holding company report.

(6) The agencies are revising the instructions for reporting low level recourse transactions in Schedule RC-R to explain how the allowable amount of the allowance for loan and lease losses should be calculated by banks that use the "direct reduction method" for these transactions.

Dated: February 5, 1999.

**Mark J. Tenhundfeld,**

*Assistant Director, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency.*

Board of Governors of the Federal Reserve System, February 8, 1999.

**Jennifer J. Johnson,**

*Secretary of the Board.*

Dated at Washington, DC, this 4th day of February, 1999.

Federal Deposit Insurance Corporation

**Robert E. Feldman,**

*Executive Secretary.*

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BILLING CODES 4810-33-M, 6210-01-M, 6714-01-M

**DEPARTMENT OF THE TREASURY**

**Customs Service**

**Quarterly IRS Interest Rates Used in Calculating Interest on Overdue Accounts and Refunds on Customs Duties**

**AGENCY:** Customs Service, Treasury.

**ACTION:** General notice.

**SUMMARY:** This notice advises the public of the quarterly Internal Revenue Service interest rates used to calculate interest on overdue accounts (underpayments) and refunds (overpayments) of Customs duties. Due to recent legislation, the interest rate applicable to overpayments by corporations is now different than the interest rate for overpayments by non-corporations. For the quarter beginning January 1, 1999, the interest rates for overpayments will be 6 percent for corporations and 7 percent for non-corporations, and the interest rate for underpayments will be 7 percent. This notice is published for the convenience of the importing public and Customs personnel.

**EFFECTIVE DATE:** January 1, 1999.

**FOR FURTHER INFORMATION CONTACT:** Ronald Wyman, Accounting Services Division, Accounts Receivable Group, 6026 Lakeside Boulevard, Indianapolis, Indiana 46278, (317) 298-1200, extension 1349.

**SUPPLEMENTARY INFORMATION:**

**Background**

Pursuant to 19 U.S.C. 1505 and Treasury Decision 85-93, published in the **Federal Register** on May 29, 1985 (50 FR 21832), the interest rate paid on applicable overpayments or underpayments of Customs duties shall be in accordance with the Internal Revenue Code rate established under 26

U.S.C. 6621 and 6622. Section 6621 was recently amended (at paragraph (a)(1)(B) by the Internal Revenue Service Restructuring and Reform Act of 1998, Pub.L. 105-206, 112 Stat. 685) to provide different interest rates applicable to overpayments: one for corporations and one for non-corporations. The interest rate applicable to underpayments is not so bifurcated.

The interest rates are based on the short-term Federal rate and determined by the Internal Revenue Service (IRS) on behalf of the Secretary of the Treasury on a quarterly basis. The rates effective for a quarter are determined during the first-month period of the previous quarter.

In Revenue Ruling 98-61 (see, 1998-51 IRB, dated December 21, 1998), the IRS determined the rates of interest for the second quarter of fiscal year (FY) 1999 (the period of January 1-March 31, 1999). The interest rate paid to the Treasury for underpayments will be the short-term Federal rate (4%) plus three percentage points (3%) for a total of seven percent (7%). For corporate overpayments, the rate is the Federal short-term rate (4%) plus two percentage points (2%) for a total of six percent (6%). For overpayments made by non-corporations, the rate is the Federal short-term rate (4%) plus three percentage points (3%) for a total of seven percent (7%). These interest rates are subject to change for the third quarter of FY-1999 (the period of April 1-June 30, 1999).

For the convenience of the importing public and Customs personnel the following list of Internal Revenue Service interest rates used, covering the period from before July of 1974 to date, to calculate interest on overdue accounts and refunds of Customs duties, is published in summary format.

Beginning date	Ending date	Under payments (percent)	Over payments (percent)	Corporate overpayments (Eff. 1-1-99) (percent)
Prior to:				
070174 .....	063075	6	6	.....
070175 .....	013176	9	9	.....
020176 .....	013178	7	7	.....
020178 .....	013180	6	6	.....
020180 .....	013182	12	12	.....
020182 .....	123182	20	20	.....
010183 .....	063083	16	16	.....
070183 .....	123184	11	11	.....
010185 .....	063085	13	13	.....
070185 .....	123185	11	11	.....
010186 .....	063086	10	10	.....
070186 .....	123186	9	9	.....
010187 .....	093087	9	8	.....
100187 .....	123187	10	9	.....
010188 .....	033188	11	10	.....