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Federal Communications Commission.

**Marlene H. Dortch,**

*Secretary.*

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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:** 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-I's 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 collection, which is being handled under this delegated authority, has received initial Board approval and is hereby published for comment. At the end of the comment period, the proposed information collection, 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 February 13, 2004.

**ADDRESSES:** Comments may be mailed to Ms. Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551. However, because paper mail in the Washington area and at the Board of Governors is subject to delay, please consider submitting your comments by e-mail to

[regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov), or faxing them to the Office of the Secretary at 202-452-3819 or 202-452-3102. Comments addressed to Ms.

Johnson may also be delivered to the Board's mail facility in the West Courtyard between 8:45 a.m. and 5:15 p.m., located on 21st Street between Constitution Avenue and C Street, NW. Members of the public may inspect comments in Room MP-500 between 9 a.m. and 5 p.m. on weekdays pursuant to 261.12, except as provided in 261.14, of the Board's Rules Regarding Availability of Information, 12 CFR 261.12 and 261.14.

A copy of the comments may also be submitted to the OMB desk officer for the Board: Joseph Lackey, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 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.

Cindy Ayouch, 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 (202-263-4869), Board of Governors of the Federal Reserve System, Washington, DC 20551.

#### Proposal to approve under OMB delegated authority the revision, without extension, of the following reports:

*Report title:* Financial Statements for Bank Holding Companies.

*Agency form numbers:* FR Y-9C, FR Y-9LP, FR Y-9SP, FR Y-9CS, and FR Y-9ES.

*OMB control number:* 7100-0128.

*Frequency:* Quarterly, semiannually, and annually.

*Reporters:* Bank holding companies (BHCs).

*Annual reporting hours:* 369,113.

*Estimated average hours per response:* FR Y-9C: 34.80 hours, FR Y-9LP: 4.75 hours, FR Y-9SP: 4.09 hours, FR Y-9CS: 30 minutes, FR Y-9ES: 30 minutes.

*Number of respondents:* FR Y-9C: 2,113, FR Y-9LP: 2,455, FR Y-9SP: 3,312, FR Y-9CS: 600; FR Y-9ES: 92.

*General description of report:* This information collection is mandatory (12 U.S.C. 1844(c)). Confidential treatment is not routinely given to the data in these reports. However, confidential treatment for the reporting information, in whole or in part, can be requested in accordance with the instructions to the form.

*Abstract:* The FR Y-9C consists of standardized consolidated financial statements similar to the Federal Financial Institutions Examination Council (FFIEC) Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031 & 041; OMB No.7100-0036). The FR Y-9C is filed quarterly by top-tier BHCs that have total assets of \$150 million or more and by lower-tier BHCs that have total consolidated assets of \$1 billion or more. In addition, multibank holding companies with total consolidated assets of less than \$150 million with debt outstanding to the general public or engaged in certain nonbank activities must file the FR-Y9C.

The FR Y-9LP includes standardized financial statements filed quarterly on a parent company only basis from each BHC that files the FR Y-9C. In addition, for tiered BHCs, a separate FR Y-9LP must be filed for each lower tier BHC.

The FR Y-9SP is a parent company only financial statement filed semiannually by one-bank holding companies with total consolidated assets of less than \$150 million, and multibank holding companies with total consolidated assets of less than \$150 million that meet certain other criteria. This report, an abbreviated version of the more extensive FR Y-9LP, is designed to obtain basic balance sheet and income statement information for the parent company, information on intangible assets, and information on intercompany transactions.

The FR Y-9CS is a free form supplement that may be utilized to collect any additional information deemed to be critical and needed in an expedited manner. It is intended to

supplement the FR Y-9C and FR Y-9SP reports.

The FR Y-9ES is filed annually by BHCs that are Employee Stock Ownership Plans (ESOPs).

*Current Actions:* A detailed description of the proposed changes follows.

**Proposed Revisions Effective March 31, 2004.**

**Voluntary Advance Collection of Summary FR Y-9C Data from the Largest BHCs.**

The Federal Reserve proposes to incorporate into the FR Y-9C information collection the advance collection of key FR Y-9C summary items from selected institutions of up to fifty of the largest BHCs. These data would be collected in advance of the regular FR Y-9C filing deadline on a voluntary, as-needed basis. The Federal Reserve relies primarily on the quarterly earnings press releases published by these institutions to perform analysis of the largest BHCs – individually and in aggregate – weeks before FR Y-9C filings become available. However, pronounced and sustained differences have appeared between aspects of these published results and the FR Y-9C data at many of these institutions. The nature of these differences appears to be specific to each institution, related to the manner in which the institution chooses to present its results. The presence of such differences impairs the Federal Reserve's ability to analyze aggregates and make meaningful comparisons across institutions.

The Federal Reserve has addressed these differences by obtaining preliminary or estimated FR Y-9C information from affected institutions on a voluntary basis through informal dialog after the press releases have been issued. These cases were highly individualized, in which selected institutions were generally asked to provide preliminary information on a variety of FR Y-9C items. However, over the past year a growing range of items with differences has emerged at a significantly larger set of these institutions, and indeed for some items (e.g., earning assets) there have been significant differences for a major share of these largest institutions.

Obtaining these selected, institution-specific preliminary data allows the Federal Reserve to evaluate meaningfully the financial condition and performance of the largest banking institutions, to discern and monitor emerging trends and issues (such as credit quality) in the banking industry, and to analyze these data in a timely manner. The Federal Reserve is willing to accept preliminary or estimated data

from the institution in the interest of minimizing burden. In general, the data requested are supplemental to those published in press releases and are routinely contained in a firm's management information systems.

The items requested are primarily summary items such as total noninterest expense or total loans, and a few individual line items such as total trading revenue. The number of items collected varies from respondent to respondent according to the nature of the item, its relevance to the institution, and the basis of presentation used in the BHC's press release. However, any changes to this information collection would not exceed the estimated average burden of 30 minutes per respondent.

The advance information is collected by the Federal Reserve in the manner most convenient to the institution, mainly through electronic mail, telephone, or facsimile transmission. Reporting instructions would not be required because the requested financial items are defined in the FR Y-9C instructions. The advance information collected would be used only within the Federal Reserve System and would not be made available to the public.

**Cover Pages**

The Federal Reserve proposes to modify the contact information on the cover page of the FR Y-9C, FR Y-9LP, and FR Y-9SP reports to include the email address of the person to whom questions about this report should be directed. Collection of the email address would enhance communications between the Federal Reserve Bank staff and the respondent.

**Schedule HC – Balance Sheet**

The Federal Reserve proposes to modify the definition of Schedule HC, Balance Sheet, item 20, "Other liabilities," and Schedule HC-G, Other Liabilities, item 4, "Other," to include information on trust preferred securities. This information would no longer be included in Schedule HC, item 22, "Minority interest in consolidated subsidiaries and similar items." The proposed reporting change would be consistent with the manner in which trust preferred securities are presented for other public reporting purposes. In addition a footnote would be added to the form for item 20 stating that this item "Includes guaranteed preferred beneficial interests in the bank holding company's junior subordinated debt securities (trust preferred securities)." The footnote would clarify that trust preferred securities information included in other liabilities is comparable to information reported under this caption in other public financial reports, such as the Securities

and Exchange Commission (SEC) Form 10-K.

This proposed reporting change does not represent any change to the risk-based capital treatment for trust preferred securities. Consistent with guidance previously provided in Federal Reserve Supervisory Letter SR 03-13 of July 2, 2003, BHCs should continue to include eligible trust preferred securities in their tier 1 capital for regulatory capital purposes. The amounts qualifying for inclusion in tier 1 capital should be reported in Schedule HC-R, item 6, in accordance with the reporting instructions. The Federal Reserve will review the regulatory implications of any accounting treatment changes affecting trust preferred securities and, if necessary or warranted, will provide further appropriate guidance.

**Schedule HC—Memoranda**

In order to promote public awareness of risk disclosures, and to enhance the ability of the public to readily access this information, the Federal Reserve proposes to add to Schedule HC-M, a new Memorandum item 22, "URL for the reporting bank holding company's web page that displays risk disclosures, including those about credit and market risk." This item would be updated on a quarterly basis, if applicable. The Federal Reserve has long supported greater market discipline and enhanced risk disclosures by banking organizations to achieve that objective. The Federal Reserve Board, in cooperation with the U.S. Securities and Exchange Commission (SEC) and the Office of the Comptroller of the Currency, sponsored the Working Group on Public Disclosure (the Working Group) in April 2000, which was asked to provide recommendations for improved public disclosures. The Working Group issued six recommendations in January 2001 for enhanced disclosure of market and credit risk and the Federal Reserve issued an SR letter that strongly encouraged large banking organizations to adopt these recommendations. Some large banking organizations have since adopted them. Because the Working Group recommendations focus on large banking organizations, the Federal Reserve proposes to collect the URL from large banking organizations with total assets of \$30 billion or more that provide risk disclosures on their web site. The Federal Reserve would provide to the public the web address, which would link directly to the risk disclosure information on the large banking organization's web site or to a table that cross-references to the location of the disclosures. For example,

this information would likely be found in the risk management disclosure in management's discussion and analysis (MD&A) of large BHCs Form 10-K and Form 10-Q filed with the SEC and usually available on the BHC's website.

#### **Schedule HC—Regulatory Capital**

The Federal Reserve proposes to make the following changes to Schedule HC—R, Regulatory Capital.

1. Remove the caption for memoranda item 3.a, "Perpetual preferred stock eligible for inclusion in Tier 1 capital:" and modify the caption for memoranda item 3 to read "Preferred stock (including related surplus) eligible for inclusion in Tier 1 capital:"

2. Renumber memoranda item 3.a(1) as item 3.a and modify the caption to include a clarifying parenthetical note. The caption would read "Noncumulative perpetual preferred stock (included and reported in "Total equity capital," on Schedule HC)."

3. Renumber memoranda item 3.a(2) as item 3.b and modify the caption to include a clarifying parenthetical note. The caption would read "Cumulative perpetual preferred stock (included and reported in "Total equity capital," on Schedule HC)."

4. Modify current memoranda item 3.b, "Cumulative preferred stock (*e.g.*, trust preferred securities) included and reported in "Minority interest in consolidated subsidiaries and similar items," on Schedule HC" and renumber as 3.d. The revised caption would read "Other cumulative preferred stock eligible for inclusion in Tier 1 capital (*e.g.*, trust preferred securities) (included in Schedule HC, items 20 or 22)." This item would include trust preferred stock eligible for Tier 1 capital that is issued out of a special purpose subsidiary for which the bank holding company is the sole common shareholder, and that is reflected in Schedule HC, item 20, "Other liabilities." This item would also include any other cumulative preferred stock included in Schedule HC, item 22, "Minority interest in consolidated subsidiaries and similar items."

5. Add a new memoranda item 3.c, "Other noncumulative preferred stock eligible for inclusion in Tier 1 capital (*e.g.*, REIT preferred securities) (included in Schedule HC, item 22)."

The Federal Reserve proposes the first three changes to clarify existing items and proposes the fourth change for consistency with the proposed changes to Schedule HC, Balance Sheet, on trust preferred securities. The Federal Reserve proposes the fifth change, the addition of new memoranda item 3.c, to collect information on real estate investment trust (REIT) preferred

securities. REIT preferred securities are a type of innovative capital instrument typically issued from a special purpose subsidiary at the bank level. Qualifying REIT preferred securities may be included in bank Tier 1 capital with a limit of up to 25 percent of Tier 1. Currently no data are collected for REIT instruments on financial reports at either the bank or BHC level. Therefore the Federal Reserve does not have comprehensive information on the amount of these instruments in banks' or BHCs' capital structures. The Federal Reserve has learned through available anecdotal information that a number of large banking organizations have made issuances of over \$500 million. This item would also include any other noncumulative preferred stock included in Schedule HC, item 22, "Minority interest in consolidated subsidiaries and similar items."

#### **Instructions**

Instructional revisions and clarifications will be made to FR Y-9C, FR Y-9LP, FR Y-9SP, and FR Y-9ES, as necessary, in an attempt to achieve greater consistency in reporting by respondents.

#### **Proposed Revisions Effective September 30, 2004 and December 31, 2004**

##### **Editing of Data by Respondents**

The Federal Reserve proposes to require data validation checks to be performed by respondents as a condition for the accepted filing of the FR Y-9 reports (except for the FR Y-9CS). Implementation of this requirement is targeted as of the September 30, 2004, reporting date for FR Y-9C and FR Y-9LP respondents, and as of the December 31, 2004, reporting date for FR Y-9SP and FR Y-9ES respondents. The proposed changes are also consistent with the proposed data validation process for the Call Report, also targeted for September 2004.

Currently, after the Federal Reserve receives a bank holding company (BHC) report, it is subjected to edit checks to assess the accuracy and reasonableness of the data submitted. "Validity" edits verify the accuracy of reported data, for example, whether the individual items in a report schedule add up to the reported total or whether an item reported in one schedule agrees with the amount reported for an equivalent item in another schedule. Validity edits include mathematical and logical tests. "Quality" edits test the reasonableness of data and include tests using historical data and other relational tests, for example, whether the amount reported for a year "to" date item is greater than or equal to the amount reported for the same item in the previous quarter or

whether the fair value reported for a category of securities falls within a specified range of the amortized cost reported for these securities. Also certain quality or "interseries" edits compare data reported on parent "only statements (FR Y-9LP) and data reported on the consolidated bank holding company statements (FR Y-9C).<sup>1</sup>

If this validation process identifies any edit exceptions in a BHC's report, a Federal Reserve analyst may contact the BHC and explain the edit exceptions detected in the BHC's report. The BHC then reviews the reported data associated with these edit exceptions and provides the Federal Reserve analyst with any necessary corrections or describes the underlying facts and circumstances that explain why the data are correct as reported.

Under this proposal, the validation process will take place in conjunction with a BHC's submission of its FR Y-9 reports. The Federal Reserve's internet-based data collection system will subject a respondent's electronic data submission, whether by data entry or by file transfer, to published validity and quality edit checks and transmit the results of such checks to the respondent.<sup>2</sup> Companies that offer computer software to aid in the preparation of FR -9 reports or BHCs that have developed their own reporting software may also choose to incorporate validity and quality edit checks into their software. Thus edit exceptions will be identified while a BHC is preparing its report or during the submission process. The BHC will then be expected to correct its report data to eliminate any validity edit exceptions. The BHC will also be provided a method for supplying explanatory comments concerning quality edit exceptions. The Federal Reserve would not accept any submission as fulfilling reporting requirements or meeting the filing deadline that fails any validity edits or lacks explanatory comments concerning any quality edit exceptions.<sup>3</sup>

Because a BHC will be made aware of any edit exceptions while its staff is completing its FR Y-9 report, the BHC

<sup>1</sup> A list of validity and quality edits (including interseries edits) is located at the end of the instructions to the FR Y-9 reports (except for the FR Y-9CS), and validity edits are currently distributed to respondents in the form of a Reports Monitoring Checklist.

<sup>2</sup> Note that due to interseries comparisons between the FR Y-9LP and the FR Y-9C, the FR Y-9LP cannot be processed until the FR Y-9C is accepted.

<sup>3</sup> The data collection system will provide for acceptance of data that in rare situations may fail a validity edit due to unusual circumstances but have been identified as accurate.

will respond to these exceptions immediately rather than after the fact as it is under the Federal Reserve's current method. Although BHCs will still have to provide explanations to support data that trigger quality edit exceptions, this change should reduce subsequent questions from the Federal Reserve about these edits. The Federal Reserve will continue to treat BHCs explanatory comments that address any quality exceptions as confidential. Overall the proposed requirements are expected to improve the timeliness and quality of BHC data, enhance market discipline through faster access by the public, and utilize technological advances in an efficient manner.

Board of Governors of the Federal Reserve System, December 9, 2003.  
**Jennifer J. Johnson,**  
*Secretary of the Board.*  
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Commission and the Assistant Attorney General advance notice and to wait designated periods before consummation of such plans. Section 7A(b)(2) of the Act permits the agencies, in individual cases, to terminate this waiting period prior to its expiration and requires that notice of this action be published in the **Federal Register**.

**FEDERAL TRADE COMMISSION**

**Granting of Request for Early Termination of the Waiting Period Under the Premerger Notification Rules**

Section 7A of the Clayton Act, 15 U.S.C. 18a, as added by title II of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, requires persons contemplating certain mergers or acquisitions to give the Federal Trade

The following transactions were granted early termination of the waiting period provided by law and the premerger notification rules. The grants were made by the Federal Trade Commission and the Assistant Attorney General for the Antitrust Division of the Department of Justice. Neither agency intends to take any action with respect to these proposed acquisitions during the applicable waiting period.

Trans #	Acquiring	Acquired	Entities
<b>Transactions Granted Early Termination—11/03/2003</b>			
20040009	Barry Diller	Hotwire, Inc	Barry Diller. Hotwire, Inc.
<b>Transactions Granted Early Termination—11/04/2003</b>			
20040050	Triad Hospitals, Inc	Tenet Healthcare Corporation	Central Arkansas Hospital, Inc. Central Care, Inc. Dedicated Health PHO, Inc. Garland Managed Care Organization, Inc. Jonesboro Health Services, L.L.C. National Park Medical Center, Inc. NPMC Healthcenter—Physician Services, Inc. StarCare of Jonesboro, Inc. St. Mary's Medical Group, Inc. St. Mary's Regional Medical Center, Inc. Tenet Healthcare Corporation. Tenet HealthSystem medical, Inc. Triad Hospitals, Inc.
20040054	American Industrial Partners Capital Fund III, L.P.	Alcoa, Inc	Advanced Technology and Equipment, Inc.
20040055	Littlejohn Fund III, LP	General Electric Company	Alcoa, Inc. American Industrial Partners Capital Fund III, L.P. Stolle Machiner, Inc. General Electric Canada, Inc. General Electric Company. General Electric Plastics France (SNC). General Electric South Africa (Proprietary) Ltd. GEP Italia SRL. GE Plastics Hong Kong Ltd. GE Plastics Ltd. GE Polymerland Korea Ltd. GEP South America LTDA. GE Superabrasives Europe GmbH. GE Superabrasives, Inc. GE Surperabrasives US, Inc. Littlejohn Fund II, LP.
20040060	U.S. Commercial Corp., S.A. de C.V.	Good Guys, Inc	Good Guys, Inc.
20040064	Peter M. Brant	Enron Corp. (Debtor-in-Possession).	U.S. Commercial Corp., S.A. de C.V. Enron Corp. (Debtor-in-Possession).
20040066	Gryphon Partners II, L.P	The Great Atlantic & Pacific Tea Company, Inc.	Papiers Stadacona Ltee. Peter M. Brant. St. Aurelie Timberlands, Co., Ltd. Gryphon Partners II, L.P.
20040069	CCG Investments (BVI), L.P	Concertro Software, Inc.	The Great Atlantic & Pacific Tea Company, Inc. CCG Investments (BVI), L.P.