

**DEPARTMENT OF THE TREASURY****Office of the Comptroller of the Currency****FEDERAL RESERVE SYSTEM****FEDERAL DEPOSIT INSURANCE CORPORATION****Effect of the Federal Deposit Insurance Reform Act on the Consolidated Reports of Condition and Income**

**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:** Joint notice.

**SUMMARY:** On May 8, 2006, the agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), published a joint notice, with a request for comment, announcing the effect of the Federal Deposit Insurance Reform Act on the reporting of certain deposit-related data in the Consolidated Reports of Condition and Income (Call Report; FFIEC 031 and 041). The notice described regulatory reporting revisions being made to the Call Report effective June 30, 2006, primarily in response to an increase in the deposit insurance coverage for certain retirement plan deposits from \$100,000 to \$250,000. After considering the comments received on the agencies' notice, the agencies are providing additional information concerning the implementation of the regulatory reporting changes related to retirement plan deposits eligible for \$250,000 in insurance coverage.

**DATES:** The regulatory reporting revisions related to certain retirement plan deposits take effect June 30, 2006, subject to transition guidance.

**FOR FURTHER INFORMATION CONTACT:**

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

Board: Michelle E. Long, Board Clearance Officer, (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 call (202) 263-4869.

FDIC: Steven F. Hanft, (202) 898-3907, Room MB-3064, Legal Division, Federal Deposit Insurance Corporation,

550 17th Street, NW., Washington, DC 20429.

**SUPPLEMENTARY INFORMATION:****I. Background**

Banks file Call Report data with the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of reporting banks and the industry as a whole. In addition, Call Report data 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 Report data are also used to calculate all banks' deposit insurance and Financing Corporation assessments and national banks' semiannual assessment fees.

**II. Current Actions**

The Federal Deposit Insurance Reform Act of 2005 (Reform Act) (Pub. L. 109-171), enacted in February 2006, increased the deposit insurance limit for certain retirement plan deposit accounts from \$100,000 to \$250,000. The basic insurance limit for other depositor—individuals, joint accountholders, businesses, government entities, and trusts—remains at \$100,000. The FDIC issued an interim rule to implement this increase in coverage and other provisions of the Reform Act pertaining to deposit insurance coverage effective April 1, 2006 (71 FR 14629).

Because the deposit insurance coverage for certain retirement plan deposits has increased while the insurance limit for deposit accounts in other ownership capacities has not changed, the agencies announced on May 8, 2006 (71 FR 26809), that data on the number and amount of retirement deposit accounts with balances within and in excess of the new \$250,000 insurance limit will begin to be reported separately in the Call Report from data on the number and amount of other deposit accounts within and in excess of the \$100,000 insurance limit (Schedule RC-O, Memorandum item 1). The agencies also stated that the Call Report instructions for reporting estimated uninsured deposits by banks with \$1 billion or more in total assets (Schedule RC-O, Memorandum item 2) and for reporting fully insured brokered deposits (Schedule RC-E, Memorandum item 1.c) will be revised to reflect the new insurance limit for retirement deposit accounts. The agencies' announcement also advised that these reporting revisions would take effect June 30, 2006, the first report date

following the effective date of the FDIC's interim rule and that, for the June 30 report date only, banks may provide reasonable estimates for any new or revised Call Report item for which the requested information is not readily available. After banks make any necessary changes to their systems and records, the agencies estimated that these deposit-related reporting changes would produce an average net increase of 0.5 hours per bank per year in the ongoing reporting burden of the Call Report.

The agencies received comments on their notice from America's Community Bankers (ACB), the Independent Community Bankers of America (ICBA), and the American Bankers Association (ABA).

ACB supported the Call Report revisions but expressed concern about the short amount of time for banks to implement the items. ACB urged the agencies to waive any penalties for reporting errors specific to the new or revised items in the June 30, 2006, Call Report. The agencies do not anticipate imposing monetary penalties on banks for such reporting errors in that Call Report.

The ICBA commented that the reporting revisions are not overly burdensome and the ability to report reasonable estimates in the June 30, 2006, Call Report is helpful. The ICBA added, however, that once necessary systems changes are made, the ongoing reporting burden from the revised reporting requirements would be 20 to 30 minutes per quarter rather than the 30 minutes per year that the agencies had estimated. The agencies will revise their estimate of the effect of the deposit-related reporting changes to an average net increase of 1.33 hours per bank per year in the ongoing reporting burden of the Call Report.

The ABA urged the agencies to delay the reporting revisions until the FDIC finalizes its interim rule on retirement deposit account insurance and banks have had time to make necessary systems changes. The ABA noted that the amount of time that banks have to prepare for these reporting revisions is shorter than usual and indicated that bank deposit records and systems do not clearly distinguish the types of retirement deposit accounts eligible for the higher insurance coverage from other accounts. It also asserted that there is uncertainty in the banking industry as to which retirement deposit accounts are eligible for the higher insurance coverage. To address these concerns, the agencies will implement the following transitional approach to

the Call Report revisions related to retirement deposit accounts.

First, because banks have long reported the total amount of deposits held in Individual Retirement Accounts (IRAs) and Keogh Plan accounts in Call Report Schedule RC-E, Memorandum item 1.a, these two types of retirement deposit accounts should already be identified in banks' deposit records and systems. All deposits held in IRAs and those deposits held in Keogh Plan accounts that are "self-directed" are eligible for the \$250,000 insurance coverage. For IRAs, banks may provide reasonable estimates for the information to be reported in the revised Schedule RC-O and Schedule RC-E Memorandum items in their June 30 and September 30, 2006, Call Reports. For Keogh Plan accounts, banks may provide reasonable estimates of the portion of these accounts eligible for the \$250,000 insurance coverage in the revised Schedule RC-O and Schedule RC-E Memorandum items in their June 30 and September 30, 2006, Call Reports. If a bank's existing deposit records and systems for Keogh Plan accounts provide insufficient information to allow the bank to make a reasonable estimate, the bank may treat all deposits held in Keogh Plan accounts as eligible for the \$250,000 insurance coverage in these two Call Reports (even though some of these accounts may not be "self-directed" and, therefore, would not be eligible for the increased coverage).

Second, banks should determine whether they have other retirement deposit accounts eligible for the \$250,000 insurance coverage (*i.e.*, accounts other than IRAs and Keogh Plan accounts). Banks may provide reasonable estimates for the information to be reported in the revised Schedule RC-O and Schedule RC-E Memorandum items in their June 30 and September 30, 2006, Call Reports. If a bank's existing deposit records and systems for these other retirement deposit accounts provide insufficient information to allow the bank to make a reasonable estimate, the bank may treat all of these deposit accounts as eligible for the \$100,000 insurance coverage in these two Call Reports.

For the December 31, 2006, Call Report, banks would be expected to have made appropriate systems changes to enable them to report reasonably accurate data on all types of retirement deposit accounts eligible for the \$250,000 insurance coverage. Therefore, banks would no longer be permitted to elect to treat all Keogh Plan accounts as eligible for the \$250,000 insurance coverage and all other retirement

deposit accounts as eligible for the \$100,000 insurance coverage in the revised Schedule RC-O and Schedule RC-E Memorandum items in their December 31, 2006, Call Report. Thereafter, banks' deposit records and systems should enable them to report information on all retirement deposit accounts in these Call Report items in accordance with the applicable instructions.

In addition, the agencies have received inquiries concerning the reporting of brokered certificates of deposit issued in \$1,000 amounts under a master certificate of deposit in the revised Schedule RC-O and Schedule RC-E Memorandum items. For these so-called "retail brokered deposits," multiple purchases by individual depositors from an individual bank normally do not exceed the applicable deposit insurance limit (either \$100,000 or \$250,000), but under current deposit insurance rules the deposit broker is not required to provide information routinely on these purchasers and their account ownership capacity to the bank issuing the deposits. For purposes of reporting in the Call Report, these brokered certificates of deposit in \$1,000 amounts are rebuttably presumed to be fully insured brokered deposits and should be reported in Schedule RC-E, Memorandum item 1.c.(1), "Issued in denominations of less than \$100,000." These deposits should also be included in Schedule RC-E, Memorandum item 2.b, "Total time deposits of less than \$100,000." For purposes of revised Schedule RCO, Memorandum item 1, the instructions state that multiple accounts of the same depositor should not be aggregated. Therefore, in the absence of information on account ownership capacity for retail brokered certificates of deposit in \$1,000 amounts, which are rebuttably presumed to be fully insured brokered deposits, banks issuing these brokered deposits should include them in Schedule RC-O, Memorandum item 1, as "Deposit accounts of \$100,000 or less."

Dated: June 27, 2006.

**James Gillespie,**

*Deputy Chief Counsel, Office of the Comptroller of the Currency.*

Board of Governors of the Federal Reserve System, June 29, 2006.

**Jennifer J. Johnson,**

*Secretary of the Board.*

Dated at Washington, DC, this 27th day of June, 2006.

Federal Deposit Insurance Corporation.

**Robert E. Feldman,**

*Executive Secretary.*

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## GENERAL SERVICES ADMINISTRATION

### Establishment of a Transaction Fee for Transportation Services Provided for the GSA, Office of Global Supply

**AGENCY:** Federal Supply Service, GSA.

**ACTION:** Notice in response to comments on proposed rule.

**SUMMARY:** GSA published a notice in the *Federal Register* at 70 FR 73248 on December 9, 2005, and an extension to that notice at 70 FR 76455 on December 27, 2005, soliciting comments on the establishment of a 4% transaction fee for transportation services provided for the GSA, Office of Global Supply. Subsequent meetings were held with transportation service provider industries and the GSA, Office of Global Supply. This notice is in response to the comments GSA received.

**FOR FURTHER INFORMATION CONTACT** Ms. Mary Anne Sykes, Transportation Programs Branch, by telephone at 703-605-2889 or via email at [maryanne.sykes@gsa.gov](mailto:maryanne.sykes@gsa.gov).

**SUPPLEMENTARY INFORMATION:** The proposed rule is applicable to the Freight Management Program (FMP), Standard Tender of Service (STOS), for transportation services provided to the Eastern Distribution Center (EDC), Burlington, NJ; Western Distribution Center (WDC), French Camp, CA; and the National Industries for the Blind (NIB) and National Industries for the Severely Handicapped (NISH). It applies to all transportation service providers (TSPs) transporting these shipments.

Comments were received from the following individual transportation service providers, their representatives, and various industry associations:

*Associations*  
American Trucking Associations  
National Motor Freight Traffic Association  
Transportation Intermediaries Association  
NYP, Inc.  
Fiore Associates  
*Transportation Service Providers*  
Crossroad Carriers  
Economy Transport, Inc.  
Landstar System, Inc.  
Tucker Company  
*General comments and issues raised were centered on the following topics:*