parties paying a 130% premium (the Kennecot entities and Lockheed Corporation), there is an exception to the covenant not to sue if total response costs at the Site exceed $20,000,000.

For a period of thirty (30) days from the date of this publication, the public may submit comments to EPA relating to this proposed de minimis settlement.

A copy of the proposed AOC may be obtained from Maureen O'Reilly (8ENF–T), U.S. Environmental Protection Agency, Region VIII, 999 18th Street, Suite 500, Colorado 80202–2405, (303) 312–6402. Additional background information relating to the de minimis settlement is available for review at the Superfund Records Center at the above address.

It is So Agreed:

Dated: September 9, 1996.

Patricia D. Hull,

Acting Regional Administrator, U.S. Environmental Protection Agency, Region VIII.

[FR Doc. 96–23789 Filed 9–16–96; 8:45 am]

BILLING CODE 6560–50–M

[FRL–5611–9]

Notice of Proposed Assessment of Clean Water Act Class II Administrative Penalty and Opportunity To Comment

AGENCY: Environmental Protection Agency.

ACTION: Notice.

SUMMARY: Pursuant to section 309(g) of the Federal Clean Water Act, 33 U.S.C. 1319(g), EPA is authorized to assess a Class II administrative penalty of up to $125,000 against any person who, without authorization, discharges a pollutant to a water of the U.S., as those terms are defined in section 502 of the Act, 33 U.S.C. 1362, and its implementing regulations. As required under section 309(g)(4), 33 U.S.C. 1319(g)(4), EPA Region IX hereby gives notice of the following proposed Class II penalty action and the public's opportunity to comment on it.

On August 13, 1996, EPA Region IX commenced proceedings to assess a Class II penalty of $115,000 against the City of San Diego, San Diego County, California 92101 (In the Matter of City of San Diego, Kearny Mesa Site, EPA Docket No. CWA–IX–FY94–46) by filing a complaint with the Regional Hearing Clerk, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, California 94105 (415) 744–1389. The complaint alleges that between July 1992 and May 1993, on at least two occasions, a lessee of the City of San Diego, used earth moving or other construction equipment to discharge earthen material and chipped vegetation (bark) into waters of the United States (i.e., vernal pool wetlands) on property owned and controlled by the City of San Diego, on Kearny Mesa, California. The complaint further alleges that these discharges never received required authorization from the U.S. Army Corps of Engineers under section 404 of the Clean Water Act, 33 U.S.C. 1344.

DATES: The public is invited to submit written comments on this proposed penalty action during a thirty day comment period.

ADDRESSES: Written comments on this proposed action should be submitted to the Regional Hearing Clerk, U.S. EPA, Region IX, 75 Hawthorne Street, San Francisco, CA 94105.

FOR FURTHER INFORMATION CONTACT: Persons wishing to receive a copy of 40 CFR part 22, review the complaint or other documents filed by the parties in this proceeding, comment on the proposed penalty assessment, or participate in any hearing which may be held should contact the regional clerk at the address or phone number listed above. Unless otherwise noted, the public record for the proceeding is located in the regional office at the address above and is available for public inspection during normal business hours. All information submitted by the respondent will be part of the public record and subject to provisions of law restricting public disclosure of confidential information.

SUPPLEMENTARY INFORMATION: This penalty proceeding and the procedures for public comment and participation are governed by EPA's ''Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation or Suspension of Permits,'' at 40 CFR part 22, which is available at most libraries. To provide an opportunity for public comment, EPA will not take final actions in the proceeding prior to thirty (30) days after publication of this notice.

Dated: September 4, 1996.

Alexis Strauss,

Acting Director, Water Management Division.

[FR Doc. 96–23786 Filed 9–16–96; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL COMMUNICATIONS COMMISSION

[Report No. 2152]

Petitions for Reconsideration and Clarification of Action in Rulemaking Proceedings

September 12, 1996.

Petitions for reconsideration and clarification have been filed in the Commission's rulemaking proceedings listed in this Public Notice and published pursuant to 47 CFR Section 1.429(e). The full texts of these documents are available for viewing and copying in Room 239, 1919 M Street NW., Washington, DC or may be purchased from the Commission's copy contractor, ITS, Inc. (202) 857–3800. Oppositions to these petitions must be filed on or before October 2, 1996. 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

Amendment of Part 20 and 24 of the Commission's Rules—Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap. (WT Docket No. 96–59) *

Amendment of the Commission's Cellular/PCS Cross-Ownership Rule. (GN Docket No. 90–314)

Number of Petition Filed: 8.

* This Public Notice includes the petition filed by Eliot J. Greenwald, Attorney for the National Paging & Personal Communications Association and J. Jeffrey Craven, Attorney for Personal Technology Service, Inc. and Digivox Corporation. A previous Public Notice, Report No. 2146, was released on August 7, 1996 and published in the Federal Register on August 13, 1996, listed only seven petitions. We are therefore placing all eight petitions on public notice at this time.

Federal Communications Commission.

William F. Caton,

Acting Secretary.

[FR Doc. 96–23675 Filed 9–16–96; 8:45 am]

BILLING CODE 6712–01–M

Correction to Report No. 2151; Petition for Reconsideration and Clarification of Action in Rulemaking Proceedings

September 12, 1996.

Report No. 2151, released September 6, 1996 listed the below Petition for Reconsideration. This petition was listed on a previous Public Notice, released August 30, 1996, therefore the September 6, was released in error.

Subject: Bell Operating Company Provision of Out-of-Region Interstate,

Interexchange Services. (CC Docket No. 96–21).

Filed By: Frank W. Krogh and Donald J. Elardo, Attorneys for MCI Telecommunications Corporation on 08/08/96.

Federal Communications Commission.

William F. Caton,

Acting Secretary.

[FR Doc. 96–23676 Filed 9–16–96; 8:45 am]

BILLING CODE 6712–01–M

FEDERAL RESERVE SYSTEM

[Docket No. R–0932]

10 Percent Revenue Limit on Bank-Ineligible Activities of Subsidiaries of Bank Holding Companies Engaged in Underwriting and Dealing in Securities

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice.

SUMMARY: The Board is adopting a change in the manner in which interest earned on certain securities held by a company in an underwriting or dealing capacity is treated in determining whether the company is engaged principally in underwriting and dealing in securities for purposes of section 20 of the Glass-Steagall Act. In order to ensure compliance with section 20, the Board requires that the revenue a company derives from underwriting and dealing in securities that a member bank may not underwrite or deal in (ineligible securities) not exceed 10 percent of the total revenue of the company. The Board is amending its section 20 orders to specify that interest earned on the types of debt securities that a member bank may hold for its own account is not to be treated as revenue from underwriting or dealing in securities for purposes of section 20. Interest on these securities will continue to be included in total revenue. Section 20 subsidiaries may use this method to compute compliance with the revenue limitation in reports filed with the Board after the effective date of this amendment.

EFFECTIVE DATE: November 12, 1996.

FOR FURTHER INFORMATION CONTACT: Gregory A. Baer, Managing Senior Counsel (202/452–3236), Thomas M. Corsi, Senior Attorney (202/452–3275), Legal Division; Michael J. Schoenfeld, Senior Securities Regulation Analyst (202/452–2781), Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System. For the hearing impaired *only*, Telecommunication Device for the Deaf, Dorthea Thompson (202/452–3544), Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, D.C.

SUPPLEMENTARY INFORMATION:

Background

Beginning with orders issued in 1987, the Board has authorized certain nonbank subsidiaries of bank holding companies, so-called section 20 subsidiaries, to underwrite and deal in ineligible securities.[1] In order to ensure compliance with section 20 of the Glass-Steagall Act, the Board provided that the gross revenue derived by a section 20 subsidiary from underwriting and dealing in ineligible securities not exceed 10 percent of the total gross revenue of the subsidiary, when revenue is averaged over a rolling 8-quarter period.[2]

For purposes of complying with the 10 percent revenue limit, section 20 subsidiaries have reported all interest they earn on third-party ineligible debt securities held in an underwriting or dealing capacity as revenue derived from underwriting and dealing in ineligible securities.[3] Questions have been raised as to whether this treatment is appropriate for interest earned on debt securities that a member bank is authorized to hold for its own account under the Glass-Steagall Act. Accordingly, on July 31, 1996, the Board sought public comment on a proposal to amend its section 20 orders to provide that interest earned by a section 20 subsidiary on the types of debt securities that a member bank may hold would no longer be treated as ineligible revenue.[4]

Summary of Public Comments

The Board received a total of 38 public comments in response to its proposal. All but two of the commenters expressed support for the Board's proposal for the reasons noted in the Board's request for public comments.

One commenter noted that the Board's request for comment on the proposal did not address either the effect the proposal would have on section 20 subsidiaries, or the possibility that the proposal could permit section 20 subsidiaries to manipulate the revenue limitation.[5] This commenter suggested that the Board defer action on the proposal until it examined these issues and included the result of that examination in a second notice requesting public comment on the proposal. More generally, the commenter stated that comprehensive reform and modernization of the financial services industry by Congress is the only means by which banks and securities firms will be able to compete and affiliate on a fair and rational basis. For this reason, the commenter urged the Board to defer action on this and other proposed amendments to its section 20 orders.

Several commenters urged the Board to clarify or expand its proposal. Five commenters opined that the Board should allow section 20 subsidiaries to treat income derived from holding *any* security (as opposed to only those securities a member bank may hold) as eligible revenue—that is, toward total revenue but not ineligible revenue. Four commenters also asserted that section 20 subsidiaries should be able to treat the profit earned from trading in securities for investment purposes, as opposed to dealing in securities, as eligible revenue, particularly with respect to securities that member banks may invest in.

Discussion

After reviewing the public comments, and for the reasons set forth below, the Board has decided to adopt the proposed amendment without change. The Board believes that it is not appropriate to treat interest earned on securities that a member bank is expressly authorized by the Glass-Steagall Act to hold as revenue from underwriting and dealing in ineligible securities.[6] Banks hold such securities for their own account, and buy and sell them on a relatively frequent basis as part of managing their investment portfolio. In recognition of this activity, the Financial Accounting Standards Board changed its accounting rules at the end of 1993 to establish separate accounting treatment for bank portfolio securities that are ''available for sale''

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[1] *E.g., Citicorp*, 73 Federal Reserve Bulletin 473 (1987), *aff'd, Securities Industry Association* v. *Board of Governors*, 839 F.2d 47 (2d Cir.), *cert. denied*, 486 U.S. 1059 (1988).

[2] Section 20 provides that a member bank may not be affiliated with a company that is ''engaged principally'' in underwriting and dealing in securities. 12 U.S.C. 377. Section 20 does not prohibit a bank affiliate from underwriting and dealing in securities that banks may underwrite and deal in directly (eligible securities).

[3] Instructions for Preparation of the Financial Statements for a Bank Holding Company Subsidiary Engaged in Bank-Ineligible Securities Underwriting and Dealing, Form FR Y–20. Schedule SUD-I, Line Item 5 (December 1994)(FR Y–20 Instructions); *see also* ''Structuring Bank-Eligible and Bank-Ineligible Transactions'' in FR Y–20 Instructions.

[4] 61 FR 40642 (1996).

[5] The other commenter who urged the Board not to adopt this proposal did not set forth any reasons for opposing it.

[6] 12 U.S.C. 24 (Seventh), 335; 12 CFR 1.3.