

adequacy standard was applied to each Class I railroad, and no carrier was found to be revenue adequate for 2003.

The Board's decision is posted on the Board's Web site, <http://www.stb.dot.gov>. In addition, copies of the decision may be purchased from ASAP Document Solutions by calling 301-577-2600 or by e-mailing [asapdoc@verizon.net](mailto:asapdoc@verizon.net).

### Environmental and Energy Considerations

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

### Regulatory Flexibility Analysis

Pursuant to 5 U.S.C. 603(b), we conclude that our action in this proceeding will not have a significant economic impact on a substantial number of small entities. The purpose and effect of the action is merely to update the annual railroad industry revenue adequacy finding. No new reporting or other regulatory requirements are imposed, directly or indirectly, on small entities.

Decided: August 11, 2004.

By the Board, Chairman Nober, Vice Chairman Mulvey, and Commissioner Buttrey.

**Vernon A. Williams,**  
Secretary.

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## DEPARTMENT OF THE TREASURY

### Office of the Comptroller of the Currency

### FEDERAL RESERVE SYSTEM

### FEDERAL DEPOSIT INSURANCE CORPORATION

#### Agency Information Collection Activities: Proposed Collection; Comment Request

**AGENCIES:** Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Joint notice and request for comment.

**SUMMARY:** In accordance with the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the OCC, the Board, and the FDIC (the "agencies") may not conduct or sponsor, and the respondent is not required to respond to, an information

collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The Federal Financial Institutions Examination Council (FFIEC), of which the agencies are members, has approved the agencies' publication for public comment of a proposal to revise the Country Exposure Report (FFIEC 009) and the Country Exposure Information Report (FFIEC 009a), which are currently approved information collections. At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the FFIEC should modify the reports. The agencies will then submit the reports to OMB for review and approval.

**DATES:** Comments must be submitted on or before October 18, 2004.

**ADDRESSES:** Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the OMB control number, will be shared among the agencies.

OCC: Comments should be sent to the Public Information Room, Office of the Comptroller of the Currency, Mailstop 1-5, Attention: 1557-0100, 250 E Street, SW., Washington, DC 20219. Due to delays in the OCC's mail service since September 11, 2001, commenters are encouraged to submit comments by fax or e-mail. Comments may be sent by fax to (202) 874-4448, or by e-mail to [regs.comments@occ.treas.gov](mailto:regs.comments@occ.treas.gov). You can inspect and photocopy the comments at the OCC's Public Information Room, 250 E Street, SW., Washington, DC 20219. You can make an appointment to inspect the comments by calling (202) 874-5043.

Board: You may submit comments, identified by FFIEC 009, by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments on the <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include docket number in the subject line of the message.
- Fax: (202) 452-3819 or (202) 452-3102.
- Mail: Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551.

All public comments are available from the Board's Web site at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm> as submitted, except as necessary for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room MP-500 of the Board's Martin Building (20th and C Streets, NW.) between 9 a.m. and 5 p.m. on weekdays.

FDIC: Written comments should identify "Information Collection 3064-0017, FFIEC 009" as the subject and be submitted by any of the following methods:

- Agency Web site: <http://www.fdic.gov/regulations/laws/federal/propose.html>.
  - E-mail: [Comments@FDIC.gov](mailto:Comments@FDIC.gov).
  - Mail: Robert E. Feldman, Executive Secretary, Attention: Comments, FDIC, 550 17th Street, NW., Washington, DC 20429.
  - Hand Delivery/Courier: Guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7 a.m. and 5 p.m.
- Comments may be inspected and photocopied in the FDIC Public Information Center, Room 100, 801 17th Street, NW., Washington, DC, between 9 a.m. and 4:30 p.m. on business days.

A copy of the comments may also be submitted to the OMB desk officer for the agencies: Mark Menchik, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, Washington, DC 20503 or electronic mail to [MMenchik@omb.eop.gov](mailto:MMenchik@omb.eop.gov).

**FOR FURTHER INFORMATION CONTACT:** Additional information or a copy of the collection may be requested from:

OCC: John Ference, Acting OCC Clearance Officer, or Camille Dixon, (202) 874-5090, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 250 E Street, SW., Washington, DC 20219.

Board: Cindy Ayouch, Federal Reserve Board Clearance Officer, (202) 452-3829, Division of Research and Statistics, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call (202) 263-4869, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551.

FDIC: Leneta G. Gregorie, Counsel, (202) 898-3719, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, DC 20429.

**SUPPLEMENTARY INFORMATION:** *Proposal to revise the following currently approved collections of information:*

*Report Title:* Country Exposure Report and Country Exposure Information Report.

*Form Number:* FFIEC 009 and FFIEC 009a.

*Frequency of Response:* Quarterly.

*Affected Public:* Business or other for profit.

**OCC:**

*OMB Number:* 1557–0100.

*Estimated Number of Respondents:* 21 (FFIEC 009), 21 (FFIEC 009a).

*Estimated Average Time per Response:* 30 burden hours (FFIEC 009), 5.25 burden hours (FFIEC 009a).

*Estimated Total Annual Burden:* 2,520 burden hours (FFIEC 009), 441 burden hours (FFIEC 009a).

**Board:**

*OMB Number:* 7100–0035.

*Estimated Number of Respondents:* 31 (FFIEC 009), 16 (FFIEC 009a).

*Estimated Average Time per Response:* 30 burden hours (FFIEC 009), 5.25 burden hours (FFIEC 009a).

*Estimated Total Annual Burden:* 3,720 burden hours (FFIEC 009), 336 burden hours (FFIEC 009a).

**FDIC:**

*OMB Number:* 3064–0017.

*Estimated Number of Respondents:* 22 (FFIEC 009), 22 (FFIEC 009a).

*Estimated Average Time per Response:* 30 burden hours (FFIEC 009), 5.25 burden hours (FFIEC 009a).

*Estimated Total Annual Burden:* 2,640 burden hours (FFIEC 009), 462 burden hours (FFIEC 009a).

**General Description of Reports**

These information collections are mandatory: 12 U.S.C. 161 and 1817 (national banks), 12 U.S.C. 248(a), 1844(c), and 3906 (State member banks and bank holding companies); and 12 U.S.C. 1817 and 1820 (insured State nonmember commercial and savings banks). The FFIEC 009 information collection is given confidential treatment (5 U.S.C. 552(b)(4) and (b)(8)). The FFIEC 009a information collection is not given confidential treatment.

**Abstract**

The Country Exposure Report (FFIEC 009) is filed quarterly with the agencies and provides information on international claims of U.S. banks and bank holding companies that is used for supervisory and analytical purposes. The information is used to monitor country exposure of banks to determine the degree of risk in their portfolios and

the possible impact on U.S. banks of adverse developments in particular countries. The Country Exposure Information Report (FFIEC 009a) is a supplement to the FFIEC 009 and provides publicly available information on material foreign country exposures (all exposures to a country in excess of 1 percent of total assets or 20 percent of capital, whichever is less) of U.S. banks and bank holding companies that file the FFIEC 009 report. As part of the Country Exposure Information Report, reporting institutions must also furnish a list of countries in which they have lending exposures above 0.75 percent of total assets or 15 percent of total capital, whichever is less.

**Current Action**

The agencies propose to revise the FFIEC 009 in order to harmonize U.S. data with data on cross-border exposures collected by other countries and disseminated by the Bank for International Settlements (BIS) as their “consolidated banking statistics.” The proposed revisions should also provide additional information about U.S. banks’ exposure to country risk, transfer risk, and foreign-exchange risk. The proposed revisions would collect additional detail on foreign-office claims of U.S. banks on local residents, including sector breakdowns and a currency split; a split between commitments and guarantees plus credit derivatives; and trade finance after adjustments for collateral and guarantees. Under the proposal, the definition of the public (*i.e.*, government) sector would be brought into agreement with the definition used in the Consolidated Reports of Condition and Income (Call Report) (forms FFIEC 031 and FFIEC 041) that banks file quarterly. No changes to the FFIEC 009a are proposed, although the change in the definition of the public sector on the FFIEC 009 would change the amounts reported in Columns 6 and 7 of the FFIEC 009a by corresponding amounts. The instructions to the FFIEC 009a reporting form would need to be changed, however, to reflect column changes on the FFIEC 009. In addition, comments are requested on the way claims are adjusted for collateral and guarantees.

In proposing these revisions, the FFIEC has attempted to be mindful of the fact that some of the revisions may increase reporting burden for reporters. In light of this, the FFIEC has looked for areas in which reporting burden might be reduced. As a consequence, the proposed revisions drop a number of items from the report. For example, reporters are no longer asked to report:

Total cross-border claims on an immediate-counterparty basis, the maturity of claims in the one-to-five-year and over-five-year categories, risk redistribution of claims on the public sector separately from the non-bank private sector, commitments on an immediate-counterparty basis, and risk redistributions for commitments.

The agencies propose to implement changes to the FFIEC 009 effective with the March 2005 report date.

**International Harmonization**

As noted above, one of the reasons for requesting changes to the FFIEC 009 is to increase the degree of harmonization between U.S. data and data collected by other countries’ central banks. Together, these data make up the BIS consolidated banking statistics, which are compiled by the BIS from data submitted by the G–10<sup>1</sup> central banks and a number of other developed and developing country central banks. Beginning as of December 2004, the BIS will implement enhancements to these statistics. The enhancements will provide users with more data on an “ultimate-risk” basis—*i.e.*, after adjusting for collateral and third-party guarantees—including details on local claims and commitments and guarantees. Most of the participating central banks, including all of the G–10 central banks, agreed to collect the new data, and also to harmonize their existing data more closely with BIS guidelines. Therefore, some of the proposed revisions are intended to collect the new data that the BIS will begin compiling and other revisions are intended to bring U.S. data into agreement with the current BIS guidelines. As a result, when the enhanced statistics are implemented, they will reflect a significant harmonization of country exposure data across countries.

As a general rule, it is desirable for the United States to comply with international data collection efforts, especially when doing so does not cause undue burden on U.S. reporting institutions. The cost of complying with the new statistics will be considerably less for U.S. reporters than for reporters in many countries, because most of the data needed for the enhancements to the BIS statistics was already collected on the FFIEC 009, whereas many countries must collect a large amount of new data. U.S. compliance helps create international data that are comparable

<sup>1</sup> The Group of Ten is made up of eleven industrial countries (Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States) which consult and cooperate on economic, monetary and financial matters.

across countries and are, therefore, more useful. If the United States were not to collect these additional data, it would be the only large country not in almost full compliance with the new statistics.

*Proposed Revisions to the FFIEC 009 Reporting Form*

**Schedule 1: Country Exposure Report (Excluding Foreign Exchange and Derivative Products)**

1. Redefine columns 1, 2, and 3. "Cross-Border Claims" by "Banks" (column 1), "Public" (column 2), and "Other" (column 3) would include "Foreign-Office Claims on Local Residents in Non-Local Currency" and would exclude local claims in the domestic currency subject to a risk reallocation. This change would improve, in a way that adds the least number of columns to the reporting form, harmonization of international data by bringing U.S. data into agreement with the BIS guidelines for the consolidated banking statistics. This change does not alter, nor does it reflect a change in, the definitions of country, cross-border, or transfer risks. Cross-border claims on an immediate-counterparty basis would be calculated as the sum of these columns less the proposed column 5. (See "5. Add a column." below.)

2. Delete column 4. "Cross-Border Claims: Total" (column 4) would be deleted in order to lower reporting burden. Total cross-border claims on an ultimate-risk basis are considerably more useful than immediate-counterparty data for assessing banks' exposure to country risk and can be calculated from the proposed reporting form.

3. Redefine and renumber column 5. "Cross-Border Claims: Estimated Breakdown of Column (4) by Time Remaining to Maturity: One Year and Under" (column 5) would include "Foreign-Office Claims on Local Residents in Non-Local Currency." This change would improve, in a way that adds the least number of columns to the reporting form, harmonization of international data by bringing U.S. data into agreement with the BIS guidelines for the consolidated banking statistics. This change does not alter, nor does it reflect a change in, the definitions of country, cross-border, or transfer risks. Column 5 would be renumbered to column 4 on the proposed reporting form.

4. Delete columns 6 and 7. "Cross-Border Claims: Estimated Breakdown of Column (4) by Time Remaining to Maturity" for "Over One Year to Five Years" (column 6) and "Over Five

Years" (column 7) would be deleted in order to lower reporting burden. In addition, the distinction between the two maturity buckets is considered to be of marginal usefulness.

5. Add a column. The proposed column, "Immediate-Counterparty Basis: Foreign-Office Claims on Local Residents in Local Currency" (column 5), would be added to increase harmonization of international data by bringing U.S. data into agreement with BIS guidelines.

6. Rename and renumber column 8. "Cross-Border Claims: Claims Reported in Columns 1–3 with Head Office/Guarantor Located in Another Country" by "Bank" (column 8) would be renamed and renumbered "Redistribution of Claims To Adjust for Ultimate Risk: Outward Risk Transfers of Claims Reported in Columns 1, 2, 3 and 5 or on U.S. Residents" by "Claims on Banks" (column 6) on the proposed reporting form.

7. Combine columns 9 and 10. "Cross-Border Claims: Claims Reported in Columns 1–3 with Head Office/Guarantor Located in Another Country" by "Public" (column 9) and "Other" (column 10) would be combined into "Redistribution of Claims To Adjust for Ultimate Risk: Outward Risk Transfers of Claims Reported in Columns 1, 2, 3 and 5 or on U.S. Residents" by "Claims on Non-Banks" (column 7) on the proposed reporting form. Distinguishing between risk redistributions to the public and the non-bank private sectors is considered to be of marginal usefulness, so the proposed reporting form combines these columns in order to lower reporting burden.

8. Rename and renumber column 11. "Cross-Border Claims: Redistribution of Guaranteed Amounts Reported in Columns 8–10 to Country of Head Office/Guarantor" by "Bank" (column 11) would be renamed and renumbered "Redistribution of Claims To Adjust for Ultimate Risk: Inward Risk Transfers of Claims Reported in Columns 6 and 7" by "Claims on Banks" (column 8) on the proposed reporting form.

9. Combine columns 12 and 13. "Cross-Border Claims: Redistribution of Guaranteed Amounts Reported in Columns 8–10 to Country of Head Office/Guarantor" by "Public" (column 12) and "Other" (column 13) would be combined into "Redistribution of Claims to Adjust for Ultimate Risk: Inward Risk Transfers of Claims Reported in Columns 6 and 7" by "Claims on Non-Banks" (column 9) on the proposed reporting form. Distinguishing between risk redistributions to the public and the non-bank private sectors is considered

to be of marginal usefulness, so the proposed reporting form combines these columns in order to lower reporting burden.

10. Renumber column 14. "Net Due to (or Due from) Own Related Offices in Other Countries" (column 14) would become a Memorandum Item and be renumbered to column 21 on the proposed reporting form.

11. Delete column 15. "Commitments" (column 15) would be deleted in order to lower reporting burden. Immediate-counterparty commitments and guarantees are considered to be less useful than the ultimate-risk data.

12. Delete columns 16 and 17. "Commitments in Column (15) Head Office/Guarantor in Another Country" (column 16) and "Redistribution of Commitments in Column (16) to Country of Head Office/Guarantor" (column 17) would be deleted in order to lower reporting burden. The primary use for these columns was to compute commitments and guarantees on an ultimate-risk basis.

13. Add three columns. The proposed columns, "Ultimate-Risk Basis: Cross-Border Claims" by "Banks" (column 10), "Public" (column 11), and "Other" (column 12), would be added to collect directly data that must be calculated from the current reporting form, but that would not be able to be calculated from the proposed reporting form. Using the current reporting form, cross-border claims on an ultimate-risk basis (*i.e.*, after adjusting for guarantees and collateral) are calculated by adding the data in Columns 1, 2, 3, 11, 12, and 13 and subtracting the data in Columns 8, 9, and 10. These data are and will continue to be the one of the key numbers on the E.16 Statistical Release, Country Exposure Lending Survey, and are used for country risk analysis. The data will also continue to be the basis for the amounts reported on the FFIEC 009a. Other than the change in the definition of the public sector, there should be no difference between the amounts reported in these proposed columns and the amounts that would be calculated from the data on the current reporting form.

14. Split column 18 into three columns. "Local Country Claims on Local Residents" (column 18) would be split into three columns, "Ultimate-Risk Basis: Foreign-Office Claims on Local Residents" by "Banks" (column 13), "Public" (column 14), and "Other" (column 15), on the proposed reporting form. These columns would collect a breakdown of foreign-office claims on local residents by sector of the ultimate obligor. This breakdown would increase

harmonization of international data by bringing U.S. data into agreement with the BIS guidelines for the consolidated banking statistics. It would also improve the ability of U.S. data users to evaluate the exposures of foreign offices of U.S. banks to local residents.

15. Add a column. The proposed column, "Ultimate-Risk Basis: Foreign-Office Claims on Local Residents: Breakdown of Total of Columns 13, 14, and 15: Claims in Non-Local Currency" (column 16), would be added to improve the ability of U.S. data users to evaluate the exposures of foreign offices of U.S. banks to local residents.

16. Add two columns. The proposed columns, "Ultimate-Risk Basis: Cross-Border and Foreign-Office Commitments and Guarantees" by "Commitments" (column 17) and "Guarantees and Credit Derivatives" (column 18), would be added on the proposed reporting form. These proposed columns differ in two ways from commitments on an ultimate-risk basis that are derived from columns 15, 16, and 17 on the current reporting form (by adding columns 15 and 17 and then subtracting column 16). First, on the current reporting form, commitments are combined indistinguishably with guarantees (including credit derivatives); whereas on the proposed reporting form, commitments and guarantees (including credit derivatives) would each be reported separately. Second, the current reporting form collects only cross-border commitments and guarantees, whereas the proposed reporting form would collect cross-border commitments and guarantees plus foreign-office commitments to and guarantees on local residents. The proposed columns would increase harmonization of international data by bringing U.S. data into agreement with the BIS guidelines. In addition, the inclusion of foreign-office commitments to and guarantees on local residents would provide a more complete picture of the contingent exposures of U.S. banks to foreign residents. The breakout of commitments from commitments and guarantees (plus credit derivatives) would provide a more useful picture of the exposures of U.S. banks to foreign residents, because commitments have a different purpose and are likely to have a different risk profile than guarantees.

17. Split column 19 into two columns. "Local Country Liabilities" (column 19) would be split into two columns, "Foreign-Office Liabilities in Non-Local Currency" (column 19) and "Foreign-Office Liabilities in Local Currency" (column 20), on the proposed reporting form. Foreign office liabilities represent legal obligations of a foreign office and

for which no payment is guaranteed at locations outside of the country of the office. Collecting foreign-office liabilities in local currency achieves greater harmonization of international data, by bringing U.S. data into greater agreement with BIS guidelines. In addition, data on foreign-office liabilities in local currency, together with the information collected in proposed columns 13, 14, 15, and 16 from which one can derive foreign-office claims on local residents in local currency, gives data users information about the net exposures of foreign offices of U.S. banks to local residents in local currency. The total of the two proposed columns—total foreign-office liabilities—is needed in order to calculate net local claims that is currently reported in column 2 of the FFIEC 009a.

18. Rename and renumber column 20. "Amounts Reported in Column (4) After Adjustments in Columns (8–13) that Represent Assets Held for Trading" (column 20) would be renamed and renumbered "Amounts Reported in Columns 10, 11, and 12 that are Assets Held for Trading" (column 22) on the proposed reporting form.

19. Redefine and renumber column 21. "Trade Financing Reported in Columns (4) and (15)" (column 21) would change to "Amounts Reported in Columns 10, 11, 12, 17, and 18 that are Trade Finance" (column 23). The proposed column differs from what is currently collected because the data would be collected on an ultimate-risk basis rather than immediate-counterparty basis. On the current reporting form, trade financing is to be reported for claims reported in columns 1, 2, 3, 4, and 15—i.e., for cross-border claims and commitments (plus guarantees and credit derivatives) on an immediate-counterparty basis. On the proposed reporting form, it would be reported for cross-border claims and cross-border and foreign-office commitments and guarantees (plus credit derivatives) on an ultimate-risk basis. This change makes the reporting of trade finance more comparable with data on bank claims on an ultimate-risk basis.

#### *Proposed Revisions to the FFIEC 009 Reporting Form*

##### **Schedule 2: Country Exposure Report—Foreign Exchange and Derivative Products**

There are no revisions of substance that are proposed for Schedule 2. However, two changes are proposed for the language used in Schedule 2.

1. Replace "Revaluation Gains" and "Revaluation Losses" with "Positive Fair Values" and "Negative Fair Values." These changes are made for clarity, and are not intended to change the amounts reported on the form.

2. Rename columns 6 and 7. "Local Country Claims on Local Residents" (column 6) would be renamed "Foreign Office Claims on Local Residents" and "Local Country Liabilities" (column 7) would be renamed "Foreign Office Liabilities." The new terminology is more descriptive of what is being collected. No change is proposed to the definition of what is to be reported.

#### *Proposed Revisions to the FFIEC 009 Instructions—Schedule 1*

1. Change instructions so that claims are reported in columns 1, 2, 3, and 5 on only an immediate-counterparty basis—i.e., according to the country of residence and sector of the borrower. The current FFIEC 009 instructions state that columns 1 through 7 should include, in addition to cross-border claims, "foreign office local and non-local currency claims on local residents that are guaranteed by residents of other countries," which are reported according to the country of residence of the guarantor, and that in Columns 1, 2, and 3, "if the credit is guaranteed by another sector in the same country, report the amount in the sector to which the respondent looks for the ultimate source of repayment." The proposed reporting form drops these instructions, and by doing so, would produce a more accurate measure of claims on an immediate-counterparty basis. This change would increase the harmonization of international data by bringing U.S. data into agreement with the BIS guidelines for the consolidated banking statistics.

2. Redefine public sector to conform to that used in the Call Reports. The definition of the public sector (used for columns 2, 9, and 12) in the current FFIEC 009 instructions is broader than the definition used in the Call Report instructions. The revised instructions would change the definition to conform to that used in the Call Report. Specifically, claims on government-owned commercial firms, which are defined as claims on the public sector under the current instructions, would not be considered to be claims on the public sector under the proposed revisions. This change, by achieving consistency of definitions with the Call Report, should reduce reporting burden. In addition, this change increases harmonization of international data, because this is the same definition recommended in the BIS guidelines.

The definition has the added advantage of logical consistency, because it treats government-owned commercial firms in the same manner as government-owned banks, which are excluded from the public sector under the current instructions. The "other" sector category (column 3, 10, and 13) is a residual category. Thus, changing the definition of the public sector would result in a change in the amounts reported in the "other" sector columns as well. The definition of the banking sector would not change.

Reporting institutions should note that the redefinition of the public sector, described above in the context of Schedule 1, would also affect the reporting of claims on the public sector in Schedule 2.

3. Change instructions to measure more accurately the redistribution of claims to adjust for ultimate risk (Columns 8 through 13). Columns 8 through 13 on the current reporting form reflect the redistribution of only cross-border claims, whereas the redistribution of foreign-office claims on local residents is included indistinguishably with cross-border claims. Under the proposed revisions, these columns would include the redistribution of cross-border claims and foreign-office claims on local residents. In addition, under the proposed revisions, within-country, inter-sectoral risk transfers should be reported, whereas the current instructions state that claims that are guaranteed by a resident of the same country as the borrower should be reported according to the sector of the guarantor, rather than that of the borrower. Together, these changes mean that these columns would fully reflect risk redistributions, thereby increasing the transparency of data reported by U.S. banks. The changes would also increase harmonization of international data by bringing U.S. data into agreement with the BIS guidelines for the consolidated banking statistics.

#### *Proposed Revisions to the FFIEC 009 Instructions—Schedule 2*

1. Change instructions so that exposures from derivative contracts are reported for all derivative contracts, not just for derivative contracts held for trading. The current instructions ask that revaluation gains on, *i.e.*, positive fair values of, derivative contracts be reported for only those contracts held for trading. This change would improve the ability of U.S. data users to assess the exposures of U.S. banks to foreign residents.

#### **Comments**

The FFIEC would like to solicit comments on the following issues related to the FFIEC 009, Schedule 1.

1. Request comment on whether the instructions for risk redistributions should be changed with regard to the treatment of resale agreements. In the proposed instructions (as in the current instructions), resale agreements are treated as collateralized claims—*i.e.*, a claim on the counterparty that is collateralized by the asset that is to be resold. The proposed instructions for risk transfers in the presence of collateral are:

Collateral is treated as a "guarantee" of a claim if the collateral is: (a) Tangible, liquid, and readily-realizable and (b) is both held and realizable outside of the country of residence of the borrower. Collateral can include investment grade debt instruments and regularly traded shares of stocks. In cases involving collateral other than stocks and debt securities, the sector and country of the "guaranteeing" party is the sector and country of residence of the institution holding the collateral. If the collateral is stocks or debt securities, the sector and country of the "guaranteeing" party is the sector and country of residence of the party issuing the security.

If the collateral consists of a basket of convertible currencies or investment grade securities of different countries, the exposure may be reported on the "Other" line (for example, "other Latin America") that most closely represents the geographical composition of the basket.

Comments are invited as to whether these proposed instructions should be modified such that a risk transfer is reported for resale agreements only if the country of the collateral (the asset to be resold) has a better risk rating than that of the immediate-counterparty.

2. Request comment on whether the instructions for risk redistributions should be changed with regard to the treatment of repayment structures that may mitigate transfer risk. Specifically, a bank may be able to structure a credit in a manner in which the primary source of repayment is not subject to transfer or country risks. Examples include transactions with local subsidiaries of multinationals that are structured to capture the cash flow from trade transactions outside of the country of the immediate-counterparty. Comments are invited on possible changes to the instructions to account for such issues, the analytical justification for making such changes,

and the ability of reporters to comply with such instructions.

3. Request comment on the desirability of adding a column to collect foreign-office liabilities by country of residence of the creditor, which would be reported by only those institutions that meet the criteria to file the Quarterly Report of Assets and Liabilities of Large Foreign Offices of U.S. Banks (FR 2502q). Currently, thirty-eight institutions that file the FFIEC 009 also file 153 separate FR 2502q reports, one for each country of their foreign branches and each country of their foreign subsidiaries. On the FR 2502q, they report liabilities (and assets) by country of residence of the creditor (and borrower). This information is extremely useful to the Board and the U.S. Treasury Department when the U.S. government needs to review the magnitude of claims of foreign residents on U.S. banks, particularly at times of international crisis. If this additional column was added to the FFIEC 009, then the FR 2502q could be scaled back to collect data from foreign offices located only in off-shore financial centers. This would reduce the number of FR 2502q reports that would need to be filed by FFIEC 009 reporters from 153 to 56, reducing reporting burden, on net, for these reporters. Reporting burden for FFIEC 009 reporters that do not currently report the FR 2502q would not change, because they would be exempted from reporting this column.

The FFIEC would like to solicit comments on the following issue related to the FFIEC 009, Schedule 2.

4. Request comment on possible reporting of potential future credit exposures of derivative contracts. Specifically, comments are requested on the usefulness of data on potential future credit exposures of derivative contracts on a credit equivalency basis (following the U.S. risk-based capital standards), and the burden of reporting such data.

#### **Request for Comment**

Comments are invited on:

a. Whether the information collections are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;

b. The accuracy of the agencies' estimates of the burden of the information collections, including the validity of the methodology and assumptions used;

c. Ways to enhance the quality, utility, and clarity of the information to be collected;

d. Ways to minimize the burden of information collections on respondents,

including through the use of automated collection techniques or other forms of information technology; and

e. Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

Comments submitted in response to this notice will be shared among the agencies. All comments will become a matter of public record. Written comments should address the accuracy of the burden estimates and ways to minimize burden including the use of automated collection techniques or the use of other forms of information technology as well as other relevant aspects of the information collection request.

Dated: August 5, 2004.

**Stuart Feldstein,**

*Assistant Director, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency.*

Board of Governors of the Federal Reserve System, August 11, 2004.

**Jennifer J. Johnson,**

*Secretary of the Board.*

Dated at Washington, DC, this 6th day of August, 2004.

Federal Deposit Insurance Corporation.

**Valerie J. Best,**

*Assistant Executive Secretary.*

[FR Doc. 04-18751 Filed 8-16-04; 8:45 am]

**BILLING CODE 4810-33-P; 6210-01-P; 6714-01-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### **Proposed Collection; Comment Request for Forms 5500, 5500-C/R, and Schedules (1998 Version)**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice and request for comments.

**SUMMARY:** The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Pub. L. 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning Forms 5500, 5500-C-R, and Schedules, Annual Return/Report of Employee Benefit Plan (1998 Version).

**DATES:** Written comments should be received on or before October 18, 2004 to be assured of consideration.

**ADDRESSES:** Direct all written comments to Glenn P. Kirkland, Internal Revenue Service, room 6411, 1111 Constitution Avenue NW., Washington, DC 20224.

#### **FOR FURTHER INFORMATION CONTACT:**

Requests for additional information or copies of the form and instructions should be directed to Carol Savage at Internal Revenue Service, room 6407, 1111 Constitution Avenue NW., Washington, DC 20224, or at (202) 622-3945, or through the internet at [CAROL.A.SAVAGE@irs.gov](mailto:CAROL.A.SAVAGE@irs.gov).

#### **SUPPLEMENTARY INFORMATION:**

*Title:* Annual Return/Report of Employee Benefit Plan (1998 Version).  
*OMB Number:* 1545-0710.

*Form Number:* 5500, 5500-C/R, and Schedules.

*Abstract:* Forms 5500 and 5500-C/R are annual information returns filed by employee benefit plans. The IRS uses this information to determine if the plan appears to be operating properly as required under the law or whether the plan should be audited.

*Current Actions:* Only delinquent filers would have the need for the 1998 (or prior) year versions of these forms.

*Type of Review:* Extension of a currently approved collection.

*Affected Public:* Business or other for-profit organizations.

*Estimated Number of Respondents:* 25,000.

*Estimated Time Per Respondent:* Varies.

*Estimated Total Annual Burden Hours:* 775,726.

The following paragraph applies to all of the collections of information covered by this notice:

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 OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

*Request for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the

quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Approved: August 11, 2004.

**Glenn P. Kirkland,**

*IRS Reports Clearance Officer.*

[FR Doc. 04-18802 Filed 8-16-04; 8:45 am]

**BILLING CODE 4830-01-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### **Open Meeting of the Area 4 Taxpayer Advocacy Panel (Including the States of Illinois, Indiana, Kentucky, Michigan, Ohio, West Virginia, and Wisconsin)**

**AGENCY:** Internal Revenue Service (IRS) Treasury.

**ACTION:** Notice.

**SUMMARY:** An open meeting of the Area 4 Taxpayer Advocacy Panel will be conducted (via teleconference). The Taxpayer Advocacy Panel is soliciting public comment, ideas, and suggestions on improving customer service at the Internal Revenue Service.

**DATES:** The meeting will be held Wednesday, September 15, 2004, at 8 a.m., central time.

#### **FOR FURTHER INFORMATION CONTACT:**

Mary Ann Delzer at 1-888-912-1227, or (414) 297-1604.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given pursuant to Section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988) that a meeting of the Area 4 Taxpayer Advocacy Panel will be held Wednesday, September 15, 2004, at 8 a.m., Central time via a telephone conference call. You can submit written comments to the panel by faxing them to (414) 297-1623, or by mailing them to Taxpayer Advocacy Panel, Stop1006MIL, 310 West Wisconsin Avenue, Milwaukee, WI 53203-2221, or you can contact us at <http://www.improveirs.org>. This meeting is not required to be open to the public, but because we are always interested in community input, we will accept public comments. Please contact Mary Ann Delzer at 1-888-912-1227 or (414) 297-1604 for dial-in information.

The agenda will include the following: Various IRS issues.