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FEDERAL RESERVE SYSTEM

12 CFR Part 204

[Regulation D; Docket No. R-1297]

Reserve Requirements of Depository Institutions

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board is amending Regulation D, Reserve Requirements of Depository Institutions, to reflect the annual indexing of the reserve requirement exemption amount and the low reserve tranche for 2008. The Regulation D amendments set the amount of total reservable liabilities of each depository institution that is subject to a zero percent reserve requirement in 2008 at \$9.3 million, up from \$8.5 million in 2007. This amount is known as the reserve requirement exemption amount. The Regulation D amendment also sets the amount of net transaction accounts at each depository institution that is subject to a three percent reserve requirement in 2008 at \$43.9 million, down from \$45.8 million in 2007. This amount is known as the low reserve tranche. The adjustments to both of these amounts are derived using statutory formulas specified in the Federal Reserve Act.

The Board is also announcing changes in two other amounts, the nonexempt deposit cutoff level and the reduced reporting limit, that are used to determine the frequency at which depository institutions must submit deposit reports.

DATES: *Effective date:* October 31, 2007.

Compliance dates: For depository institutions that report deposit data weekly, the new low reserve tranche and reserve requirement exemption amount will apply to the fourteen-day reserve computation period that begins Tuesday, November 20, 2007, and the

corresponding fourteen-day reserve maintenance period that begins Thursday, December 20, 2007. For depository institutions that report deposit data quarterly, the new low reserve tranche and reserve requirement exemption amount will apply to the seven-day reserve computation period that begins Tuesday, December 18, 2007, and the corresponding seven-day reserve maintenance period that begins Thursday, January 17, 2008. For all depository institutions, these new values of the nonexempt deposit cutoff level, the reserve requirement exemption amount, and the reduced reporting limit will be used to determine the frequency at which a depository institution submits deposit reports effective in either June or September 2008.

FOR FURTHER INFORMATION CONTACT:

Heatherun Sophia Allison, Senior Counsel (202/452-3565), Legal Division, or Margaret Gillis DeBoer, Financial Analyst (202/452-3139), Division of Monetary Affairs; for users of Telecommunications Device for the Deaf (TDD) only, contact (202/263-4869); Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551.

SUPPLEMENTARY INFORMATION: Section 19(b)(2) of the Federal Reserve Act (12 U.S.C. 461(b)(2)) requires each depository institution to maintain reserves against its transaction accounts and nonpersonal time deposits, as prescribed by Board regulations, for the purpose of implementing monetary policy. Section 11(a)(2) of the Federal Reserve Act (12 U.S.C. 248(a)(2)) authorizes the Board to require reports of liabilities and assets from depository institutions to enable the Board to conduct monetary policy. The Board's actions with respect to each of these provisions are discussed in turn below.

1. Reserve Requirements

Pursuant to section 19(b) of the Federal Reserve Act (Act), transaction account balances maintained at each depository institution are subject to reserve requirement ratios of zero, three, or ten percent. Section 19(b)(11)(A) of the Act (12 U.S.C. 461(b)(11)(A)) provides that a zero percent reserve requirement shall apply at each depository institution to total reservable liabilities that do not exceed a certain

amount, known as the reserve requirement exemption amount.

Section 19(b)(11)(B) provides that, before December 31 of each year, the Board shall issue a regulation adjusting the reserve requirement exemption amount for the next calendar year if total reservable liabilities held at all depository institutions increase from one year to the next. No adjustment is made to the reserve requirement exemption amount if total reservable liabilities held at all depository institutions should decrease during the applicable time period. The Act requires the percentage increase in the reserve requirement exemption amount to be 80 percent of the increase in total reservable liabilities of all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

Total reservable liabilities of all depository institutions increased 11.0 percent (from \$3,779 billion to \$4,200 billion) between June 30, 2006, and June 30, 2007. Accordingly, the Board is amending Regulation D to increase the reserve requirement exemption amount by \$0.8 million, from \$8.5 million for 2007 to \$9.3 million for 2008.¹

Pursuant to Section 19(b)(2) of the Act (12 U.S.C. 461(b)(2)), transaction account balances maintained at each depository institution over the reserve requirement exemption amount and up to a certain amount, known as the low reserve tranche, are subject to a three percent reserve requirement. Transaction account balances over the low reserve tranche are subject to a ten percent reserve requirement. Section 19(b)(2) also provides that, before December 31 of each year, the Board shall issue a regulation adjusting the low reserve tranche for the next calendar year. The Act requires the adjustment in the low reserve tranche to be 80 percent of the percentage increase or decrease in total transaction accounts of all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

Currently, the low reserve tranche is \$45.8 million. Net transaction accounts of all depository institutions decreased 5 percent (from \$681 billion to \$646 billion) between June 30, 2006 and June

¹ Consistent with Board practice, the low reserve tranche and reserve requirement exemption amounts have been rounded to the nearest \$0.1 million.

30, 2007. Accordingly, the Board is amending Regulation D (12 CFR part 204) to decrease the low reserve tranche for net transaction accounts by \$1.9 million, from \$45.8 million for 2007 to \$43.9 million for 2008.

For depository institutions that file deposit reports weekly, the new low reserve tranche and reserve requirement exemption amount will be effective for the fourteen-day reserve computation period beginning Tuesday, November 20, 2007, and for the corresponding fourteen-day reserve maintenance period beginning Thursday, December 20, 2007. For depository institutions that report quarterly, the new low reserve tranche and reserve requirement exemption amount will be effective for the seven-day reserve computation period beginning Tuesday, December 18, 2007, and for the corresponding seven-day reserve maintenance period beginning Thursday, January 17, 2008.

2. Deposit Reports

Section 11(b)(2) of the Federal Reserve Act authorizes the Board to require depository institutions to file reports of their liabilities and assets as the Board may determine to be necessary or desirable to enable it to discharge its responsibility to monitor and control the monetary and credit aggregates. The Board screens depository institutions each year and assigns them to one of four deposit reporting panels (weekly reporters, quarterly reporters, annual reporters, or nonreporters). The panel assignment for annual reporters is effective in June of the screening year; the panel assignment for weekly and quarterly reporters is effective in September of the screening year.

In order to ease reporting burden, the Board permits smaller depository institutions to submit deposit reports less frequently than larger depository institutions. The Board permits depository institutions with net transaction accounts above the reserve requirement exemption amount but total transaction accounts, savings deposits, and small time deposits below a specified level (the "nonexempt deposit cutoff") to report deposit data quarterly. Depository institutions with net transaction accounts above the reserve requirement exemption amount but with total transaction accounts, savings deposits, and small time deposits above the nonexempt deposit cutoff are required to report deposit data weekly. The Board requires certain large

depository institutions to report weekly regardless of the level of their net transaction accounts if the depository institution's total transaction accounts, savings deposits, and small time deposits exceeds a specified level (the "reduced reporting limit"). The nonexempt deposit cutoff level and the reduced reporting limit are adjusted annually, by an amount equal to 80 percent of the increase, if any, total transaction accounts, savings deposits, and small time deposits of all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

From June 30, 2006 to June 30, 2007, total transaction accounts, savings deposits, and small time deposits at all depository institutions increased 5 percent (from \$5,867 billion to \$6,168 billion). Accordingly, the Board is adjusting the nonexempt deposit cutoff level to \$216.2 million for 2008. The Board is also adjusting the reduced reporting limit to \$1.211 billion for 2008.²

Beginning in 2008, the boundaries of the four deposit reporting panels will be defined as follows. Those depository institutions with net transaction accounts over \$9.3 million (the reserve requirement exemption amount) or with total transaction accounts, savings deposits, and small time deposits greater than or equal to \$1.211 billion (the reduced reporting limit) are subject to detailed reporting, and must file a Report of Transaction Accounts. Other Deposits and Vault Cash (FR 2900 report) either weekly or quarterly. Of this group, those with total transaction accounts, savings deposits, and small time deposits greater than or equal to \$216.2 million (the nonexempt deposit cutoff level) are required to file the FR 2900 report each week, while those with total transaction accounts, savings deposits, and small time deposits less than \$216.2 million are required to file the FR 2900 report each quarter. Those depository institutions with net transaction accounts less than or equal to \$9.3 million (the reserve requirement exemption amount) and with total transaction accounts, savings deposits, and small time deposits less than \$1.211 billion (the reduced reporting limit) are eligible for reduced reporting, and must either file a deposit report annually or

not at all. Of this group, those with total deposits greater than \$9.3 million (but with total transaction accounts, savings deposits, and small time deposits less than \$1.211 billion) are required to file the Annual Report of Deposits and Reservable Liabilities (FR 2910a) report annually, while those with total deposits less than or equal to \$9.3 million are not required to file a deposit report. A depository institution that adjusts reported values on its FR 2910a report in order to qualify for reduced reporting will be shifted to an FR 2900 reporting panel.

Notice and Regulatory Flexibility Act. The provisions of 5 U.S.C. 553(b) relating to notice of proposed rulemaking have not been followed in connection with the adoption of these amendments. The amendments involve expected, ministerial adjustments prescribed by statute and by the Board's policy concerning reporting practices. The adjustments in the reserve requirement exemption amount, the low reserve tranche, the nonexempt deposit cutoff level, and the reduced reporting limit serve to reduce regulatory burdens on depository institutions. Accordingly, the Board finds good cause for determining, and so determines, that notice in accordance with 5 U.S.C. 553(b) is unnecessary. Consequently, the provisions of the Regulatory Flexibility Act, 5 U.S.C. 601, do not apply to these amendments.

List of Subjects in 12 CFR Part 204

Banks, Banking, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, the Board is amending 12 CFR part 204 as follows:

PART 204—RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS (REGULATION D)

■ 1. The authority citation for part 204 continues to read as follows:

Authority: 12 U.S.C. 248(a), 248(c), 371a, 461, 601, 611, and 3105.

■ 2. Section 204.9 is revised to read as follows:

§ 204.9 Reserve requirement ratios.

The following reserve requirement ratios are prescribed for all depository institutions, banking Edge and agreement corporations, and United States branches and agencies of foreign banks:

² Consistent with Board practice, the nonexempt deposit cutoff level has been rounded to the nearest \$0.1 million, and the reduced reporting limit has been rounded to the nearest \$1 million.

Category	Reserve requirement
Net transaction accounts:	
\$0 to \$9.3 million	0 percent of amount.
Over \$9.3 million and up to \$43.9 million	3 percent of amount.
Over \$43.9 million	\$1,038,000 plus 10 percent of amount over \$43.9 million.
Nonpersonal time deposits	0 percent.
Eurocurrency liabilities	0 percent.

By order of the Board of Governors of the Federal Reserve System, September 25, 2007.

Jennifer J. Johnson,

Secretary of the Board.

[FR Doc. E7-19263 Filed 9-28-07; 8:45 am]

BILLING CODE 6210-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2007-28462; Directorate Identifier 2007-CE-056-AD; Amendment 39-15115; AD 2007-13-11]

RIN 2120-AA64

Airworthiness Directives; Eclipse Aviation Corporation Model EA500 Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; correction.

SUMMARY: This document makes a correction to Airworthiness Directive (AD) 2007-13-11, which was published in the **Federal Register** on June 22, 2007 (72 FR 34363), and applies to Eclipse Aviation Corporation (Eclipse) Model EA500 airplanes. AD 2007-13-11 requires you to incorporate information into the Limitations section of the airplane flight manual (AFM) that will require operation only in day visual flight rules (VFR), allow only a VFR flight plan, and maintain operation with two pilots. The published AD references an incorrect docket of Docket No. FAA-2007-28432 instead of Docket No. FAA-2007-28462. This document corrects the docket number reference.

DATES: The effective date of this AD (2007-13-11) remains June 27, 2007.

FOR FURTHER INFORMATION CONTACT: Al Wilson, Flight Test Pilot, 2601 Meacham Blvd, Fort Worth, Texas 76137-4298; telephone: (817) 222-5146; fax: (817) 222-5960.

SUPPLEMENTARY INFORMATION:

Discussion

On June 14, 2007, the FAA issued AD 2007-13-11, Amendment 39-15115 (72 FR 34363, June 22, 2007), which applies

to Eclipse EA500 airplanes. AD 2007-13-11 requires you to incorporate information into the Limitations section of the airplane flight manual (AFM) that will require operation only in day visual flight rules (VFR), allow only a VFR flight plan, and maintain operation with two pilots.

The published AD references an incorrect docket of Docket No. FAA-2007-28432 instead of Docket No. FAA-2007-28462.

Need for the Correction

This correction is needed to incorporate all docket information for this project into its own area in the Docket Management System (DMS).

Correction of Publication

Accordingly, the publication of June 22, 2007 (72 FR 34363), of Amendment 39-15115; AD 2007-13-11, which was the subject of FR Doc. E7-11933, is corrected as follows:

On page 34363, in the third column, in the fourth line, change "Docket No. FAA-2007-28432" to "Docket No. FAA-2007-28462."

On page 34364, in the first column, on line 25 under **ADDRESSES**, change "Docket No. FAA-2007-28432" to "Docket No. FAA-2007-28462."

On page 343645, in the third column, in the ninth and tenth lines under Comments Invited, change "Docket No. FAA-2007-28432" to "Docket No. FAA-2007-28462."

§ 39.13 [Corrected]

■ On page 34365, in the first column, in the fifth and sixth lines of § 39.13, change "Docket No. FAA-2007-28432" to "Docket No. FAA-2007-28462."

Action is taken herein to correct the docket number references and to add this AD correction to section 39.13 of the Federal Aviation Regulations (14 CFR 39.13).

The effective date remains June 22, 2007.

Issued in Kansas City, Missouri, on September 24, 2007.

Kim Smith,

Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. E7-19193 Filed 9-28-07; 8:45 am]

BILLING CODE 4910-13-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 51 and 97

[EPA-HQ-OAR-2003-0053; FRL-8476-1]

RIN 2060-AO54

Clean Air Interstate Rule (CAIR) and CAIR Federal Implementation Plans; Corrections

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule; correcting amendments.

SUMMARY: In this rule, EPA is making a minor correction to the Clean Air Interstate Rule (CAIR) to restore a phrase of regulatory text related to State annual emissions reporting requirements that was inadvertently deleted when the rule was amended in 2006. This rule also corrects typographical errors in the spellings of three States in the CAIR regulatory text and corrects a typographical error in a section citation in the CAIR Federal Implementation Plans (FIPs) regulatory text.

DATES: *Effective Date:* These correcting amendments are effective on October 1, 2007.

ADDRESSES: The EPA has established a docket for this action under Docket ID No. EPA-HQ-OAR-2003-0053. All documents in the docket are listed in the www.regulations.gov index. Although listed in the index, some information is not publicly available, e.g., confidential business information or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, will be publicly available only in hard copy. Publicly available docket materials are available either electronically in www.regulations.gov or in hard copy at the EPA Docket Center EPA/DC, EPA West, Room 3334, 1301 Constitution Ave., NW., Washington, DC. The Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Public Reading Room is (202) 566-1744, and the telephone number for the EPA Docket Center is (202) 566-1742. This