

For further information, contact Kenneth Hogan at (202) 208-0434.

Linwood A. Watson, Jr.,

Acting Secretary.

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FEDERAL COMMUNICATIONS COMMISSION

[Report No. 2495]

Petitions for Reconsideration and Clarification of Action in Rulemaking Proceeding

July 10, 2001.

Petitions for Reconsideration and Clarification have been filed in the Commission's rulemaking proceeding listed in this Public Notice and published pursuant to 47 CFR Section 1.429(e). The full text of these documents are available for viewing and copying in Room CY-A257, 445 12th Street, SW., Washington, DC or may be purchased from the Commission's copy contractor, ITS, Inc. (202) 857-3800. Oppositions to these petitions must be filed by July 31, 2001. See Section 1.4(b)(1) of the Commission's rules (47 CFR 1.4(b)(1)). Replies to an opposition must be filed within 10 days after the time for filing oppositions has expired.

Subject:

Federal-State Joint Board on Universal Service (CC Docket No. 96-45)
Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers (CC Docket No. 00-256)

Number of Petitions Filed: 4.

Magalie Roman Salas,

Secretary.

[FR Doc. 01-17664 Filed 7-13-01; 8:45 am]

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FEDERAL DEPOSIT INSURANCE CORPORATION

Request for Comment on Study of Banking Regulations Regarding the Online Delivery of Banking Services

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Request for comment.

SUMMARY: The FDIC is reviewing its regulations regarding the delivery of financial services. The purpose of this review is to identify changes or additions to its regulations that would facilitate the use of new technologies by

financial institutions. This Request for Comment solicits comment on issues arising from the electronic delivery of financial products and services.

DATES: Comments must be received by September 14, 2001.

ADDRESSES: Send written comments 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 a.m. and 5 p.m. (facsimile number (202) 898-3838; Internet address: comments@fdic.gov <<mailto:comments@fdic.gov>>).

Comments may be posted on the FDIC internet site at <http://www.fdic.gov/regulations/laws/federal/propose.html> and may be inspected and photocopied in the FDIC Public Information Center, Room 100, 801 17th Street, NW., Washington, DC 20429, between 9 a.m. and 4:30 p.m. on business days.

FOR FURTHER INFORMATION CONTACT:

Jeffrey M. Kopchik, Senior Policy Analyst, Division of Supervision (202) 898-3872; or Robert A. Patrick, Counsel, Legal Division (202) 898-3757.

SUPPLEMENTARY INFORMATION:

Introduction

Section 729 of the Gramm-Leach-Bliley Act, Public Law 106-102 (GLBA), requires the FDIC, and other federal bank regulatory agencies, to review regulations regarding the delivery of financial services and report to Congress recommendations for adapting existing requirements to online banking and lending. The purpose of this Request for Comment is to invite public comment on issues regarding financial institutions' involvement in electronic banking, before submission of the Corporation's report to Congress. Public comment will help determine whether any FDIC regulations should be revised to remove regulatory impediments to financial institutions' use of new technologies. The FDIC also would like to know whether it should consider promulgating regulations that would facilitate financial institutions' use of new technologies. Based on the comments received, the FDIC, in its report to Congress, may identify possible revisions or additions to FDIC regulations or supervisory guidance.

Background

The application of new technologies to traditional banking products and services is dramatically altering the ways in which financial institutions conduct business. Advances in

telecommunications provide financial institutions with faster and more efficient communication and data transmission. The Internet provides financial institutions with a vehicle to reach a global market area without an investment in "brick and mortar" offices. Developments in technology are causing financial institutions to reevaluate existing delivery channels and business practices, develop new products and services, and serve customers more efficiently.

Through the issuance of supervisory guidelines such as the Standards for Safeguarding Customer Information, 12 CFR part 364, Appendix B (66 FR 8616, Feb. 1, 2001) (FIL 22-2001, March 14, 2001), the FDIC is working to identify and educate banks about the risks presented by electronic banking and to ensure that its regulations appropriately address these risks.¹

General Comments

Commenters are invited to submit comments and recommendations in connection with any of the following questions or any other issues relating to the FDIC's policies or procedures for supervising financial institutions' use of electronic delivery channels.

- Are there specific regulations the FDIC should modify because they impede the use of a new technology that would allow financial institutions to offer improved products or services in a more efficient manner and at a lower cost?
- Are there areas where financial institutions would benefit from additional clarification of rules or guidance concerning the risks associated with electronic banking activities?
- Are there specific areas in which regulatory changes are needed to enhance consumer acceptance of, confidence in, or access to, electronic banking?

¹ The FDIC issued electronic banking examination procedures in January 1997 and implemented an electronic banking subject matter expert program in April 1997. The Division of Supervision created an Electronic Banking Branch to focus attention on electronic banking supervisory issues in September 2000. In addition, the FDIC has issued a variety of written guidance concerning risks and appropriate procedures for electronic banking. See *e.g.*, FIL 81-2000, Risk Management of Technology Outsourcing (November 29, 2000); FIL 77-2000, Bank Technology Bulletin, Internet Domain Names (November 9, 2000); FIL 72-2000, Electronic Signature in Global and National Commerce Act (November 2, 2000); FIL 67-2000, Security Monitoring of Computer Networks (October 3, 2000); FIL 63-2000, Online Banking (September 21, 2000); FIL 131-97, Security Risks Associated with the Internet (December 18, 1997).

Hyperlinking

The Internet has made it possible for financial institutions and non-financial commercial enterprises to partner in ways that may not be apparent to customers visiting a web site. For example, a financial institution's web site may include hyperlinks that transfer the customer to the web sites of one or more non-financial institutions. These other web sites may provide non-financial information or sell non-financial products or services. Sites differ in the degree to which they inform a person that products or services accessible through the selection of a hyperlink are, or are not, offered, sponsored, or endorsed by the bank, which may be confusing to site visitors.

- Should the FDIC promulgate a regulation or publish guidance setting forth standards for state nonmember banks concerning the use of hyperlinks?
- Are there technology solutions to address these issues?

Physical Location

Internet banking raises issues with respect to how the FDIC should interpret existing laws and regulations that reference geographic terms or rely on concepts of physical presence. For example, the definition of "branch" contained in § 303.41(a) of the FDIC's regulations (12 CFR 303.41(a)) assumes the existence of a building permanently or temporarily located at a specific physical location. It does not address banking transactions conducted over the Internet where the consumer and a bank representative do not meet face to face. See 12 CFR part 303, subpart C.

- Does reliance on these terms and concepts create an impediment to financial institutions conducting operations on the Internet? If so, how should the FDIC clarify its regulations?
- Are there other instances in which online banking or lending would benefit from a clarification of references to physical location in FDIC regulations? If so, how should the FDIC address those instances?

Appraisals

Certain loans must be supported by written real estate appraisals performed in accordance with uniform standards, supported by the presentation and analysis of relevant market information. See 12 CFR part 323.

- Would online lending benefit from any clarification of the FDIC's application of this regulation in terms of what constitutes a written appraisal, or the presentation of relevant market information. If so, what clarifications should the FDIC make to facilitate the use of appraisals in electronic form?

- What types of controls regarding authentication of an electronic appraisal, certification of the appraiser, or other standards would be appropriate to assure authenticity and integrity in connection with filing electronic appraisals?

Electronic Signatures

The Electronic Signatures in Global and National Commerce Act, 15 U.S.C. 7001, *et seq.* (E-Sign Act), provides that contracts and signatures with respect to any transaction affecting interstate commerce may not be denied validity solely because they are in electronic form. The E-Sign Act also provides that records of such contracts may be maintained in electronic form, subject to certain requirements, *i.e.*, they must accurately reflect the information in the contract, be accessible to all persons who are entitled to access them, and be capable of being accurately reproduced for later reference.

- Should the FDIC promulgate regulations or publish guidance setting forth standards for the use of electronic signatures and records? See 15 U.S.C. 7004.

By order of the Board of Directors.

Dated at Washington, DC, this 10th day of July, 2001.

Federal Deposit Insurance Corporation.

Robert E. Feldman,
Executive Secretary.

[FR Doc. 01-17666 Filed 7-13-01; 8:45 am]

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FEDERAL EMERGENCY MANAGEMENT AGENCY

[FEMA-1370-DR]

Minnesota; Amendment No. 6 to Notice of a Major Disaster Declaration

AGENCY: Federal Emergency Management Agency (FEMA).

ACTION: Notice.

SUMMARY: This notice amends the notice of a major disaster declaration for the State of Minnesota, (FEMA-1370-DR), dated May 16, 2001, and related determinations.

EFFECTIVE DATE: June 26, 2001

FOR FURTHER INFORMATION CONTACT:

Madge Dale, Readiness, Response and Recovery Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646-5920.

SUPPLEMENTARY INFORMATION: The notice of a major disaster declaration for the State of Minnesota is hereby amended to include the following areas among those areas determined to have been adversely

affected by the catastrophe declared a major disaster by the President in his declaration of May 16, 2001:

Dodge, Faribault, and Isanti Counties for Public Assistance.

Beltrami County for Public Assistance (already designated for Individual Assistance).

McLeod and Pope Counties for Individual Assistance (already designated for Public Assistance).

(The following Catalog of Federal Domestic Assistance Numbers (CFDA) are to be used for reporting and drawing funds: 83.537, Community Disaster Loans; 83.538, Cora Brown Fund Program; 83.539, Crisis Counseling; 83.540, Disaster Legal Services Program; 83.541, Disaster Unemployment Assistance (DUA); 83.542, Fire Suppression Assistance; 83.543, Individual and Family Grant (IFG) Program; 83.544, Public Assistance Grants; 83.545, Disaster Housing Program; 83.548, Hazard Mitigation Grant Program.)

Lacy E. Suiter,

Assistant Director, Readiness, Response and Recovery Directorate.

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FEDERAL EMERGENCY MANAGEMENT AGENCY

[FEMA-1384-DR]

Oklahoma; Major Disaster and Related Determinations

AGENCY: Federal Emergency Management Agency (FEMA).

ACTION: Notice.

SUMMARY: This is a notice of the Presidential declaration of a major disaster for the State of Oklahoma (FEMA-1384-DR), dated June 29, 2001, and related determinations.

EFFECTIVE DATE: June 29, 2001.

FOR FURTHER INFORMATION CONTACT:

Madge Dale, Response and Recovery Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646-5920.

SUPPLEMENTARY INFORMATION: Notice is hereby given that, in a letter dated June 29, 2001, the President declared a major disaster under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC 5121, as follows:

I have determined that the damage in certain areas of the State of Oklahoma, resulting from severe storms, flooding, and tornadoes on May 27-30, 2001, is of sufficient severity and magnitude to warrant a major disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC 5121 (Stafford Act). I, therefore, declare that such a major disaster exists in the State of Oklahoma.