

ZANTE CURRANT INVENTORIES AND PRODUCER PRICES DURING YEARS OF VOLUME REGULATION—Continued

[*Natural condition tons]

Crop year	Production*	Inventory*		Total season average producer price (per ton)
		Desirable	Physical	
1997–98	4,826	694	1,188	² \$730.00
1996–97	4,491	987	549	³ 1,150.00
1995–96	3,294	782	2,890	711.32
1994–95	5,377	837	4,364	412.56

¹ Data not yet available, reserve pool open.² Estimate.³ No volume regulation.

Free and reserve percentages are established by variety, and usually in years when the supply exceeds the trade demand by a large enough margin that the Committee believes volume regulation is necessary to maintain market stability. However, volume regulation may also be utilized in short crop years so that the industry may utilize its export program as described to maintain its export markets and provide stability in the domestic market. Accordingly, in assessing whether to apply volume regulation or, as an alternative, not to apply such regulation, the Committee recommended only two of the nine raisin varieties defined under the order for volume regulation this season.

The free and reserve percentages release the full trade demands and apply uniformly to all handlers in the industry, regardless of size. For Naturals, with the exception of the 1998–99 crop year, small and large raisin producers and handlers have been operating under volume regulation percentages every year since 1983–84. There are no known additional costs incurred by small handlers that are not incurred by large handlers. All handlers are regulated based on the quantity of raisins that they acquire from producers. While the level of benefits of this rulemaking are difficult to quantify, the stabilizing effects of the volume regulations impact both small and large handlers positively by helping them maintain and expand markets even though raisin supplies fluctuate widely from season to season. Likewise, price stability positively impacts small and large producers by allowing them to better anticipate the revenues their raisins will generate.

There are some reporting, recordkeeping and other compliance requirements under the order. The reporting and recordkeeping burdens are necessary for compliance purposes and for developing statistical data for maintenance of the program. The requirements are the same as those

applied in past seasons. Thus, this action will not impose any additional reporting or recordkeeping burdens on either small or large handlers. The forms require information that is readily available from handler records and which can be provided without data processing equipment or trained statistical staff. The information collection and recordkeeping requirements have been previously approved by the Office of Management and Budget (OMB) under OMB Control No. 0581–0178. As with other, similar marketing order programs, reports and forms are periodically studied to reduce or eliminate duplicate information collection burdens by industry and public sector agencies. In addition, the Department has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

Further, Committee and subcommittee meetings are widely publicized in advance and are held in a location central to the production area. The meetings are open to all industry members, including small business entities, and other interested persons who are encouraged to participate in the deliberations and voice their opinions on topics under discussion.

An interim final rule concerning this action was published in the **Federal Register** on April 10, 2000 (65 FR 18871). Copies of the rule were mailed by the Committee staff to all Committee members and alternates, the Raisin Bargaining Association, handlers, and dehydrators. In addition, the rule was made available through the Internet by the Office of the Federal Register. That rule provided for a 60-day comment period, which ended June 9, 2000. No comments were received.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: <http://www.ams.usda.gov/fv/moab/html>. Any questions about the compliance guide should be sent to Jay Guerber at the previously mentioned

address in the **FOR FURTHER INFORMATION CONTACT** section.

After consideration of all relevant material presented, including the Committee's recommendation, and other information, it is found that this final rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

List of Subjects in 7 CFR Part 989

Grapes, Marketing agreements, Raisins, Reporting and recordkeeping requirements.

PART 989—RAISINS PRODUCED FROM GRAPES GROWN IN CALIFORNIA

Accordingly, the interim final rule amending 7 CFR part 989 which was published at 69 FR 18871 on April 10, 2000, is adopted as a final rule without change.

Dated: June 27, 2000

Robert C. Keeney,

Deputy Administrator, Fruit and Vegetable Programs.

[FR Doc. 00–16739 Filed 6–30–00; 8:45 am]

BILLING CODE 3410–02–P

FEDERAL HOUSING FINANCE BOARD

12 CFR Parts 925 and 950

[No. 2000–30]

RIN 3069–AA94

Amendment of Membership Regulation and Advances Regulation

AGENCY: Federal Housing Finance Board.

ACTION: Final rule.

SUMMARY: The Federal Housing Finance Board (Finance Board) is adopting as final, with several changes, the Interim Final Rule that: Amended its Membership Regulation and Advances Regulation to conform certain provisions to the requirements of the

Federal Home Loan Bank System Modernization Act of 1999 (Modernization Act); and made certain technical revisions to the Membership Regulation that are not related to the Modernization Act, in order to clarify the treatment of *de novo* members that fail to meet the 10 percent residential mortgage loans requirement within the required one-year time frame.

DATES: This final rule shall be effective on July 3, 2000.

FOR FURTHER INFORMATION CONTACT:

James L. Bothwell, Director, (202) 408-2821, Jennifer R. Salamon, Program Analyst, (202) 408-2974, or Patricia L. Sweeney, Program Analyst, (202) 408-2872, Office of Policy, Research and Analysis; or Sharon B. Lake, Senior Attorney-Advisor, (202) 408-2930, Office of General Counsel, Federal Housing Finance Board, 1777 F Street, NW., Washington, DC 20006.

SUPPLEMENTARY INFORMATION:

I. Statutory and Regulatory Background

Under the Federal Home Loan Bank Act (Bank Act), the Finance Board is responsible for the supervision and regulation of the 12 Federal Home Loan Banks (Banks), which provide advances and other financial services to their member institutions. See 12 U.S.C. 1422a(a) (1994). Institutions, including those not meeting the Qualified Thrift Leader (QTL) test, may become members of a Bank if they meet certain membership eligibility and minimum stock purchase criteria set forth in the Bank Act and the Finance Board's implementing Membership Regulation. See *id.* secs. 1424, 1426, 1430(e)(3) (1994); 12 CFR part 925.¹ Members may obtain advances from a Bank subject to certain statutory and regulatory requirements. See 12 U.S.C. 1430(a) (1994). Prior to recent amendments to the Bank Act, discussed further below, access to advances by non-QTL members was restricted in various ways. See *id.* sec. 1430(e).

The recently enacted Modernization Act² amended certain membership eligibility provisions, and repealed certain stock purchase and non-QTL advances provisions, in the Bank Act. See Pub. L. No. 106-102, secs. 602, 603, 604(c), (d)(1), 605, 608 (1999).

¹ The Finance Board recently reorganized and redesignated all of its regulations. See 65 FR 8253 (Feb. 18, 2000). The Membership Regulation, which formerly was part 933 of the Finance Board's regulations, 12 CFR part 933 of the Finance Board's regulations, 12 CFR part 933 (1999), was redesignated as part 925. See 65 FR 8253, 8260 (to be codified at 12 CFR part 925).

² The Modernization Act is Title VI of the Gramm-Leach-Bliley Act, Pub. L. No. 106-102, 113 Stat. 1338, enacted into law on November 12, 1999.

Accordingly, the Finance Board adopted the Interim Final Rule, which amended its regulations to conform them to the Modernization Act amendments. See 65 FR 13866 (March 15, 2000). The Finance Board also took the opportunity in the Interim Final Rule to make certain technical revisions to the Membership Regulation that are not related to the Modernization Act, in order to clarify the treatment of *de novo* members that fail to meet the 10 percent residential mortgage loans requirement within the required one-year time frame. See *id.*

The Interim Final Rule provided for a 30-day public comment period, which closed on April 14, 2000. The Finance Board received a total of 7 comment letters on the Interim Final Rule. Commenters included 4 Banks and three financial institutions trade associations. Commenters generally focused their comments on how the three-year average total assets number for community financial institutions (CFIs) should be calculated. These comments are discussed below.

II. Analysis of the Final Rule

A. Removal of the 10 Percent Residential Mortgage Loans Requirement For Community Financial Institution Applicants For Membership; Definition of "Community Financial Institution"—§§ 925.1(ff), 925.6(b), 925.10, 925.14(a)(3)

Section 4(a)(2)(A) of the Bank Act formerly provided that an insured depository institution may become a member of a Bank only if it has at least 10 percent of its total assets in residential mortgage loans (10 percent requirement). See 12 U.S.C. 1424(a)(2)(A) (1994). Section 4(a)(2) also provided that an insured depository institution commencing business operations after January 1, 1989 (*de novo* institution), may become a member of a Bank if at least 10 percent of its total assets are in residential mortgage loans, within one year after the commencement of its operations. See *id.* sec. 1424(a)(2). Section 4(a)(2) is implemented by §§ 925.6(b), 925.10 and 925.14(a)(3) of the Finance Board's Membership Regulation. See 12 CFR 925.6(b), 925.10, 925.14(a)(3).

The Modernization Act amended section 4(a)(2) of the Bank Act to exempt from the 10 percent requirement any applicants, including *de novo* institutions, that qualify as "community financial institutions" See Modernization Act, sec. 605 (*to be codified at* 12 U.S.C. 1424(a)(2)(A)(4)). The Modernization Act defines a "community financial institution" to mean an institution whose deposits are

insured under the Federal Deposit Insurance Act (FDIA) and that has, as of the date of the transaction at issue, less than \$500 million in average total assets, based on an average of total assets over the three years preceding that date. See *id.* sec. 602 (*to be codified at* 12 U.S.C. 1422(13)). Accordingly, the Interim Final Rule amended §§ 925.6(b), 925.10 and 925.14(a)(3) of the Membership Regulation to include an exemption from the 10 percent requirement for CFIs, and added a definition of "community financial institution" in new § 925.1(ff) that mirrored the statutory definition. A definition of "community financial institution" that predates the Modernization Act, in § 925.1(n)(1)(iii), also was removed. The Finance Board requested comments in the Interim Final Rule on what source of data should be used in calculating the average of total assets over the three preceding years.

The issue of how to calculate an institution's average total assets over the three preceding years also arises in the context of the new authority under the Modernization Act allowing CFI members to pledge secured loans for small business or agriculture, or securities representing a whole interest in such secured loans, as security for advances. See Modernization Act, section 604(a)(5)(C). The Finance Board recently issued a proposed rule to implement this new advances collateral authority (Advances Collateral Rule). See 65 FR 26518 (May 8, 2000). A number of commenters on the Interim Final Rule recommended that the Banks be allowed to calculate average total assets of all of their member institutions on an annual basis, based on calendar year-end financial data available from the institutions' regulatory financial reports filed with their regulators or, in the alternative, based on data available from the institutions' quarterly regulatory financial reports for the preceding three years. Commenters stated that it would be confusing to determine CFI status on a quarterly or monthly basis when § 925.22(b)(1) of the Membership Regulation requires the Banks to calculate annually each member's minimum capital stock requirement using calendar year-end financial data. Commenters stated that calculation of CFI status on a quarterly or monthly basis would result in unnecessary administrative burdens and expense. Other commenters supported quarterly calculations of average total assets based on the institutions' quarterly regulatory financial reports over the three preceding years.

Commenters also stated that calculation of CFI status on a quarterly or monthly basis would cause some members' CFI status to fluctuate more frequently, which, for members approaching the CFI asset cap, could have a chilling effect on their reliance on Bank funding secured by CFI-eligible collateral.

For membership eligibility purposes, the determination of whether an institution applying for Bank membership is a CFI and, therefore, exempt from the 10 percent requirement, is only required to be made by the Bank one time, during the membership application evaluation process. Therefore, the comments regarding the administrative burden and cost of performing more frequent periodic calculations, coordinating with the annual stock purchase calculation, and the effect on use of Bank funding, are inapposite for membership eligibility purposes. Rather, these comments appear to be directed at how CFI status should be calculated for purposes of allowing CFI members to use the expanded collateral authority under the Modernization Act. These comments, and the definition of CFI for advances collateral purposes, are more appropriately addressed in the Finance Board's final Advances Collateral Rule.

Under the Membership Regulation, the calculation of the 10 percent requirement is based on the applicant's total assets and residential mortgage loans drawn from its most recent quarterly regulatory financial report filed with its appropriate regulator. *See* 12 CFR 925.10. Since the calculation of average total assets to determine CFI status is necessary in order to determine whether the 10 percent requirement applies, it would be consistent with the current membership application review process at the Banks to use the same total assets data from the applicant's most recent quarterly regulatory financial report for the CFI calculation. In addition, since an average of total assets over three years is required for the CFI calculation, it also would be reasonable to include in the calculation the total assets data from the quarterly regulatory financial reports filed with the applicant's appropriate regulator for the immediately preceding 11 calendar quarters.

Because the calculation of the three-year total assets average affects the determination of CFI status for both membership and advances purposes, the definition of CFI belongs in § 900.1, which contains general definitions applying to all Finance Board regulations. Accordingly, this final rule removes the definitions of "community financial institution" and "community

financial institution asset cap" (§ 925.1(ff) and (gg)) from the Membership Regulation. The final Advances Collateral Rule will add the calculation for membership purposes as described above, as well as the calculation for advances purposes, to a definition of "community financial institution" in § 900.1. The final Advances Collateral Rule also will add the definition of "community financial institution asset cap" to § 900.1.

B. Readmission to Membership—§ 925.30

The final rule makes technical revisions to the language on readmission to membership in § 925.30 of the Interim Final Rule for greater clarity.

III. Regulatory Flexibility Act

Because no notice of proposed rulemaking is required for this final rule, the provisions of the Regulatory Flexibility Act, U.S.C. 601 *et seq.*, do not apply.

IV. Paperwork Reduction Act

For the reasons stated in the Interim Final Rule, the Finance Board adopted the Interim Final Rule on an expedited basis to conform provisions of its regulations to the recently enacted statutory amendments to the Bank Act. Due to the expedited nature of this rulemaking, the Finance Board has not completed its analysis of the information collection requirements contained in the final rule. The amendments in the final rule may result in a reduction in the information collection burden for institutions that qualify as community financial institutions, and an increase in the number of respondents that apply for Bank membership. The Finance Board intends to submit to the Office of Management and Budget the information collection requirements contained in this final rule in accordance with the requirements of section 3507(d) of the Paperwork Reduction Act of 1995, 44 U.S.C. 3507(d).

List of Subjects in Parts 925 and 950

Credit, Federal home loan banks, Reporting and recordkeeping requirements.

Accordingly, the Interim Final Rule amending title 12, chapter IX, parts 925 and 950, Code of Federal Regulations, which was published at 65 FR 13866 (March 15, 2000), is adopted as final with the following changes:

PART 925—MEMBERS OF THE BANKS

1. The authority citation for part 925 continues to read as follows:

Authority: 12 U.S.C. 1422, 1422a, 1422b, 1423, 1424, 1426, 1430, 1442.

§ 925.1 [Amended]

2. Amend § 925.1 by removing paragraphs (ff) and (gg).

3. Revised § 925.30 to read as follows:

§ 925.30 Readmission to membership.

(a) *In general.* An institution that has withdrawn from membership, or otherwise terminated its membership, may not be readmitted to membership in any Bank for a period of 5 years from the date on which its membership terminated.

(b) *Exceptions.* An institution that transfers membership between two Banks without interruption shall not be deemed to have withdrawn from Bank membership. Any institution that withdrew from Bank membership prior to December 31, 1997, and for which the 5-year period has not expired, may apply for membership in a Bank at any time, subject to the approval of the Finance Board and the requirements of 12 CFR part 925.

Dated: June 23, 2000.

By the Board of Directors of the Federal Housing Finance Board.

Bruce A. Morrison,
Chairman.

[FR Doc. 00-16790 Filed 6-30-00; 8:45 am]

BILLING CODE 6725-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 99-NE-15-AD; Amendment 39-11800; AD 2000-13-01]

RIN 2120-AA64

Airworthiness Directives; Allison Engine Company, Inc. AE 3007A and AE 3007C Series Turbofan Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD) that is applicable to Allison Engine Company, Inc. AE 3007A and AE 3007C series turbofan engines. This AD requires the removal from service of certain turbine wheels before exceeding new, reduced cyclic life limits. This amendment is prompted by a refined life analysis that was performed by the manufacturer.