

(33.8% and 32.7%, respectively) has decreased as compared to October and November 1995 (49.6% and 36.1%, respectively). A decrease in Class I utilization is also apparent for the January through March 1996 period as compared to the same months of 1995. Class I utilization declined from 34.7 percent for January 1995 to 32.1 percent in January 1996, 35.7 percent to 33.1 percent for the month of February, and from 34.2 percent to 31.7 percent for March of such years. This suggests that sufficient supplies of milk for fluid use should be available during the months of December 1996 through March 1997 for Iowa order distributing plants. Therefore, a decrease in the shipping requirement is warranted. By reducing the shipping requirement percentage for the December 1996 through March 1997 period to 20 percent, a reasonable balance will be reached which will prevent uneconomic shipments from occurring, as well as assure a sufficient milk supply.

It is hereby found and determined that 30 days' notice of the effective date hereof is impractical, unnecessary, and contrary to the public interest in that:

(a) This temporary revision is necessary to reflect current marketing conditions and to maintain orderly marketing conditions in the marketing area for the months of December 1996 through March 1997;

(b) This temporary revision does not require of persons affected substantial or extensive preparation prior to the effective date; and

(c) Notice of the proposed temporary revision was given interested parties and they were afforded opportunity to file written data, views, or arguments concerning this temporary revision.

Therefore, good cause exists for making this temporary revision effective less than 30 days from the date of issuance.

List of Subject in 7 CFR Part 1079

Milk marketing orders.

For the reasons set forth in the preamble, 7 CFR Part 1079 is amended as follows:

PART 1079—MILK IN THE IOWA MARKETING AREA

1. The authority for 7 CFR Part 1079 continues to read as follows:

Authority: 7 U.S.C. 601-674.

§ 1079.7 [Amended]

2. In § 1079.7(b), the introductory text is amended by revising the words "30 percent" to read "20 percent" effective December 1, 1996, through March 31, 1997.

Dated: December 31, 1996.

Richard M. McKee,

Director, Dairy Division.

[FR Doc. 97-278 Filed 1-6-97; 8:45 am]

BILLING CODE 3410-02-P

TENNESSEE VALLEY AUTHORITY

18 CFR Part 1314

Book-Entry Procedures for TVA Power Securities Issued Through the Federal Reserve Banks

AGENCY: Tennessee Valley Authority (TVA).

ACTION: Final rule.

SUMMARY: This final rule revises the procedures governing the issuance of, and transactions in, all TVA Power Securities issued in book-entry form through the Federal Reserve Banks. These revisions incorporate recent changes in commercial and property law and bring TVA's book-entry procedures into accord with the revised book-entry procedures of the United States Department of Treasury.

EFFECTIVE DATE: January 7, 1997.

FOR FURTHER INFORMATION CONTACT: Edward S. Christenbury at (423) 632-2241.

SUPPLEMENTARY INFORMATION: TVA, a wholly owned corporate agency and instrumentality of the United States, is authorized to issue bonds, notes, and other evidences of indebtedness to assist its power program. Many TVA Power Securities are available exclusively in book-entry form and are thus subject to TVA's book-entry procedures. This final rule revises TVA's book-entry procedures to incorporate recent changes in commercial and property law and to bring them into accord with the revised book-entry procedures of the United States Department of Treasury published in the Federal Register on August 23, 1996 (61 FR 43,626).

Because the revised Treasury Regulations become effective on January 1, 1997, it is in the public interest that this final rule become effective as close to this date as possible to facilitate TVA's performance of its responsibilities under Section 15d and other sections of the TVA Act, 16 U.S.C. 831-831dd. The notice, public comment, and delayed effective date are therefore contrary to the public interest and inapplicable to this final rule.

List of Subjects in 18 CFR Part 1314

Accounting, Bonds, Brokers, Federal Reserve System, Reporting and recordkeeping requirements, Securities.

For the reasons set forth in the preamble, part 1314 of chapter XIII of title 18 of the Code of Federal Regulations is revised to read as follows:

PART 1314—BOOK-ENTRY PROCEDURES FOR TVA POWER SECURITIES ISSUED THROUGH THE FEDERAL RESERVE BANKS

Sec.

1314.1 Applicability and effect.

1314.2 Definition of terms.

1314.3 Authority of Reserve Banks.

1314.4 Law governing the rights and obligations of TVA and Reserve Banks; law governing the rights of any Person against TVA and Reserve Banks; law governing other interests.

1314.5 Creation of Participant's Security Entitlement; security interests.

1314.6 Obligations of TVA.

1314.7 Liability of TVA and Reserve Banks.

1314.8 Identification of accounts.

1314.9 Waiver of regulations.

1314.10 Additional provisions.

Authority: 16 U.S.C. 831-831dd.

§ 1314.1 Applicability and effect.

(a) *Applicability.* The regulations in this part govern the issuance of, and transactions in, all TVA Power Securities issued by TVA in book-entry form through the Reserve Banks.

(b) *Effect.* The TVA Power Securities to which the regulations in this part apply are obligations which, by the terms of their issue, are available exclusively in book-entry form through the Reserve Banks' Book-entry System.

§ 1314.2 Definition of terms.

Unless the context requires otherwise, terms used in this part 1314 that are not defined in this section have the meanings as set forth in 31 CFR 357.2. Definitions and terms used in 31 CFR part 357 should be read as though modified to effectuate their application to Book-entry TVA Power Securities where applicable.

Book-entry System means the automated book-entry system operated by the Reserve Banks acting as the fiscal agent for TVA on which Book-entry TVA Power Securities are issued, recorded, transferred, and maintained in book-entry form.

(b) *Book-entry TVA Power Security* means any TVA Power Security issued or maintained in the Book-entry System of the Reserve Banks.

(c) *CUSIP Number* is a unique identification for each security issue established by the Committee on Uniform Security Identification Procedures.

(d) *Depository Institution* means any Participant.

(e) *Entitlement Holder* means a Person to whose account an interest in a Book-

entry TVA Power Security is credited on the records of a Securities Intermediary.

(f) *Funds Account* means a reserve and/or clearing account at a Reserve Bank to which debits or credits are posted for transfers against payment, book-entry securities transaction fees, or principal and interest payments.

(g) *Other TVA Power Evidences of Indebtedness* means any TVA Power Security issued under section 2.5 of the TVA Basic Bond Resolution (see paragraph (r) of this section).

(h) *Participant* (also called "holder" in the TVA Basic Bond Resolution) means a Person that maintains a Participant's Security Account with a Reserve Bank.

(i) *Participant's Security Account* means an account in the name of a Participant at a Reserve Bank to which Book-entry Securities held for a Participant are or may be credited.

(j) *Person* means and includes an individual, corporation, company, governmental entity, association, firm, partnership, trust, estate, representative, and any other similar organization, but does not mean or include the United States or a Reserve Bank.

(k) *Reserve Banks* means the Federal Reserve Banks of the Federal Reserve System and their branches.

(l) *Reserve Bank Operating Circular* means the publication issued by each Reserve Bank that sets forth the terms and conditions under which the Reserve Bank maintains book-entry securities accounts and transfers book-entry securities.

(m) *Securities Documentation* means the applicable documents establishing the terms of a Book-entry TVA Power Security.

(n) *Securities Intermediary* means:

(1) A Person that is registered as a "clearing agency" under the Federal securities law; a Reserve Bank; any other Person that provides clearance or settlement services with respect to a Book-entry TVA Power Security that would require it to register as a clearing agency under the Federal securities laws but for an exclusion or exemption from the registration requirement, if its activities as a clearing corporation, including promulgation of rules, are subject to regulation by a Federal or State governmental authority; or

(2) A Person (other than an individual, unless such individual is registered as a broker or dealer under the Federal securities laws), including a bank or broker, that in the ordinary course of business maintains securities accounts for others and is acting in that capacity.

(o) *Security Entitlement* means the rights and property interests of an

Entitlement Holder with respect to a Book-entry TVA Power Security.

(p) *State* means any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, or any other territory or possession of the United States.

(q) *TVA* means the Tennessee Valley Authority, a wholly owned corporate agency and instrumentality of the United States of America created and existing under the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. 831-831dd).

(r) *TVA Basic Bond Resolution* means the Basic Tennessee Valley Authority Power Bond Resolution¹ adopted by the TVA Board of Directors on October 6, 1960, as heretofore and hereafter amended.

(s) *TVA Power Bond* means any TVA Power Security issued by TVA under section 2.2 of the TVA Basic Bond Resolution and the supplemental resolution adopted by the TVA Board of Directors authorizing the issuance thereof.

(t) *TVA Power Bond Anticipation Obligation* means any TVA Power Security issued under section 2.3 of the TVA Basic Bond Resolution.

(u) *TVA Power Note* means any Other TVA Power Evidences of Indebtedness in the form of a note having a maturity at the date of issue of less than one year.

(v) *TVA Power Security* means a TVA Power Bond, TVA Power Bond Anticipation Obligation, TVA Power Note, or Other TVA Power Evidence of Indebtedness issued by TVA under section 15d of the TVA Act, as amended, and the TVA Basic Bond Resolution.

§ 1314.3 Authority of Reserve Banks.

(a) Each Reserve Bank is hereby authorized as fiscal agent of TVA to perform the following functions with respect to the issuance of Book-entry TVA Power Securities offered and sold by TVA to which this part 1314 applies, in accordance with the Securities Documentation, Reserve Bank Operating Circulars, this part 1314, and procedures established by the Secretary of the United States Treasury consistent with these authorities:

(1) To service and maintain Book-entry TVA Power Securities in accounts established for such purposes;

(2) To make payments with respect to such securities, as directed by TVA;

(3) To effect transfer of Book-entry TVA Power Securities between

¹ A copy of the TVA Basic Bond Resolution may be obtained upon request directed to TVA, 400 West Summit Hill Drive, Knoxville, Tennessee 37902-1499, Attn.: Treasurer.

Participants' Securities Accounts as directed by the Participants;

(4) To perform such other duties as fiscal agent as may be requested by TVA.

(b) Each Reserve Bank may issue Reserve Bank Operating Circulars not inconsistent with this part 1314, governing the details of its handling of Book-entry TVA Power Securities, Security Entitlements, and the operation of the Book-entry System under this part 1314.

§ 1314.4 Law governing the rights and obligations of TVA and Reserve Banks; law governing the rights of any Person against TVA and Reserve Banks; law governing other interests.

(a) Except as provided in paragraph (b) of this section, the following rights and obligations are governed solely by the book-entry regulations contained in this part 1314, the Securities Documentation (but not including any choice of law provisions in such documentation), and Reserve Bank Operating Circulars;

(1) The rights and obligations of TVA and Reserve Banks with respect to:

(i) A book-entry TVA Power Security or Security Entitlement; and

(ii) The operation of the Book-entry System as it applies to TVA Power Securities; and

(2) The rights of any Person, including a Participant, against TVA and Reserve Banks with respect to:

(i) A Book-entry TVA Power Security or Security Entitlement; and

(ii) The operation of the Book-entry System as it applies to TVA Power Securities.

(b) A security interest in a Security Entitlement that is in favor of a Reserve Bank from a Participant and that is not recorded on the books of a Reserve Bank pursuant to § 1314.5(c) is governed by the law (not including the conflict-of-law rules) of the jurisdiction where the head office of the Reserve Bank maintaining the Participant's securities account is located. A security interest in a Security Entitlement that is in favor of a Reserve Bank from a Person that is not a Participant, and that is not recorded on the books of a Reserve Bank pursuant to § 1314.5(c), is governed by the law determined in the manner specified in paragraph (d) of this section.

(c) If the jurisdiction specified in the first sentence of paragraph (b) of this section is a State that has not adopted Revised Article 8, then the law specified in paragraph (b) of this section shall be the law of that State as though Revised Article 8 had been adopted by that State.

(d) To the extent not otherwise inconsistent with this part 1314, and

notwithstanding any provision in the Security Documentation setting forth a choice of law, the provisions set forth in 31 CFR 357.11 regarding law governing other interests apply and should be read as though modified to effectuate the application of 31 CFR 357.11 to Book-entry TVA Power Securities.

§ 1314.5 Creation of Participant's Security Entitlement; security interests.

(a) A Participant's Security Entitlement is created when a Reserve Bank indicates by book-entry that a Book-entry TVA Power Security has been credited to a Participant's security account.

(b) A security interest in a Security Entitlement of a Participant in favor of the United States to secure deposits of public money, including without limitation deposits to the Treasury tax and loan accounts, or other security interest in favor of the United States that is required by Federal statute, regulation or agreement, and that is marked on the books of a Reserve Bank, is thereby effected and perfected, and has priority over any other interest in the securities. Where a security interest in favor of the United States in a Security Entitlement of a participant is marked on the books of a Reserve bank, such Reserve Bank may rely, and is protected in relying, exclusively on the order of an authorized representative of the United States directing the transfer of the security. For purposes of this paragraph, an "authorized representative of the United States" is the official designated in the applicable regulations or agreement to which a Reserve Bank is a party governing the security interest.

(c) TVA and Reserve Banks have no obligation to agree to act on behalf of any Person or to recognize the interest of any transferee of a security interest or other limited interest in favor of any Person except to the extent of any specific requirement of Federal law or regulation or to the extent set forth in any specific agreement with the Reserve Bank on whose books the interest of the Participant is recorded. To the extent required by such law or regulation or set forth in an agreement with a Reserve Bank or in a Reserve Bank Operating Circular, a security interest in a Security Entitlement that is in favor of a Reserve Bank or a Person may be created and perfected by a Reserve Bank marking its books to record the security interest. Subject to paragraph (b) of this section with respect to a security interest in favor of the United States, a security interest in a Security Entitlement marked on the books of a Reserve Bank shall have priority over any other interest in the securities.

(d) In addition to the method provided in paragraph (c) of this section, a security interest, including a security interest in favor of a Reserve Bank, may be perfected by any method by which a security interest may be perfected under applicable law as described in § 1314.4(b) or (d). The perfection, effect of perfection or non-perfection, and priority of a security interest are governed by such applicable law. A security interest in favor of a Reserve Bank shall be treated as a security interest in favor of a clearing corporation in all respects under such law, including with respect to the effect of perfection and priority of such security interest. A Reserve Bank Operating Circular shall be treated as a rule adopted by a clearing corporation for such purposes.

§ 1314.6 Obligations of TVA.

(a) Except in the case of a security interest in favor of the United States or a Reserve Bank or otherwise as provided in § 1314.5(c), for the purposes of this part 1314, TVA and Reserve Banks shall treat the Participant to whose securities account an interest in a Book-entry TVA Power Security has been credited as the Person exclusively entitled to issue a transfer message, to receive interest and other payments with respect thereof, and otherwise to exercise all the rights and powers with respect to such security, notwithstanding any information or notice to the contrary. Neither TVA nor the Reserve Banks are liable to a Person asserting or having an adverse claim to a Security Entitlement or to a Book-entry TVA Power Security in a Participant's security account, including any such claim arising as a result of the transfer or disposition of a Book-entry TVA Power Security by a Reserve Bank pursuant to a transfer message that the Reserve Bank reasonably believes to be genuine.

(b) The obligation of TVA to make payments with respect to Book-entry TVA Power Securities is discharged at the time payment in the appropriate amount is made as follows:

(1) Interest or other payments on Book-entry TVA Power Securities are either credited by a Reserve Bank to a Funds Account maintained at such bank or otherwise paid as directed by the Participant.

(2) Book-entry TVA Power Securities are redeemed in accordance with their terms by a Reserve Bank withdrawing the securities from the Participant's security account in which they are maintained and by either crediting the amount of the redemption proceeds, including both principal and interest, where applicable, to a Funds Account at

such bank or otherwise paying such principal and interest as directed by the Participant. No action by the Participant ordinarily is required in connection with the redemption of a Book-entry TVA Power Security.

§ 1314.7 Liability of TVA and Reserve Banks.

TVA and the Reserve Banks may rely on the information provided in a transfer message and are not required to verify the information. TVA and the Reserve Bank shall not be liable for any action taken in accordance with the information set out in a transfer message or evidence submitted in support thereof.

§ 1314.8 Identification of accounts.

Book-entry accounts may be established in such form or forms as customarily permitted by the entity (e.g., Depository Institution, Securities Intermediary, etc.) maintaining them, except that each account established by such entity (other than a Reserve Bank) should include data to permit both customer identification by name, address, and taxpayer identifying number, as well as a determination of the Book-entry TVA Power Securities being held in such account by amount, maturity, date, and CUSIP number, and of transactions relating thereto.

§ 1314.9 Waiver of regulations.

TVA reserves the right in TVA's discretion to waive any provision of the regulations in this part in any case or class of cases for the convenience of TVA or in order to relieve any Person of unnecessary hardship, if such action is not inconsistent with law and does not adversely affect any substantial existing rights, and TVA is satisfied that such action will not subject TVA to any substantial expense or liability.

§ 1314.10 Additional provisions.

(a) *Additional requirements.* In any case or any class of cases arising under the regulations in this part, TVA may require such additional evidence and a bond of indemnity, with or without surety, as may in the judgment of TVA be necessary for the protection of the interests of TVA.

(b) *Notice of attachment for TVA Power Securities in Book-entry System.* The interest of a debtor in a Security Entitlement may be reached by a creditor only by legal process upon the Securities Intermediary with whom the debtor's securities account is maintained, except where a Security Entitlement is maintained in the name of a secured party, in which case the debtor's interest may be reached by legal process upon the secured party. The

regulations in this part do not purport to establish whether a Reserve Bank is required to honor an order or other notice of attachment in any particular case or class of cases.

Dated: December 31, 1996.

John L. Dugger,

Assistant General Counsel.

[FR Doc. 97-228 Filed 1-6-97; 8:45 am]

BILLING CODE 8120-01-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 5

Delegations of Authority and Organization; Office of the Commissioner

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the delegations of authority regulations that cover general redelegations of authority from the Commissioner of Food and Drugs to other officers of FDA. The amendment delegates the FDA Deputy User Fee Waiver Officer authority to consider and decide requests under certain circumstances for waivers or reductions of user fees. Redelegation of this authority would allow for more efficient operations.

EFFECTIVE DATE: January 7, 1997.

FOR FURTHER INFORMATION CONTACT:

Suzanne M. O'Shea, Office of the Chief Mediator and Ombudsman (HF-7), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-827-3390, or

Donna G. Page, Division of Management Systems and Policy (HFA-340), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-827-4816.

SUPPLEMENTARY INFORMATION: FDA is amending the delegations of authority under § 5.20 *General redelegations of authority from the Commissioner to other officers of the Food and Drug Administration* (21 CFR 5.20) by revising § 5.20(h) to add the title of Deputy User Fee Waiver Officer to those authorized to perform all of the functions of the Commissioner under the Prescription Drug User Fee Act of 1992 (21 U.S.C. 379h(d)), as amended hereafter, relating to the authority to waive or reduce user fees. The Chief

Mediator and Ombudsman and the Deputy Chief Mediator and Ombudsman currently have this authority. This action is being taken in order to redelegate authority to the Deputy User Fee Waiver Officer, which will provide a more efficient process for considering and making decisions on requests for waivers or reduction of user fees.

Further redelegation of this authority is not authorized at this time. Authority delegated to a position by title may be exercised by a person officially designated to serve in such position in an acting capacity or on a temporary basis.

List of Subjects in 21 CFR Part 5

Authority delegations (Government agencies), Imports, Organization and functions (Government agencies).

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, 21 CFR part 5 is amended as follows:

PART 5—DELEGATIONS OF AUTHORITY AND ORGANIZATION

1. The authority citation for 21 CFR part 5 is revised to read as follows:

Authority: 5 U.S.C. 504, 552, App. 2; 7 U.S.C. 138a, 2271; 15 U.S.C. 638, 1261-1282, 3701-3711a; secs. 2-12 of the Fair Packaging and Labeling Act (15 U.S.C. 1451-1461); 21 U.S.C. 41-50, 61-63, 141-149, 467f, 679(b), 801-886, 1031-1309; secs. 201-903 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321-394); 35 U.S.C. 156; secs. 301, 302, 303, 307, 310, 311, 351, 352, 361, 362, 1701-1706, 2101 of the Public Health Service Act (42 U.S.C. 241, 242, 242a, 242l, 242n, 243, 262, 263, 264, 265, 300u-300u-5, 300aa-1); 42 U.S.C. 1395y, 3246b, 4332, 4831(a), 10007-10008; E.O. 11490, 11921, and 12591.

2. Section 5.20 is amended by revising paragraph (h) to read as follows:

§ 5.20 General redelegations of authority from the Commissioner to other officers of the Food and Drug Administration.

* * * * *

(h) The Chief Mediator and Ombudsman is designated as User Fee Waiver Officer and is authorized to perform all of the functions of the Commissioner under the Prescription Drug User Fee Act of 1992 (21 U.S.C. 379h(d)), as amended hereafter, relating to the authority to waive or reduce user fees. The User Fee Waiver Officer's authority may be redelegated to the Deputy Chief Mediator and Ombudsman and to the Deputy User Fee Waiver Officer, without further redelegation. The Deputy Commissioner for Operations is designated User Fee Appeals Officer and is authorized to hear and decide user fee waiver appeals.

The decision of the User Fee Appeals Officer will constitute final agency action on such matters.

* * * * *

Dated: December 31, 1996.

William K. Hubbard,

Associate Commissioner for Policy Coordination.

[FR Doc. 97-290 Filed 1-6-97; 8:45 am]

BILLING CODE 4160-01-F

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[TD 8708]

RIN 1545-AL98

Computation of Foreign Taxes Deemed Paid Under Section 902 Pursuant to a Pooling Mechanism for Undistributed Earnings and Foreign Taxes

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final income tax regulations relating to the computation of foreign taxes deemed paid under section 902. Changes to the applicable law were made by the Tax Reform Act of 1986 and by the Technical and Miscellaneous Revenue Act of 1988 (TAMRA). These regulations provide guidance needed to comply with these changes and affect foreign corporations and their United States corporate shareholders.

DATES: These regulations are effective January 7, 1997.

Applicability: For the specific dates of applicability of these regulations, see §§ 1.902-1(g) and 1.902-3(l).

FOR FURTHER INFORMATION CONTACT: Caren S. Shein (202) 622-3850 (not a toll free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in these final regulations has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 15451458. Responses to these collections of information are required by the IRS to implement the section 902 pooling regime enacted in the Tax Reform Act of 1986.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.