management regulations by reference into its State rules. These rules require record keeping and reporting for certain technical monitoring and assessment, management practices, and certain certifications of compliance. Because these requirements and any requirements placed in a sludge permit would be excluded from the self-evaluation privilege, EPA believes that Utah has the authority necessary to administer the sludge management program to assure protection of public health and the environment, and invites comment on this issue.

Indian Reservations

The proposed program modification does not extend to ''Indian Country'' as defined in 18 U.S.C. Section 1151, including lands within the exterior boundaries of the following Indian reservations located within or abutting the State of Utah:

1. Goshute Indian Reservation
2. Navajo Indian Reservation
3. Northwestern Band of Shoshone Nation of Utah (Washakie) Indian Reservation
4. Paiute Indian Tribe of Utah Indian Reservation
5. Skull Valley Band of Goshute Indians of Utah Indian Reservation
6. Uintah and Ouray Indian Reservation
7. Ute Mountain Indian Reservation

The Agency is cognizant that the State of Utah and the United States Government differ as to the exact geographical extent of Indian Country within the Uintah and Ouray Indian Reservation and are currently litigating this question in Federal Court. Until that litigation is completed and this question is resolved, the Agency will enter into discussions with the Ute Indian Tribe of the Uintah and Ouray Indian Reservation and the State of Utah to determine the best interim approach to managing this program in the disputed area. The Agency will notify the public of the outcome of these discussions.

In excluding Indian Country from the scope of this proposed program modification, EPA is not making a determination that the State either has adequate jurisdiction or lacks jurisdiction over sources in Indian Country. Should the State of Utah choose to seek program approval within Indian Country, it may do so without prejudice. Before EPA would approve the State's program for any portion of Indian Country, EPA would have to be satisfied that the State has authority, either pursuant to explicit Congressional authorization or applicable principles of Federal Indian law, to enforce its laws against existing and potential pollution sources within any geographical area for which it seeks program approval and that such approval would constitute sound administrative practice.

There are no EPA-issued sludge management permits for facilities or activities on Indian Country at this time.

Availability of State Submittal

Utah's submittal may be reviewed by the public from 8:00 a.m. to 4:00 p.m., Monday through Friday, excluding holidays, at the Utah Department of Environmental Quality, Division of Water Quality, Permitting and Compliance Section; 288 North 1460 West; Salt Lake City, Utah or at the EPA Regional Office in Denver at the address appearing earlier in this notice. Requests for copies should be addressed to Lisa Rogers, Utah Department of Environmental Quality at the address provided above or at telephone number (801) 538–6146.

Public Notice Procedures

Copies of all submitted statements and documents shall become a part of the record submitted to EPA. All comments or objections presented in writing and postmarked within 30 days of this notice to EPA Region VIII will be considered by EPA before it takes final action on Utah's request for program modification approval.

All written comments and questions regarding the sludge management program should be addressed to Janet LaCombe at the above address.

The public is also encouraged to bring the foregoing to the attention of persons who may be interested in this matter.

EPA'S Decision

After the close of the public comment period, EPA will decide whether to approve or disapprove Utah's sludge management program. The decision will be based on the requirements of Sections 405, 402 and 304(i) of the CWA and EPA regulations promulgated thereunder.

If the Utah program modifications are approved, EPA will so notify the State. Notice will be published in the Federal Register and, as of the date of program approval, EPA will suspend issuance of NPDES sludge management permits in Utah (except, as discussed above, for those dischargers in ''Indian Country''). The State's program will operate in lieu of the EPA-administered program. However, EPA will retain the right, among other things, to object to NPDES permits proposed to be issued by Utah and to take enforcement actions for violations, as allowed by the CWA.

If EPA disapproves Utah's sludge management program, EPA will notify the State of the reasons for disapproval and of any revisions or modifications to the State program that are necessary to obtain approval.

Review Under Regulatory Flexibility Act and Executive Order 12291

Under the Regulatory Flexibility Act, EPA is required to prepare a Regulatory Flexibility Analysis for all rules that may have a significant impact on a substantial number of entities. The proposed approval of the Utah sludge management program does not alter the regulatory control over any industrial category. No new substantive requirements are established by this action. Therefore, because this notice does not have a significant impact on a substantial number of small entities, a Regulatory Flexibility Analysis is not needed.

The Office of Management and Budget has exempted this rule from the requirements of section 3 of Executive Order 12291.

Dated: April 9, 1996.

Patricia D. Hull,

Acting Regional Administrator, Environmental Protection Agency, Region VIII.

[FR Doc. 96–9463 Filed 4–16–96; 8:45 am]

BILLING CODE 6560–50–P

FARM CREDIT SYSTEM INSURANCE CORPORATION

Policy Statement Concerning Adjustments to the Insurance Premiums

AGENCY: Farm Credit System Insurance Corporation.

ACTION: Policy statement; request for comments.

SUMMARY: The Farm Credit System Insurance Corporation (Corporation) announces that it is publishing for comment a Policy Statement Concerning Adjustments to the Insurance Premiums. This policy statement establishes a semiannual review process as a basis for the Corporation's exercise of its discretion to adjust premiums in response to changing conditions. It also establishes a premium floor until the Insurance Fund reaches the level specified in the Farm Credit Act of 1971, as amended (the Act); 12 U.S.C. 2277a–4.

DATES: Written comments must be submitted on or before May 17, 1996.

ADDRESSES: Comments should be mailed or delivered to Dorothy L. Nichols, General Counsel, Farm Credit System Insurance Corporation, McLean,

Virginia 22102. Copies of all comments will be available for examination by interested parties in the offices of the Farm Credit System Insurance Corporation.

FOR FURTHER INFORMATION CONTACT: Dorothy L. Nichols, General Counsel, Farm Credit System Insurance Corporation, 1501 Farm Credit Drive, McLean, Virginia 22102, (703) 883–4380, TDD (703) 883–4444.

SUPPLEMENTARY INFORMATION: In 1987, Congress directed the Corporation to collect premiums to reach the secure base amount, which is defined as 2 percent of the aggregate outstanding insured obligations of all insured banks (excluding a percentage of State and Federally guaranteed loans) or such other percentage of the aggregate amount as the Corporation in its sole discretion determines is ''actuarially sound.''

The statute specifies a limited form of risk based premium assessments: 25 basis points for nonaccrual loans; 15 basis points for loans in accrual status (excluding certain State and Federally guaranteed loans); and a very modest premium for government guaranteed loans. This formula was designed as an incentive for the Farm Credit System to make quality loans and at the same time build the Insurance Fund to a level that Congress believed would prevent a default on a System debt obligation. The Insurance Fund represents the Corporation's equity, i.e., the difference between its total assets ($1,023 million as of yearend 1995) and its total liabilities, including its insurance obligations ($121 million as of yearend 1995).

While Congress gave the Corporation the discretion to reduce the premium assessments before reaching the secure base amount in the Farm Credit System Reform Act of 1996, Pub. L. No. 104–105, 110 Stat. 162 (Feb. 10, 1996), it did not alter the original mandate to reach and maintain the secure base amount. In the policy statement, the Corporation concludes that under these circumstances, any reduction in premium must take into account its impact on the original mandate.

Neither the statute nor the legislative history provides guidance on how the Corporation is to balance the Congressional desire to reach the secure base amount with the new discretionary authority. Nor does the legislative history provide guidance as to the appropriate time frame for reaching the secure base amount. However, it is clear from the legislative history creating the Corporation that Congress was focused on assuring that the taxpayer would not be required to rescue the Farm Credit System again, as they had been in the mid-eighties. Past experience demonstrates that under severe stress, the Farm Credit System suffered $4.6 billion in losses from 1985–1987 and had to borrow $1.3 billion in U.S. Treasury-guaranteed bonds to assist institutions experiencing financial difficulty. It is also clear that Congress intended that the Fund be built in anticipation of potential problems in the Farm Credit System by assessing each insured bank until the Insurance Fund reached 2 percent of outstanding insured debt obligations. Recently, Congress reaffirmed the importance of the Insurance Fund's protection of investors and taxpayers when it provided reserve accounts for amounts above the secure base. The funds in these accounts cannot be refunded to insured banks until 8 years after the Insurance Fund exceeds the secure base amount and in no event before January 1, 2005. These funds will provide an additional layer of insurance protection.

It is instructive as well that in the eighties financial difficulties in the banking industry often were unanticipated as early as 2 years prior to failure. Thus, pushing achievement of the secure base amount off too far in the future ignores the real risks that exist in lending beyond the immediate time horizon. Also, it ignores the fact that problems in agricultural lending tend to hit many institutions at the same time. This would conflict with the Corporation's duty as a prudent insurer to consider such possibilities for the protection of the Farm Credit System's investors. Thus, achieving the secure base amount quickly while the Farm Credit System is in good health is important because it would be difficult to revert to the statutory assessment from a very low assessment during times of financial stress. Substantially higher assessments then could result in adverse effects on bank earnings and capital precisely when the Farm Credit System could least afford the extra cost. Finally, Congress recognized the importance of redressing inequities in initial assessments to capitalize the Farm Credit System Financial Assistance Corporation (FAC) when it recently authorized rebates to associations that paid these assessments from the Insurance Fund, totaling $56 million, to be paid 8 years after the secure base amount is reached. Delay in reaching the secure base amount due to reduced premiums paid by the banks delays resolution of this issue.

Congress believed that the premium assessment system should incorporate a higher rate for nonaccruing loans to provide an incentive to control risk-taking while at the same time covering the long-term costs of the insurer's obligations through a lower premium assessment on loans in accrual status. This limited form of risk-based premiums provides an incentive for sound credit extension and administration.

For these reasons, the policy statement concludes that, while the Corporation may reduce premiums, it should continue to assess sufficient premiums to reach the secure base in a reasonable time period. To continue providing an incentive to control risk-taking, the policy statement indicates that the Corporation does not intend to reduce the premium on loans in nonaccrual status. In determining whether to adjust premiums on loans in accrual status, the Corporation will consider a number of pertinent factors including: (1) The current level of the Insurance Fund and the amount and time needed to reach the secure base amount; (2) the condition of the Farm Credit System; (3) the probability and likely amount of any losses to the Insurance Fund; and (4) multiple scenarios reflecting the impact of the potential growth on the time frame required to achieve the secure base amount. Furthermore, to ensure steady progress towards the secure base amount, the Corporation has decided to establish a premium floor, as described in the policy statement. Thus, premiums on loans in accrual status may be reduced below the statutory rate of 15 basis points but will not be reduced below the premium floor until the secure base amount is reached.

Farm Credit System Insurance Corporation, Policy Statement Concerning Adjustments to the Insurance Premiums No. xx

Adoption Date: March 28, 1996.
Effect on Previous Action: None.
Source of Authority: Section 5.55 of the Farm Credit Act of 1971, as amended (the Act); 12 U.S.C. 2277a–4.

Whereas, section 5.52 of the Act established the Farm Credit System Insurance Corporation (Corporation) to, among other things, ensure the timely payment of principal and interest on Farm Credit System obligations (12 U.S.C. 2277a–1); and

Whereas, section 5.55 of the Act mandates that the Corporation collect premiums from all insured Farm Credit System banks until the Insurance Fund reaches the secure base amount, which is defined as 2 percent of the aggregate outstanding insured obligations of all insured banks (excluding a percentage of State and Federally guaranteed loans)

or such other percentage of the aggregate amount as the Corporation determines is actuarially sound; and

Whereas, the Farm Credit System Reform Act of 1996, Pub. L. No. 104–105, 110 Stat. 162 (Feb. 10, 1996), amended section 5.55 of the Act to permit the Corporation to exercise its discretion to adjust the premium assessments applied to all insured Farm Credit System banks before the Insurance Fund reaches the secure base amount;

Whereas, any reduction in the premium schedule must take into account its impact on the original mandate to reach the secure base amount. Now therefore, the Corporation's Board of Directors (Board) adopts the following policy statement to govern adjustments to premiums in response to changing conditions.

The Board will review the premium assessment schedule at least semiannually in order to determine whether to exercise its discretion to adjust the premium assessments in response to changing conditions. The Board may reduce the premiums when the Farm Credit System demonstrates good health and sound risk management and other conditions warrant, and raise premiums to the statutory level if, for example, the Insurance Fund suffers a significant loss or if bank capital or collateral decreases significantly before the secure base amount is achieved.

As a basis for its decision the Board will consider the following:

1. The current level of the Insurance Fund and the amount of money and time needed to reach the secure base amount in light of potential growth;

2. The likelihood and probable amount of any losses to the Insurance Fund;

3. The overall condition of the Farm Credit System, including the level and quality of capital, earnings, loan growth, asset quality, loss allowance levels, asset liability management, as well as the collateral ratios of the 8 banks;

4. The health and prospects for the agricultural economy, including the potential impact of governmental farm policy and the effect of the globalization of agriculture on opportunities and competition for U.S. producers; and

5. The risks in the financial environment that may cause a problem, even when there is no imminent threat, such as volatility in the level of interest rates, the use of sophisticated investment securities and derivative instruments, and increasing competition from non-System financial institutions.

In its review of the premium assessments, the Board will consider multiple scenarios that reflect the impact of potential growth in Farm Credit System debt levels on the time required to achieve the secure base amount. The secure base amount should be achieved while the Farm Credit System is in good health with very few problem institutions. Therefore, the Board will not reduce the premium below 7.5 basis points on loans in accrual status until the secure base amount is achieved. Thus, the premium on loans in accrual status will be set between 7.5 basis points and the statutory rate of 15 basis points. Furthermore, the Board will not reduce the premium on loans in nonaccrual status, to continue providing an incentive for sound credit extension and administration.

Adopted for publication before final approval this 28th day of March, 1996 by order of the Corporation Board.

Dated: April 11, 1996.

Nan P. Mitchem,

Acting Secretary to the Board, Farm Credit System Insurance Corporation.

[FR Doc. 96–9400 Filed 4–16–96; 8:45 am]

BILLING CODE 6710–01–P

FEDERAL MARITIME COMMISSION

Ocean Freight Forwarder License Applicants

Notice is hereby given that the following applicants have filed with the Federal Maritime Commission applications for licenses as ocean freight forwarders pursuant to section 19 of the Shipping Act of 1984 (46 U.S.C. app. 1718 and 46 CFR 510).

Persons knowing of any reason why any of the following applicants should not receive a license are requested to contact the Office of Freight Forwarders, Federal Maritime Commission, Washington, D.C. 20673.

Transworld Export Services, Inc., 4905 Park Avenue, Suite 4C, Union City, NJ 07087, Officer: Nydia Belinda Cardenas, President

Quick Cargo Services Corp., 8355 N.W. 68th Street, Miami, FL 33166, Officers: Enrique Pena, Vice President; Jose Gasas, Treasurer; Prudencio Gasas, Secretary

Hanjin Intermodal America, Inc., 261 E. Redondo Beach Blvd., Gardena, CA 90248, Officers: Hwang, Hee Tae, President; Kim, Hyung Kap, Vice President; Lee, Bo Young, Chief Financial Officer

Caribbean Shipping & Consolidating Corp., 3730 N.W. 72nd Street, Miami, FL 33147, Officers: Winston R. Simmonds, President; Harry P. Maragh, Vice President; Ainsley Morris, Vice President

Vio & C. U.S.A. Inc., 167–10 S. Conduit Avenue, Suite 1207, Jamaica, NY 11434, Officers: Luciano Bonati, President; Giampaolo Bonati, Treasurer; Augusto Fumagalli, Chief Financial Officer; Angel J. Pipitone, Secretary; Michael A. Pipitone, Vice President; Mario Bonati, Director; Vito A. Pipitone, Director; Joan Pipitone, Director

Clover International, Inc., 15431 Vantage Parkway West, Suite 200, Houston, TX 77032, Officers: Luis Angel Rincon, President/Treasurer/Secretary; Ana H. Pena, Assistant Secretary

Bringer Corporation, 8351 N.W. 21st Street, Miami, FL 33122, Officer: Eduardo De Castro Filho, President.

Dated: April 11, 1996.

Joseph C. Polking,

Secretary.

[FR Doc. 96–9409 Filed 4–16–96; 8:45 am]

BILLING CODE 6730–01–M

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. Once the application has been accepted for processing, it will also 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, including whether the acquisition of the nonbanking company can ''reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible