

We solicited comments concerning our proposal for 60 days ending May 13, 1996. We did not receive any comments. The facts presented in the proposed rule still provide the basis for this final rule.

Therefore, based on the rationale set forth in the proposed rule, we are adopting the provisions of the proposal as a final rule without change.

Executive Order 12866 and Regulatory Flexibility Act

This rule has been reviewed under Executive Order 12866. The rule has been determined to be not significant for the purposes of Executive Order 12866 and, therefore, has not been reviewed by the Office of Management and Budget.

Our economic analysis indicates that the amendments will have little economic impact on privately owned bird quarantine facilities. Metal and nylon mesh are comparably priced. In addition, the rule adds nylon mesh as a screening option; it does not require quarantine facilities to be re-screened. We anticipate that the clarification concerning double screening will have no effect on facilities.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 7 CFR part 3015, subpart V.)

Executive Order 12778

This rule has been reviewed under Executive Order 12778, Civil Justice Reform. This rule: (1) Preempts all State and local laws and regulations that are inconsistent with this rule; (2) has no retroactive effect; and (3) does not require administrative proceedings before parties may file suit in court challenging this rule.

Paperwork Reduction Act

This rule contains no information collection or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

List of Subjects in 9 CFR Part 92

Animal diseases, Imports, Livestock, Poultry and poultry products, Quarantine, Reporting and recordkeeping requirements.

Accordingly, 9 CFR part 92 is amended as follows:

**PART 92—IMPORTATION OF CERTAIN ANIMALS AND POULTRY AND CERTAIN ANIMAL AND POULTRY PRODUCTS; INSPECTION AND OTHER REQUIREMENTS FOR CERTAIN MEANS OF CONVEYANCE AND SHIPPING CONTAINERS THEREON**

1. The authority citation for part 92 continues to read as follows:

Authority: 7 U.S.C. 1662; 19 U.S.C. 1306; 21 U.S.C. 102–105, 111, 114a, 134a, 134b, 134c, 134d, 134f, 135, 136, and 136a; 31 U.S.C. 9701; 7 CFR 2.22, 2.80, and 371.2(d).

2. In § 92.106, paragraphs (c)(2)(ii)(A) and (c)(2)(ii)(P)(I) are revised to read as follows:

§ 92.106 Quarantine requirements.

\* \* \* \* \*

(c) \* \* \*

(2) \* \* \*

(ii) \* \* \*

(A) Be constructed only with material that can withstand continued cleaning and disinfection. All solid walls, floors, and ceilings must be constructed of impervious material. All openings to the outside must be double-screened, with an interior screen of metal or nylon mesh that is impervious to biting insects such as gnats or mosquitos, and an exterior metal screen that is rodent-proof and is made of wire, such as rabbit wire, hardware cloth, or smooth welded wire, with mesh size no larger than 1 inch x 1.5 inches (2.54 cm x 3.81 cm). The interior and exterior screens must be separated by at least 3 inches (7.62 cm);

\* \* \* \* \*

(P) \* \* \*

(I) Any of the exterior walls may be replaced by a double-screened wall set in a concrete or concrete-block curb. The double screening shall be of wire mesh or wire mesh and nylon mesh, as provided in paragraph (c)(2)(ii)(A) of this section, with the interior and exterior screens of the sun room wall separated by at least 3 inches (7.62 cm); the concrete or concrete block curb must be at least 12 inches high, impermeable to water, and able to prevent the escape of water, manure, and debris.

\* \* \* \* \*

Done in Washington, DC, this 14th day of June 1996.

Lonnie J. King,

*Administrator, Animal and Plant Health Inspection Service.*

[FR Doc. 96–15759 Filed 6–19–96; 8:45 am]

BILLING CODE 3410–34–P

**FARM CREDIT ADMINISTRATION**

**12 CFR Part 615**

RIN 3052–AB70

**Book-entry Procedures for Federal Agricultural Mortgage Corporation Securities**

AGENCY: Farm Credit Administration.

ACTION: Final rule.

**SUMMARY:** The Farm Credit System Reform Act of 1996 (1996 act) provides that the Federal Agricultural Mortgage Corporation (Farmer Mac) shall have access to the Federal Reserve Banks' book-entry system (Fed book-entry system). The Farm Credit Administration (FCA) is issuing a final rule authorizing the issuance of Farmer Mac securities in book-entry format. Farmer Mac will use the Fed book-entry system in connection with the issuance and settlement of its unsecured debt securities and its guaranteed securities using substantially the same procedures used by all other Government-sponsored enterprises (GSEs).

**EFFECTIVE DATE:** June 13, 1996.

**FOR FURTHER INFORMATION CONTACT:** Larry W. Edwards, Director, Office of Secondary Market Oversight, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4051.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

Section 105 of the 1996 act amends sections 8.3(d) and (e) of the Farm Credit Act of 1971, as amended (act), to require that Farmer Mac have access to the Fed book-entry system and that the Federal Reserve Banks Act as depositories for, and as fiscal agents of, Farmer Mac.<sup>1</sup> Congress mandated Farmer Mac's access to the Fed book-entry system as part of a broad-based reform of Farmer Mac's charter and statutory authority. Among other reform measures, the 1996 Act liberalized Farmer Mac's charter to allow it to pool loans in a fashion similar to such other GSEs as the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac), which operate in the secondary market for mortgage-backed securities. To facilitate Farmer Mac's use of its new authority and to help it meet its new responsibilities, Congress amended the act to "streamline Farmer Mac's business operations," including "providing for Farmer Mac's access to

<sup>1</sup> Pub. L. 104–105 (Feb. 10, 1996), 110 Stat. 163–64. 12 U.S.C. 2279aa–3(d)–(e).

the book-entry system of the Federal Reserve System.”<sup>2</sup>

Currently, all Farmer Mac securities (both debt and guaranteed) are issued, settled, and traded through the facilities of the Depository Trust Company (DTC), one of the private depositories available to issuers whose securities are not tradable on the Fed book-entry system. DTC’s costs (and the costs of other private depositories) are higher than those of the Federal Reserve Banks, which results in higher costs for Farmer Mac and its investors. Furthermore, it appears that investors may differentiate adversely between Farmer Mac’s securities and all other GSEs’ securities because Farmer Mac securities are not issued through the Fed book-entry system. Access to the Fed book-entry system, therefore, is viewed as an important element in the Congressionally mandated effort to reform and revitalize Farmer Mac.

## II. Implementing Regulations

To implement Farmer Mac’s new statutory authority to access the Fed book-entry system, regulations are necessary to establish a framework for issuance and subsequent disposition of Farmer Mac securities issued through the Fed book-entry system. Without such regulations, investors would not know what law governs the holding, transferring, and pledging of the Farmer Mac securities in which they have invested. This uncertainty could create a perception of market risk that could detrimentally affect investment in Farmer Mac securities and possibly could place Farmer Mac securities at a marketing disadvantage compared to the securities of other GSEs.<sup>3</sup>

FCA regulations governing book-entry procedures with respect to Farm Credit System (FCS) securities were adopted in 1977 and are located at 12 CFR part 615, subpart O. The FCA’s book-entry regulations are based on the Department of the Treasury’s book-entry regulations at 31 CFR part 357, subpart O. The regulations establish procedures that permit FCS banks to utilize the Fed book-entry system in the same way as do other GSEs. The FCA extended its book-entry regulations in 1988 by adding a new subpart R to 12 CFR part 615 to cover securities issued by the FCS Financial Assistance Corporation. Rather than duplicating the basic book-

entry regulations found in subpart O, subpart R incorporates by reference the pertinent book-entry provisions from subpart O and applies them to the Financial Assistance Corporation.

The FCA is adopting the same abbreviated approach to applying book-entry regulations to Farmer Mac in this rulemaking. The final rule creates a new subpart S in part 615 that authorizes the issuance of Farmer Mac securities in book-entry format pursuant to pertinent provisions of subpart O of part 615, which are incorporated by reference. The incorporated provisions of subpart O include: §§ 615.5460 (definitions), 615.5465 (authority of Reserve Banks), 615.5470 (scope and effect of book-entry procedure), 615.5475 (transfer or pledge), 615.5480 (withdrawal of securities), 615.5485 (delivery of securities), 615.5490 (classes of accounts), 615.5492 (identification of accounts), and 615.5494 (servicing book-entry securities, including payment of interest and payment at maturity or upon call).

## III. Necessity for Immediate Regulatory Action

In passing the 1996 act, Congress recognized the difficulties Farmer Mac has had in meeting its statutory mandate and the resulting deterioration in its core capital.<sup>4</sup> In what the House Committee on Agriculture termed “the most extensive attempt yet to make Farmer Mac a viable secondary market for agricultural real estate and moderate rural housing loans,”<sup>5</sup> the 1996 act eases prior statutory operating requirements and expands the activities in which Farmer Mac can engage. It is clear that Congress also expects Farmer Mac to act quickly to stabilize its financial position and rebuild its core capital. Section 117 of the 1996 act requires that, if Farmer Mac does not complete mandatory recapitalization of its core capital within 2 years, its activities will be critically restricted. If the 2-year goal is not met, Farmer Mac will not be allowed to purchase a new qualified loan or issue or guarantee a new loan-backed security.<sup>6</sup>

In the very near future, Farmer Mac plans to issue debt securities backed by mortgages purchased by Farmer Mac pursuant to its new authority under the 1996 act. Farmer Mac intends to utilize the Fed book-entry system to issue the securities, as sanctioned by the 1996 act. To avoid creating any ambiguities regarding Farmer Mac’s authority to obtain access to the Fed book-entry

system and to ensure that the book-entry treatment of Farmer Mac’s securities will be the same as that of other GSEs, the FCA is taking expedited action to adopt book-entry regulations covering Farmer Mac.

In view of the clear Congressional mandate expressed in the 1996 act that Farmer Mac have access to the Fed book-entry system and the equally clear Congressional intent that Farmer Mac utilize its new authorities to rebuild its core capital and meet its other statutory mandates as soon as possible, the FCA believes that expedited rulemaking action is warranted for book-entry regulations covering Farmer Mac. Moreover, the regulations adopted are minor, technical, and noncontroversial. For these reasons, the FCA finds good cause to omit notice and comment as impracticable, unnecessary, and contrary to the public interest pursuant to section 553(b)(B) of the Administrative Procedure Act, 5 U.S.C. 553–59 (APA). The same reasons and, in particular, the time limit Congress has imposed on Farmer Mac to recapitalize its core capital base, provide good cause to adopt an effective date for the regulations that is less than 30 days after publication in the Federal Register. 5 U.S.C. 553(d). The FCA’s finding of good cause for expedited rulemaking action also supports specifying an effective date for the regulations that is prior to the date of filing of the report to Congress required by the Small Business Regulatory Enforcement Fairness Act, 5 U.S.C. 801–808. See 5 U.S.C. 808. Finally, consistent with the reasons for its expedited actions under the APA, the FCA finds that, pursuant to section 5.17(c)(2) of the act, an emergency exists that requires that these regulations take effect prior to the expiration of the 30-day Congressional notice and waiting period for final agency regulatory action.

The FCA notes that the U. S. Treasury Department recently proposed TRADES (Treasury/Reserve Automated Debt Entry System) regulations (61 FR 8420, March 4, 1996), which will govern book-entry treatment of Treasury securities. Since FCA’s book-entry regulations are based on the Treasury’s book-entry regulations, the FCA expects to revise all of its book-entry regulations, including those covering Farmer Mac, to conform with the Treasury’s TRADE regulations when they are finalized. Accordingly, there will be opportunity for public comment on FCA book-entry regulations at that time.

<sup>2</sup> H.R. Rep. No. 446, 104th Cong., 2d Sess., pt. 1, at 8 (1996).

<sup>3</sup> All other GSEs that utilize the Fed book-entry system, including the Farm Credit System, have regulations in place that govern their book-entry securities. See, e.g., 24 CFR part 81 (Fannie Mae); 1 CFR part 462 (Freddie Mac); 31 CFR part 354 (Student Loan Marketing Association (Sallie Mae)).

<sup>4</sup> H.R. Rep. No. 446, *supra* note 2, at 9.

<sup>5</sup> *Id.* at 8.

<sup>6</sup> Pub. L. 104–105, *supra* note 1, § 117.

**List of Subjects in 12 CFR Part 615**

Accounting, Agriculture, Banks, banking, Government securities, Investments, Rural areas.

For the reasons stated in the preamble, part 615 of chapter VI, title 12 of the Code of Federal Regulations is amended to read as follows:

**PART 615—FUNDING AND FISCAL AFFAIRS, LOAN POLICIES AND OPERATIONS, AND FUNDING OPERATIONS**

1. The authority citation for part 615 is revised to read as follows:

Authority: Secs. 1.5, 1.7, 1.10, 1.11, 1.12, 2.2, 2.3, 2.4, 2.5, 2.12, 3.1, 3.7, 3.11, 3.25, 4.3, 4.3A, 4.9, 4.14B, 4.25, 5.9, 5.17, 6.20, 6.26, 8.0, 8.4, 8.6, 8.7, 8.8, 8.10, 8.12 of the Farm Credit Act (12 U.S.C. 2013, 2015, 2018, 2019, 2020, 2073, 2074, 2075, 2076, 2093, 2122, 2128, 2132, 2146, 2154, 2154a, 2160, 2202b, 2211, 2243, 2252, 2278b, 2278b-6, 2279aa, 2279aa-3, 2279aa-4, 2279aa-6, 2279aa-7, 2279aa-8, 2279aa-10, 2279aa-12); sec. 301(a) of Pub. L. 100–233, 101 Stat. 1568, 1608; sec. 105 of Pub. L. 104–105, 110 Stat. 162, 163–64.

2. Subpart S is added to read as follows:

**Subpart S—Federal Agricultural Mortgage Corporation Securities**

Sec.

615.5570 Book-entry procedures for Federal Agricultural Mortgage Corporation securities.

**Subpart S—Federal Agricultural Mortgage Corporation Securities**

**§ 615.5570 Book-entry procedures for Federal Agricultural Mortgage Corporation Securities.**

(a) The Federal Agricultural Mortgage Corporation (Farmer Mac) is a Federally chartered instrumentality of the United States and an institution of the Farm Credit System, subject to the examination and regulation of the Farm Credit Administration.

(b) Farmer Mac, either in its own name or through an affiliate controlled or owned by Farmer Mac, is authorized by section 8.6 of the Act:

(1) To issue and/or guarantee the timely payment of principal and interest on securities representing interests in or obligations backed by pools of agricultural real estate loans (guaranteed securities); and

(2) To issue debt obligations (which, together with the guaranteed securities described in paragraph (b)(1) of this section, are referred to as Farmer Mac securities). Farmer Mac may prescribe the forms, the denominations, the rates of interest, the conditions, the manner of issuance, and the prices of Farmer Mac securities.

(c) Farmer Mac securities shall be governed by §§ 615.5460, 615.5465, 615.5470, 615.5475, 615.5480, 615.5485, 615.5490, 615.5492, and 615.5494. In interpreting those sections for purposes of this section, the term “Farmer Mac securities” shall be read for “Farm Credit securities,” and “Farmer Mac” shall be read for “banks of the Farm Credit System” and “Farm Credit bank.”

Dated: June 14, 1996.

Floyd Fithian,

*Secretary, Farm Credit Administration.*

[FR Doc. 96–15733 Filed 6–19–96; 8:45 am]

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**DEPARTMENT OF ENERGY**

**Federal Energy Regulatory Commission**

**18 CFR Parts 35 and 385**

[Docket Nos. RM95–8–002 and RM94–7–003]

**Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities**

Issued: June 14, 1996.

**AGENCY:** Federal; Energy Regulatory Commission.

**ACTION:** Final rule; notice of filing of motion for extension of time.

**SUMMARY:** On June 12, 1996, the American Public Power Association, the Electricity Consumers Resource Council, the National Rural Electric Cooperative Association and the Ohio Consumers' Counsel (Joint Movants) filed a joint request to extend the comment period for compliance filings made under this final rule (Order No. 888, 61 FR 21540, May 10, 1996) from the 15-day comment period established in the final rule to a 45-day comment period. Joint Movants also asked that the Commission require that the compliance tariff filings, as well as redline versions of those filings, be made in electronic format and posted on the FERC Bulletin Board. Copies of the motion are on file with the Commission and are available for public inspection.

**DATES:** Any person desiring to respond to the motion should file an answer on or before June 21, 1996.

**ADDRESSES:** Send answers to: Office of the Secretary, Federal Energy Regulatory Commission, 888 First St., NE., Washington, DC 20426.

**FOR FURTHER INFORMATION CONTACT:** David D. Withnell, Federal Energy

Regulatory Commission, Office of the General Counsel, 888 First St., NE., Washington, DC 20426, Telephone: (202) 208–2063.

Lois D. Cashell,

*Secretary.*

[FR Doc. 96–15760 Filed 6–19–96; 8:45 am]

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**DEPARTMENT OF THE TREASURY**

**Customs Service**

**19 CFR PART 10**

[T.D. 96–51]

**Replacement of CF 7506 by CF 7501**

**AGENCY:** U.S. Customs Service, Department of the Treasury.

**ACTION:** Final rule.

**SUMMARY:** This document amends the Customs Regulations to replace a reference to Customs Form (CF) 7506 in § 10.62(c)(2), Customs Regulations, with a reference to CF 7501. This change was inadvertently omitted from a final rule document published in the Federal Register on October 6, 1995 (60 FR 52294) which replaced all other references to CF 7506 in the Customs Regulations with references to CF 7501. **EFFECTIVE DATE:** June 20, 1996.

**FOR FURTHER INFORMATION CONTACT:** Raymond Janiszewski, Office of Trade Compliance, (202)927–0380.

**SUPPLEMENTARY INFORMATION:**

**Background**

Previously, CF 7506, Warehouse Withdrawal Conditionally Free of Duty and Permit, was the form used to make warehouse withdrawals for merchandise conditionally free of duty. The CF 7506 has now been eliminated, and the CF 7501 is to be used instead.

In a final rule document published in the Federal Register (60 FR 52294) on October 6, 1995, references to CF 7506 were deleted and replaced by reference to CF 7501. Inadvertently, the reference to CF 7506 in § 10.62(c)(2), Customs Regulations (19 CFR 10.62 (c)(2)), was not deleted in that document and replaced with a reference to CF 7501. This document corrects that omission.

Regulatory Flexibility Act, Executive Order 12866, Inapplicability of Public Notice and Comment Requirements, and Delayed Effective Date Requirements

Inasmuch as this amendment merely substitutes one Customs Form for another, pursuant to 5 U.S.C. 553 (a)(2) and (b)(B), good cause exists for