

arbitration provisions of the Administrative Dispute Resolution Act of 1996. This Policy also applies to federal court-based arbitration programs under the Alternative Dispute Resolution Act of 1998. Offices and Divisions considering the use of binding arbitration should refer to this Policy and the separate Directive on use of Binding Arbitration. The use of binding arbitration in state court-based arbitration programs, employment/labor arbitration, contracts or leases entered into by a depository institution prior to the appointment of the FDIC as conservator or receiver, or in connection with any other of the FDIC's regulatory, compliance and enforcement activities, is not the subject of this Policy Statement.

### Background

The Administrative Dispute Resolution Act of 1990 ("ADRA"), 5 U.S.C. 571-583, was amended in 1996. The 1996 amendments made significant changes in the provisions found in the ADRA of 1990, and specifically authorized federal agencies to voluntarily use binding arbitration without the former qualifying provisions that allowed the head of an agency to vacate an arbitration award. The 1996 ADRA amendments authorize an agency to use binding arbitration, in its discretion, and in appropriate cases. However, the ADRA amendments establish certain requirements an agency must meet before arbitrating disputes.

### ADRA Requirements

Before engaging in binding arbitration, an agency must:

- Issue guidance, in consultation with the Attorney General, on the appropriate use of binding arbitration (5 U.S.C. 575(c));
- Require that all agreements to arbitrate disputes be in writing and specify the subject matter to be submitted to the arbitrator for decision (5 U.S.C. 575(a)(2));
- Include in the arbitration agreement the maximum award amount that may be granted by the arbitrator (5 U.S.C. 575(a)(2));
- Require any officer or employee of the agency offering to use arbitration in resolution of a dispute to have either the authority to enter into a settlement concerning the matter, or the specific authority to consent to arbitration on behalf of the agency (5 U.S.C. 575(b)(1) and (2)); and
- Not require anyone to consent to binding arbitration as a condition to contracting with the agency (5 U.S.C. 575(a)(3)).

Finally, the use of binding arbitration must be voluntary on the part of all parties (5 U.S.C. 575(a)(1)).

Aside from the foregoing, the 1996 ADRA amendments provide that an agency shall consider not using a dispute resolution proceeding such as binding arbitration if the dispute:

- Requires an authoritative determination as precedent for other cases;
- Involves a significant question of government policy;
- Significantly impacts persons who are not parties to the proceedings;
- Requires a public record of the proceedings;
- Must be monitored on an on-going basis by a court or an administrative body to ensure compliance;
- Must be adjudicated to establish a body of law.

### Purpose and Intended Uses

The FDIC may use binding arbitration to resolve disputes in a number of situations where it is more practical, cost-effective, or efficient than litigation or other consensual methods of ADR such as negotiation or mediation. The FDIC may agree to use binding arbitration in Corporation contracts (before an actual dispute arises), subject to the required approval and authority. Complex commercial/business transactions, construction contracts, insurance agreements, asset sales, real estate sales, leasing, and securities and securitizations are examples of substantive areas where binding arbitration may be used to resolve disputes. The FDIC may also agree to enter into binding arbitration after a dispute has arisen, and where no previous contractual dispute resolution mechanism exists.

### Directive

The Legal Division is simultaneously issuing a directive providing further guidance to employees on the Corporation's use of binding arbitration. This directive will provide the following information:

- Considerations in rendering a decision to use binding arbitration;
- Circumstances where the Corporation will not use binding arbitration;
- Considerations relating to the nature and extent of damages;
- Responsibility for costs associated with arbitration;
- Arbitrator selection criteria; and
- Arbitration case preparation, processing and review procedures.

It is the responsibility of all FDIC employees to practice and promote cost-effective dispute resolution in FDIC

programs and in corporate operations. All officers and employees of Divisions and Offices of the FDIC considering the use of binding arbitration are hereby directed to take the necessary steps to implement this policy to promote effective and appropriate use of binding arbitration.

By order of the Board of Directors.

Dated at Washington, DC, this 26th day of March, 2001.

Federal Deposit Insurance Corporation.

**Robert E. Feldman,**

*Executive Secretary.*

[FR Doc. 01-8752 Filed 4-9-01; 8:45 am]

**BILLING CODE 6714-01-P**

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## FEDERAL RESERVE SYSTEM

### Agency Information Collection Activities: Proposed Collection; Comment Request

**AGENCY:** Board of Governors of the Federal Reserve System.

**SUMMARY:** *Background.* On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act, as per 5 CFR 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 CFR 1320 Appendix A.1. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the OMB 83-Is and supporting statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve 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 OMB control number.

*Request for comment on information collection proposal.* The following information collections, which are being handled under this delegated authority, have received initial Board approval and are hereby published for comment. At the end of the comment period, the proposed information collections, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;

b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;

c. Ways to enhance the quality, utility, and clarity of the information to be collected; and

d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

**DATES:** Comments must be submitted on or before June 11, 2001.

**ADDRESSES:** Comments, which should refer to the OMB control number or agency form number, should be addressed to Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, DC 20551, or mailed electronically to [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Comments addressed to Ms. Johnson may be delivered to the Board's mailroom between 8:45 a.m. and 5:15 p.m., and to the security control room outside of those hours. Both the mailroom and the security control room are accessible from the courtyard entrance on 20th Street between Constitution Avenue and C Street, N.W. Comments received may be inspected in room M-P-500 between 9 a.m. and 5 p.m., except as provided in section 261.14 of the Board's Rules Regarding Availability of Information, 12 CFR 261.14(a).

A copy of the comments may also be submitted to the OMB desk officer for the Board: Alexander T. Hunt, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 3208, Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** A copy of the proposed form and instructions, the Paperwork Reduction Act Submission (OMB 83-I), supporting statement, and other documents that will be placed into OMB's public docket files once approved may be requested from the agency clearance officer, whose name appears below. Mary M. West, Federal Reserve Board Clearance Officer (202-452-3829), Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may contact Capria Mitchell (202) 872-4984, Board

of Governors of the Federal Reserve System, Washington, DC 20551.

**Proposal To Approve Under OMB Delegated Authority the Extension for Three Years, Without Revision, of the Following Report**

*Report title:* Written Security Program for State Member Banks.

*Agency form number:* FR 4004.

*OMB control number:* 7100-0112.

*Frequency:* On occasion.

*Reporters:* state member bank.

*Annual reporting hours:* 47 hours.

*Estimated average hours per response:* 0.5 hours.

*Number of respondents:* 94.

Small businesses are affected.

*General description of report:* This recordkeeping requirement is mandatory (12 U.S.C. 1882), 12 U.S.C. 248(a)(1) and 325, and Regulation H (12 CFR 208.61) authorize the Board to require the recordkeeping of this information. Because written security programs are maintained at state member banks, no issue of confidentiality under the Freedom of Information Act normally arises. However, copies of such documents included in examination work papers would, in such form, be confidential pursuant to exemption 8 of the Freedom of Information Act (5 U.S.C. 552(b)(8)).

*Abstract:* This mandatory information collection is a recordkeeping requirement contained in the Federal Reserve's Regulation H Section 208.61. Each state member bank must develop and implement a written security program and maintain it in the bank's records. There is no formal reporting form and the information is not submitted to the Federal Reserve.

Board of Governors of the Federal Reserve System, April 4, 2001.

**Jennifer J. Johnson,**  
*Secretary of the Board.*

[FR Doc. 01-8704 Filed 4-9-01; 8:45 am]

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**FEDERAL RESERVE SYSTEM**

**Change in Bank Control Notices; Acquisition of Shares of Bank or Bank Holding Companies**

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal

Reserve Bank indicated. The notices also will be available for inspection at the office of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than April 24, 2001.

**A. Federal Reserve Bank of Atlanta**  
(Cynthia C. Goodwin, Vice President)  
104 Marietta Street, N.W., Atlanta,  
Georgia 30303-2713:

1. *Robert Lem Kemp, and Kevin Lee Kemp,* both of Columbia, Mississippi, and Christopher Lane Kemp and Carol Lynn Simpson, both of Hattiesburg, Mississippi (also known as the Kemp/Simpson family); to acquire additional voting shares of Citizens Corporation, Columbia, Mississippi, and thereby indirectly acquire additional voting shares of Citizens Bank, Columbia, Mississippi.

Board of Governors of the Federal Reserve System, April 4, 2001.

**Robert deV. Frierson**

*Associate Secretary of the Board.*

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**BILLING CODE 6210-01-S**

**FEDERAL RESERVE SYSTEM**

**Formations of, Acquisitions by, and Mergers of Bank Holding Companies**

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States.