

This may also include the development of recreational facilities and the improvement of fish and wildlife habitat.

(ii) The Emergency Watershed Protection (EWP) Program, authorized by Section 216 of the Flood Control Act of 1950 (Pub. L. 81-516) and Section 403 of Title IV of the Agricultural Credit Act of 1978 (Pub. L. 95-334). EWP provides assistance to reduce hazards to life and property in watersheds damaged by severe natural events. Emergency work includes establishing quick vegetative cover on denuded land, sloping steep land, and eroding banks; opening dangerously restricted channels; repairing diversions and levees; and other emergency work. NRCS provides technical and financial assistance for disaster cleanup; stream corridor, wetland, and riparian area restoration; and urban planning and site location assistance to the Federal Emergency Management Agency (FEMA) when relocating communities out of flood plains.

(iii) The Watershed Protection and Flood Prevention Act (Pub. L. 83-566), also known as the Small Watersheds Program. This program provides for cooperation with local sponsors, State, and other public agencies in the installation of planned works of improvement and land treatment measures in approved watershed projects. Eligible measures include flood prevention, water conservation, recreation, agricultural water management, flood plain easements, municipal and industrial water, and rural water supply.

#### **§ 601.2 Functions reserved to the Secretary of Agriculture.**

(a) Designation of new Resource Conservation and Development (RC&D) areas. Once designated, these areas may receive RC&D Program assistance from NRCS.

(b) Administration of the Soil and Water Resources Conservation Act of 1977 (Pub. L. 95-192) to conduct an appraisal and develop a national conservation program every five years.

#### **§ 601.3 Natural disaster assistance.**

(a) To assist in emergencies caused by natural disasters, NRCS may:

(1) Provide technical and financial assistance under authority of Section 216 of the Flood Control Act of 1950 (Pub. L. 81-516, Stat. 184, 33 U.S.C. 701b) and Section 403 of Title IV of the Agricultural Credit Act of 1978 (Pub. L. 95-334).

(2) Provide technical assistance for rehabilitation of land and conservation systems for which other U.S.

Department of Agriculture agencies provide cost sharing.

(3) Provide technical assistance on rehabilitation of rural lands damaged by natural disaster.

(4) Provide assistance in evaluating the severity of the disaster, assessing problems created, and determining the amount and kind of emergency work needed for restoration.

(5) Provide available information, maps, and reports on projects described in Parts 621, 622, 623, and 640 of Section 216 of the Flood Control Act of 1950.

(6) Provide assistance in locating heavy earthmoving equipment.

(7) Make light trucks and other types of NRCS transportation equipment available for emergency use.

(8) Provide technical assistance in locating alternate routes when existing roads and highways cannot be used.

(b) In a disaster, it is the responsibility of the state conservationist to determine the extent of NRCS assistance. In presidentially-declared disasters, NRCS coordinates emergency assistance with the Federal Emergency Management Agency (FEMA).

#### **§ 601.4 Defense responsibilities.**

In the event of nuclear attack, NRCS is responsible for providing:

(a) Technical guidance, based upon results of radiological monitoring and the extent of radiological contamination to farmers, ranchers, and others relating to:

(1) The selection and use of land for agricultural production.

(2) The harvesting of crops.

(3) The use of crops stored on the farm.

(4) The use, conservation, disposal, and control of water to insure adequate usable water for agricultural purposes and to prevent floods.

(5) The safety of livestock.

(b) Basic soil information, land use guides, and onsite technical assistance in selecting land for production and in applying practices to increase production of food and fiber with maximum efficiency.

**David C. White,**

*Director, Conservation Communications Staff, Natural Resources Conservation Service.*

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BILLING CODE 3410-16-M

## **FEDERAL DEPOSIT INSURANCE CORPORATION**

### **12 CFR Part 303**

RIN 3064-AC03

### **Applications, Requests, Submittals, Delegations of Authority, and Notices Required to be Filed by Statute or Regulation**

**AGENCY:** Federal Deposit Insurance Corporation.

**ACTION:** Final rule.

**SUMMARY:** The Federal Deposit Insurance Corporation (FDIC) is amending the definition of "appropriate FDIC regional office" and other related terms contained in its applications regulation to change the way the FDIC designates the appropriate regional office for purposes of filing applications, requests, submittals, and notices. The amendment relates to a realignment of the FDIC's regional office operations. As a result, the FDIC Division of Supervision (DOS) and the Division of Compliance and Consumer Affairs (DCA) will supervise groups of related insured institutions from one FDIC regional office. The designated regional office for a group of institutions will, except in rare circumstances, be the one in which the group's major policy and decision makers are located. This location will coincide with the headquarters location of holding companies or lead institutions in most instances. Realignment operations in this manner will streamline supervision processes and simplify communication channels.

All supervisory matters processed in regional offices, including applications and administrative actions, that involve insured institutions within a group of related institutions will be processed in the designated FDIC regional office. Applications will be submitted directly to the FDIC regional office assigned supervisory responsibility for the group. The regulation makes no change in the location of the appropriate region for institutions that are not part of a group or when a group of related institutions are located within one region.

**EFFECTIVE DATE:** This rule is effective April 8, 1997.

**FOR FURTHER INFORMATION CONTACT:** Christopher J. Spoth, Examination Specialist, Division of Supervision (202) 898-6611; David K. Mangian, Regional Director, Division of Compliance and Consumer Affairs (312) 382-7550; Ken A. Quincy, Section Chief, Division of Compliance and Consumer Affairs (202) 942-3083; or Susan van den Toorn, Counsel, Legal Division (202) 898-8707.

**SUPPLEMENTARY INFORMATION:** The FDIC is amending 12 CFR 303.0(b)(12) regarding the definition of "appropriate FDIC region", "appropriate FDIC regional office", "appropriate regional director", "appropriate deputy regional director", and "appropriate regional counsel" (collectively, "appropriate region") to permit groups of related insured institutions to be supervised by a single FDIC regional office. With regard to an insured institution or proposed institution that is not or will not be part of a group of related institutions, the appropriate FDIC region will continue to be the FDIC region in which the institution is or will be located.

The amendment provides that the appropriate FDIC region for groups of related institutions will be the regional office in which the group's major policy and decision makers are located or any other region the FDIC designates on a case-by-case basis. In most cases involving related institutions, the appropriate FDIC region will be the region in which the headquarters of a lead institution or of a holding company is located. All supervisory matters, including applications and administrative actions, that involve insured institutions within a group of related institutions will be processed in the appropriate FDIC regional office.

The phrase "group of related insured institutions" is used in the amended definition because it provides necessary flexibility to designate the appropriate regional office for supervisory purposes. Other more specific terms, such as "affiliates", or "subsidiaries of the same bank holding company", or "commonly controlled institutions", were considered. However, such terms or phrases are used in other regulations and do not capture the array of ownership and control relationships which will be considered "related" for purposes of establishing one FDIC regional office as the appropriate region for supervising a group of related institutions. For example, the owners of a group of institutions that are to be supervised together may be individuals, bank and thrift holding companies, nonregulated parent companies, and foreign owners, or any combination of these elements in multiple ownership tiers. Institutions related through ownership by individuals or entities other than holding companies may be affected, even where they are not commonly "controlled" for other regulatory purposes (e.g., Regulation O (12 CFR part 215), Change in Bank Control Act). Similarly, the phrase "major policy and decision makers are located" is used to designate the

location of the appropriate FDIC regional office because other terms, such as "holding company headquarters" or "location of the lead institution" may not accurately describe the location where a group of related institutions locates its top managing officials.

The provision to permit the FDIC to designate the appropriate regional office on a case-by-case basis is necessary to give the FDIC flexibility where using the location of the major policy and decision makers for determining the appropriate region is inappropriate or inefficient. The need for such language is demonstrated in the case of a foreign bank that operates several institutions in the United States, but whose headquarters, CEO, and major policy and decision makers are located in a foreign country. In such a case, the FDIC would have the discretion to select the most appropriate regional office to supervise the institutions located in the United States. Such flexibility is also needed in the case of a multibank holding company where major policy and decision makers are located in several FDIC regions. In such a case, the most logical region from a supervisory standpoint will be designated by DOS and DCA.

A letter to all insured institutions will announce the realignment of DOS and DCA's regional office responsibilities. A separate explanatory letter will also be sent to each institution that, as a result of the realignment, will be supervised by a newly designated FDIC regional office. In the event an institution which is part of a group of related institutions inadvertently files an application with the wrong FDIC regional office, the FDIC will forward the document to the appropriate regional office and notify the institution without penalizing the institution for a misdirected filing. Each regional office has information available to advise insured institutions, applicants, the public, other regulators, and any interested party regarding identification of an institution's assigned FDIC regional office.

The purpose of the realignment of FDIC regional office responsibilities and the amendment is to more efficiently supervise groups of related institutions by assigning responsibility for the group to one FDIC regional office based on the location of the group's major policy and decision makers. The prior part 303 language defines "appropriate" to mean that the FDIC supervises institutions from the region in which the institution is located, regardless of where the parent company or any related institution in a group is located or where the group's major policy and decision makers are located. Over time,

with the trend toward industry consolidation and interstate banking, this approach has become cumbersome for both the FDIC and for groups of related institutions that operate, or seek to operate, in more than one FDIC region. In such cases, every FDIC region in which a related institution operates is directly involved in the group's business and regulatory affairs, resulting in potential duplication of supervisory efforts and disorder in multiple communication channels.

The changes to part 303 are being made to facilitate improved communications between insured institutions and the FDIC and to make better use of the FDIC's resources in processing applications and administrative actions for groups of related insured institutions. The changes do not create any insured institution publication requirements or impact the institution's or other respondent's right to challenge any action. The changes also do not impair access to the Board, to the extent it exists currently in part 303, for review of decisions on any application or administrative matter. The change in the appropriate region is procedural in nature. The designation of the FDIC office which will exercise overall supervision for purposes of receiving applications and deciding certain regulatory matters has no effect on the standards against which the merits of an application or administrative action are to be measured. In addition, any change as to the appropriate FDIC office in which overall supervisory functions will be assigned does not alter any of the rights or obligations of any institution or other respondent.

The FDIC is also eliminating the term "appropriate regional manager" from its definition because the term is no longer a designated title used by the FDIC.

#### **Exemption From Public Notice and Comment**

The amendments are being published in final form without opportunity for public comment under authority of 5 U.S.C. 553(b)(A) (Administrative Procedure Act) which exempts from required publication for comment interpretive rules, general statements of policy, and rules of agency practice and procedure. Specifically, the amendments relate to the FDIC's administrative and supervisory procedures concerning the designation of appropriate regional offices for purposes of filings and administrative actions. The amendments, which constitute nonsubstantive changes to the FDIC's Rules of Practice and Procedure, are being made immediately effective

inasmuch as the requirement found in 5 U.S.C. 553(d) that substantive rules be published not less than 30 days prior to their effective date is inapplicable.

#### Regulatory Flexibility Act

Under section 605(b) of the Regulatory Flexibility Act (RFA) (5 U.S.C. 605(b)), the final regulatory flexibility analysis otherwise required under section 604 of the RFA (5 U.S.C. 604) is not required if the head of the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities and the agency publishes such certification in the **Federal Register** along with this general notice of proposed rulemaking or at the time of publication of the final rule.

The Board of Directors has concluded after reviewing the final regulation that it will not have a significant economic impact on a substantial number of small institutions since the only change, if any, may be the location in which the institution will make filings and from which the institution will be supervised by the FDIC. The Board of Directors therefore hereby certifies pursuant to section 605 of the RFA that the regulation will not have a significant economic impact on a substantial number of small entities within the meaning of the RFA.

#### Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA) (Public Law 104-121) provides generally for agencies to report rules to Congress and for Congress to review rules. This final rule is not a rule for purposes of SBREFA because it is a rule of agency organization pursuant to SBREFA, 5 U.S.C. 804(3)(c).

#### Paperwork Reduction Act

As these amendments neither alter existing nor create new record keeping or reporting requirements, the Paperwork Reduction Act is inapplicable.

#### Cost Benefit Analysis

This final rule is generally not expected to result in material increases in costs and burden to respondents. Some filers, however, will be required to file materials in a different location.

#### List of Subjects in 12 CFR Part 303

Administrative practice and procedure, Authority delegations (Government agencies), Bank deposit insurance, Banks, Banking, Reporting and recordkeeping requirements, Savings associations.

For the reasons set forth in the preamble, 12 CFR part 303 is amended as set forth below:

#### PART 303—APPLICATIONS, REQUESTS, SUBMITTALS, DELEGATIONS OF AUTHORITY, AND NOTICES REQUIRED TO BE FILED BY STATUTE OR REGULATION

1. The authority citation for part 303 continues to read as follows:

**Authority:** 12 U.S.C. 378, 1813, 1815, 1816, 1817(j), 1818, 1819 (Seventh and Tenth), 1828, 1831e, 1831o, 1831p-1; 15 U.S.C. 1607.

2. In § 303.0, paragraph (b)(12) is revised to read as follows:

#### § 303.0 Scope and definitions.

\* \* \* \* \*

(b) \* \* \*

(12) *Appropriate FDIC region, appropriate FDIC regional office, appropriate regional director, appropriate deputy regional director, and appropriate regional counsel* shall refer to the FDIC region, and the FDIC regional office, regional director, deputy regional director, and regional counsel, of the FDIC region, which the FDIC designates as follows:

(i) When an institution or proposed institution that is the subject of an application, request, submittal, notice, or administrative action is not or will not be part of a group of related institutions, the appropriate region for the institution and any individual associated with the institution is the FDIC region in which the institution or proposed institution is or will be located; or

(ii) When an institution or proposed institution that is the subject of an application, request, submittal, notice, or administrative action is or will be part of a group of related institutions, the appropriate region for the institution and any individual associated with the institution is the FDIC region in which the group's major policy and decision makers are located, or any other region the FDIC designates on a case-by-case basis.

\* \* \* \* \*

By Order of the Board of Directors.

Dated at Washington, D.C., this 25th day of March, 1997.

Federal Deposit Insurance Corporation

**Robert E. Feldman,**

*Deputy Executive Secretary.*

[FR Doc. 97-8827 Filed 4-7-97; 8:45 am]

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#### DEPARTMENT OF TRANSPORTATION

#### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 95-NM-234-AD; Amendment 39-9986; AD 97-07-12]

RIN 2120-AA64

#### Airworthiness Directives; McDonnell Douglas Model MD-11 and DC-10 Series Airplanes, and KC-10A (Military) Airplanes

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Final rule.

**SUMMARY:** This amendment supersedes an existing airworthiness directive (AD) that is applicable to certain McDonnell Douglas Model MD-11 and DC-10 series airplanes, and KC-10A (military) airplanes. That AD currently requires functional testing to verify proper installation of the electrical connectors to the engine generator and fire bell shutoff switches, and correction of the installation, if necessary. This amendment requires installation of a modification that terminates the requirement to perform repetitive functional tests. This amendment is prompted by the development of a modification that minimizes the possibility of improperly connecting (crossing) the electrical connectors to the fire extinguishing handles. The actions specified by this amendment are intended to prevent the wrong engine-driven generator from being shut down unnecessarily in the event of an engine fire warning.

**DATES:** Effective May 13, 1997.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of May 13, 1997.

**ADDRESSES:** The service information referenced in this AD may be obtained from McDonnell Douglas Corporation, 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Technical Publications Business Administration, Department C1-L51 (2-60). This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the FAA, Transport Airplane Directorate, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.