accessed from the FedWorld main menu by selecting the "Regulatory, Government Administration and State Systems," then selecting "Regulatory Information Mall." At that point, a menu will be displayed that has an option "U.S. Nuclear Regulatory Commission" that will take you to the NRC on-line main menu. The NRC online area also can be accessed directly by typing "/go nrc" at a FedWorld command line. If NRC is accessed from FedWorld's main menu, the user may return to FedWorld by selecting the "Return to FedWorld" option from the NRC on-line main menu. However, if NRC at FedWorld is accessed by using NRC's toll-free number, the user will have full access to all NRC systems but not to the main FedWorld system.

If FedWorld is contacted using Telnet, the user will see the NRC area and menus, including the rules menu. Although the user will be able to download documents and leave messages, he or she will not be able to write comments or upload files (comments). If FedWorld is contacted using File Transfer Program (FTP), all files can be accessed and downloaded but uploading files is not allowed—the user will see only a list of files without descriptions (normal gopher look). An index file is available that lists all files within a subdirectory, with descriptions of those files. There is a 15-minute time limit for FTP access.

Although FedWorld also can be accessed through the Worldwide Web, like FTP, that mode only provides access for downloading files and does not display the NRC rules menu.

For more information on NRC bulletin boards call Mr. Arthur Davis, Systems Integration and Development Branch, NRC, Washington, DC 20555–0001, telephone (301)415–5780; E-mail AXD3@nrc.gov.

Single copies of this petition may be obtained by written request or telefax ((301)415–5144) from the Rules Review Section, Rules Review and Directives Branch, Division of Freedom of Information and Publications Services, Office of Administration, Mail Stop T6-D59, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001. Certain documents related to this petition, including comments received, may be examined at the NRC Public Document Room, 2120 L Street NW. (Lower Level), Washington, DC. These same documents also may be viewed and downloaded electronically via the Electronic Bulletin Board established by NRC for this petition as indicated above.

Dated at Rockville, MD., the 17th day of June, 1996.

For the Nuclear Regulatory Commission. John C. Hoyle,

Secretary of the Commission.

[FR Doc. 96–15837 Filed 6–20–96; 8:45 am] BILLING CODE 7590–01–P

### DEPARTMENT OF THE INTERIOR

#### **Bureau of Indian Affairs**

#### 25 CFR Part 2

RIN 1076-AD50

### Appeals From Administrative Actions

**AGENCY:** Bureau of Indian Affairs, Interior.

**ACTION:** Proposed rule.

**SUMMARY:** The Bureau of Indian Affairs is proposing to amend its regulations on appeals. We are proposing this amendment as part of the President's National Performance Review regulatory reform initiative. The proposal will enhance its usability by clarifying the language.

**DATES:** Comments must be received on or before September 19, 1996.

ADDRESSES: Mail comments to Deborah Maddox, Director of the Office of Tribal Services, Bureau of Indian Affairs, 1849 C Street, NW, MS 4603–MIB, Washington, D.C. 20240. Comments may be hand delivered to the same address from 9:00 a.m. to 4:00 p.m. Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** Deborah Maddox, Office of Tribal Services at 202–208–3463.

SUPPLEMENTARY INFORMATION: The authority to issue rules and regulations is vested in the Secretary of the Interior by 5 U.S.C. § 301 and sections 463 and 465 of the Revised Statutes, 25 U.S.C. §§ 2 and 9. The proposed rule has been written to facilitate its use by the general public, tribes, and individual Indians affected by the rule. No substantive revisions are proposed in this rule.

### **Public Participation Statement**

Publication of the proposed rule by the Department of the Interior (Department) provides the public an opportunity to participate in the rulemaking process. Interested persons may submit written comments regarding the proposed rule to the location identified in the "addresses" section of this document.

### Executive Order 12778

The Department has certified to the Office of Management and Budget (OMB) that these proposed regulations

meet the applicable standards provided in sections 2(a) and 2(b)(2) of Executive Order 12778.

### Executive Order 12866

This proposed rule is not a significant regulatory action under Executive Order 12866 and has not been reviewed by the Office of Management and Budget.

### Regulatory Flexibility Act

This proposed rule will not have a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

### Executive Order 12630

The Department has determined that this proposed rule does not have "significant takings" implications. The proposed rule does not pertain to "taking" of private property interests, nor does it impact private property.

#### Executive Order 12612

The Department has determined that this proposed rule does not have significant federalism effects because it pertains solely to Federal-tribal relations and will not interfere with the roles, rights and responsibilities of states.

### **NEPA Statement**

The Department has determined that this proposed rule does not constitute a major Federal action significantly affecting the quality of the human environment and that no detailed statement is required under the National Environmental Policy Act of 1969.

### **Unfunded Mandates Act of 1995**

This rule imposes no unfunded mandates on any governmental or private entity and is in compliance with the provisions of the Unfunded Mandates Act of 1995.

### Paperwork Reduction Act of 1995

This rule has been examined under the Paperwork Reduction Act of 1995 and has been found to contain no information collection requirements.

### **Drafting Information**

The primary author of this document is Kimberly Toyekoyah, Bureau of Indian Affairs, Department of the Interior.

### List of Subjects in 25 CFR Part 2

Indians-law, Indians—administrative practice and procedure, Indians—administrative appeals.

For the reasons given in the preamble, part 2 of title 25, chapter I of the Code of Federal Regulations is proposed to be revised as set forth below.

# PART 2—APPEALS FROM ADMINISTRATIVE ACTIONS

Sec.

- 2.1 Information collection.
- 2.2 Definitions.
- 2.3 Applicability.
- 2.4 Who will decide my appeal?
- 2.5 What can I do if the appeal causes delays and financial losses?
- 2.6 When is an administrative decision final?
- 2.7 How will I know an administrative decision has been made?
- 2.8 What may I do if an official fails to act?
- 2.9 How do I appeal an administrative decision?
- 2.10 What documents must I file other than a notice of appeal?
- 2.11 If someone else files an appeal that affects my interest, may I respond to the appeal?
- 2.12 ÎĤow do I serve appeal documents?
- 2.13 How do I file an appeal document?
- 2.14 Who is responsible for keeping record addresses up to date?
- 2.15 How are periods of time computed?
- 2.16 May the time period for filing or serving a document be extended?
- 2.17 Can an appeal be dismissed before it is reviewed?
- 2.18 Can appeals be consolidated?
- 2.19 How do Area Directors and Education Line Officers render decisions?
- 2.20 Can the Assistant Secretary—Indian Affairs render a decision after I have filed an appeal with the Interior Board of Indian Appeals?
- 2.21 What information may the reviewing official consider?

Authority: 5 U.S.C. 301; 25 U.S.C. 2, 9.

#### § 2.1 Information collection.

In accordance with Office of Management and Budget regulations in 5 CFR 1320.4, approval of information collections contained in this regulation is not required.

### § 2.2 Definitions.

Administrative decision means a decision or action made by an official of the Bureau of Indian Affairs.

Appeal means a written request for review of an action or the inaction of an official of the Bureau of Indian Affairs that is claimed to adversely affect the interested party making the request.

Appellant means any interested party who files an appeal under this part.

Commissioner of Indian Affairs means the Commissioner of Indian Affairs or the Deputy Commissioner of Indian Affairs.

*Interested party* means any person whose interests could be adversely affected by a decision in an appeal.

Legal holiday means a Federal holiday as designated by the President or Congress of the United States.

*Must* means a mandatory or imperative act or requirement.

Notice of appeal means the written document sent to the official designated in this part, indicating that a decision is being appealed (see § 2.9).

Person includes any Indian or non-Indian individual, corporation, tribe or other organization.

Statement of reasons means a written document submitted by the appellant explaining why the decision being appealed is in error (see § 2.10).

### § 2.3 Applicability.

- (a) Except as provided in paragraph (b) of this section, this part applies to all appeals from decisions made by officials of the Bureau of Indian Affairs by persons who may be adversely affected by these decisions.
- (b) This part does not apply if any other regulation or Federal statute provides a different administrative appeal procedure applicable to a specific type of decision.

### § 2.4 Who will decide my appeal?

- (a) An Area Director, if the subject of appeal is a decision by a person under the authority of that Area Director.
- (b) An Area Director, an Education Line Officer, a President of a Post-Secondary School, or the Director, Office of Indian Education Programs if the appeal is from a decision of an Office of Indian Education programs official under his/her jurisdiction.
- (c) The Assistant Secretary—Indian Affairs under the provisions of § 2.20.
- (d) The Commissioner of Indian Affairs under the provisions of § 2.20(c).
- (e) The Interior Board of Indian Appeals, under the provisions of 43 CFR part 4, subpart D, if the appeal is from a decision made by an Area Director or the Commissioner of Indian Affairs.

### § 2.5 What can I do if the appeal causes delays and financial losses?

- (a) If you believe that you may suffer a measurable and substantial financial loss as a direct result of the delay caused by an appeal filed by someone else, you may request that the official before whom the appeal is pending require the appellant to post a reasonable bond adequate to protect against that financial loss.
- (b) If you request a bond, you are responsible for proving the likelihood that you may suffer a measurable and substantial financial loss as a direct result of the delay caused by the appeal.
- (c) The official before whom an appeal is pending may require the posting of a bond on his or her own initiative, if the official determines that a bond is necessary to protect the financial interests of an Indian or Indian tribe.

(d) The official before whom an appeal is pending must give notice of the decision that a bond be posted or the decision denying a request that a bond be posted under § 2.7.

### § 2.6 When is an administrative decision final?

- (a) No decision, which at the time of its rendition is subject to appeal to a superior authority in the Department, will be considered final so as to constitute Departmental action subject to judicial review under 5 U.S.C. 704, unless when an appeal is filed, the official to whom the appeal is made determines that public safety, protection of trust resources, or other public exigency requires that the decision be made effective immediately.
- (b) Decisions made by officials of the Bureau of Indian Affairs will be effective when the time for filing a notice of appeal has expired and no notice of appeal has been filed.
- (c) Decisions made by the Assistant Secretary—Indian Affairs will be final for the Department and effective immediately unless the Assistant Secretary—Indian Affairs provides otherwise in the decision.

# § 2.7 How will I know an administrative decision has been made?

- (a) The official making a decision must give the appellant and all known interested parties written notice of the decision by certified or registered mail, return receipt requested. These receipts will become a permanent part of the record.
- (b) Failure of the official making a decision to give written notice will not affect the validity of the decision or action. However, the time to file a notice of appeal regarding such a decision will not begin to run until notice has been given in accordance with paragraph (c) of this section.
- (c) All written decisions, except decisions which are final for the Department under § 2.6(c), must include a statement that the decision may be appealed under this part, identify the official to whom it may be appealed and indicate the appeal procedures, including the 30-day time limit for filing a notice of appeal.

### § 2.8 What may I do if an official fails to act?

(a) If your interests are adversely affected, or your ability to protect your interests is impeded by the failure of an official to act on a request to the official, you can make the official's inaction the subject of appeal. You must:

(I) Request in writing that the official take the action originally asked of the

official;

- (2) Describe the interest adversely affected by the official's inaction, including a description of the loss, impairment or impediment of the interest caused by the official's inaction; and
- (3) State that, unless the official involved either takes action on the merits of the written request within 10 days of receipt of the request by the official, or establishes a date by which action will be taken, an appeal will be filed in accordance with this part.
- (b) The official receiving a request as specified in paragraph (a) of this section must either:
- (1) Make a decision on the merits of the initial request within 10 days from receipt of the request for a decision; or
- (2) Establish a reasonable later date by which the decision will be made, not to exceed 60 days from the date of request.
- (c) If an official establishes a date by which a requested decision will be made, this date will be the date by which failure to make a decision will be appealable under this part.
- (d) If the official, within the 10-day period specified in paragraph (a) of this section, fails to make a decision on the merits of the initial request or to establish a later date by which a decision will be made, the official's inaction will be appealable to the next official in the process established in this part.

### § 2.9 How do I appeal an administrative decision?

- (a) You must file a written notice of appeal in the office of the official whose decision is being appealed. You must also send a copy of the notice of appeal to the official who will decide the appeal and to all known interested parties. The notice of appeal must be filed in the office of the official whose decision is being appealed within 30 days of your receipt of the notice of administrative action described in § 2.7.
- (1) A notice of appeal that is filed by mail is considered filed on the date that it is postmarked. You are responsible for proving that your notice of appeal is timely filed.
- (2) No extension of time will be granted for filing a notice of appeal. Notices of appeal not filed in the specified time will not be considered, and the decision involved will be considered final for the Department and effective in accordance with § 2.6(a).
- (b) If you are an Indian or Indian tribe and not represented by counsel, you may request assistance in preparing your appeal from the official who issued the decision. If you request assistance, the official who issued the decision

- appealed must give you appropriate assistance in preparing the appeal.
  - (c) Your notice of appeal must:
- (1) Include your name, address, and phone number.
- (2) Be clearly labeled or titled with the words "NOTICE OF APPEAL."
- (3) Contain a statement of the decision being appealed that is sufficient to permit identification of the decision.
- (4) Certify that copies of the notice of appeal have been served on interested parties, as prescribed in § 2.12(a).
  - (d) Your notice of appeal should:
- (1) Have on the face of any envelope in which the notice is mailed or delivered, in addition to the address, the clearly visible words "NOTICE OF APPEAL."
- (2) If possible, attach either a copy of the notice of the administrative decision received under § 2.7, or when an official has failed to make a decision or take any action, attach a copy of your request for a decision or action under § 2.8 with a written statement that the official failed to make a decision or take any action or to establish a date by which a decision would be made upon the request.

# § 2.10 What documents must I file other than a notice of appeal?

- (a) You must file a statement of reasons in every appeal, and it must be accompanied by or otherwise incorporate all supporting documents.
- (b) The statement of reasons may be included in or filed with the notice of appeal.
- (c) If the statement of reasons is not filed with the notice of appeal, you must file a separate statement of reasons in the office of the official whose decision is being appealed within 30 days after the notice of appeal was filed in that office.
- (d) The statement of reasons whether filed with the notice of appeal or filed separately should:
- (1) Be clearly labeled "STATEMENT OF REASONS".
- (2) Have on the face of any envelope in which the statement of reasons is mailed or delivered, in addition to the address, the clearly visible words "STATEMENT OF REASONS".

# § 2.11 If someone else files an appeal that affects my interest, may I respond to the appeal?

- Yes. You are an interested party.
  (a) Any interested party may file a written answer responding to the appellant's notice of appeal and statement of reasons.
- (b) Any interested party may file a written answer describing the affected interest and a response to the appeal. This answer may be submitted in any

- appropriate manner. The written answer may be accompanied by or otherwise incorporate supporting documents.
- (c) The written answer must be filed within 30 days after the statement of reasons is received.
- (d) The written answer and any supporting documents must be filed in the office of the official before whom the appeal is pending as specified in § 2.13.
  - (e) The written answer should:
- (1) Be clearly labeled or titled with the words "ANSWER OF INTERESTED PARTY";
- (2) Have on the face of any envelope in which the answer is mailed or delivered, in addition to the address, the clearly visible words "ANSWER OF INTERESTED PARTY"; and
- (3) Contain a statement of the decision being appealed that is sufficient to permit identification of the decision.

### § 2.12 How do I serve appeal documents?

- (a) All persons filing documents in an appeal must serve copies of those documents on all other interested parties known to the person making the filing.
- (1) The documents must be served on all other interested parties, either by mail or personal delivery, at the time the document is filed.
- (2) A written statement must be filed certifying that the document has been served on each interested party. The statement should show the document involved, the name and address of the party served, and the date of service.
- (b) If an appeal is filed with the Interior Board of Indian Appeals, a copy of the notice of appeal must also be sent to the Assistant Secretary—Indian Affairs: The notice of appeal sent to the Interior Board of Indian Appeals must certify that a copy has been sent to the Assistant Secretary—Indian Affairs.
- (c) If the appellant is an Indian or Indian tribe not represented by counsel, and has requested assistance in preparing the appeal from the official who issued the decision, the official will, in the manner prescribed in this section, personally or by mail serve a copy of all appeal documents on the official who will decide the appeal and on each interested party known to the serving official.
- (d) Service of any document under this part must be by personal delivery or by mail to the record address as specified in § 2.14. Service on a tribe will be to the principal or designated tribal official or to the governing body.
- (e) In all cases where a party is represented by an attorney in an appeal, service of any document on the attorney is service on the party represented. Where a party is represented by more

than one attorney, service on any one attorney is sufficient. The certificate of service on an attorney will include the name of the party whom the attorney represents and indicate that service was made on the attorney representing that party.

(f) When an official deciding an appeal determines that there has not been service of a document affecting a person's interest, the official will either serve the document on the person or direct the appropriate legal counsel to serve the document on the person and allow the person an opportunity to respond.

### § 2.13 How do I file an appeal document?

- (a) An appeal document is properly filed with an official of the Bureau of Indian Affairs:
- (1) By personal delivery during regular business hours to the person designated to receive mail in the immediate office of the official; or
- (2) By mail to the facility officially designated for receipt of mail addressed to the official. The document is considered filed by mail on the date that it is postmarked.
- (b) Bureau of Indian Affairs offices receiving a misdirected appeal document will forward the document to the proper office promptly. If a person delivers an appeal document to the wrong office or mails an appeal document to an incorrect address, no extension of time should be allowed because of the time necessary for a Bureau office to redirect the document to the correct address.
- (c) Notwithstanding any other provision of this section, an official deciding an appeal will allow late filing of a misdirected document, including a notice of appeal, where the official finds that the misdirection is the fault of the government.

# § 2.14 Who is responsible for keeping record addresses up to date?

- (a) Every interested party who files a document in connection with an appeal must, when filing the document, indicate his/her address.
- (1) Any change of address must be promptly reported to the official with whom the previous address was filed.
- (2) The most current address on file under this subsection will be deemed the proper address for all purposes under this part.
- (b) The successors in interest of a party must also promptly inform the official specified in paragraph (a) of this section of their interest in the appeal and their address.
- (c) An appellant or interested party failing to file an address or change of

address as specified in this section may not object to lack of notice or service attributable to his/her failure to indicate a new address.

### § 2.15 How are periods of time computed?

In computing any period of time prescribed or allowed in this part, calendar days will be used.
Computation will not include the day on which a decision being appealed was made, service or notice was received, a document was filed, or other event occurred causing time to begin to run.
Computation will include the last day of the period, unless it is a Saturday, a Sunday, or a legal holiday, in which event the period runs until the end of the next day which is not a Saturday, a Sunday, or a legal holiday.

# § 2.16 May the time for filing or serving a document be extended?

An official to whom an appeal is made may, upon a showing of good cause by a party and with notice to all other parties, extend the period for filing or serving any document; provided, however, that no extension will be granted for filing a notice of appeal under § 2.9 or serve by itself to extend any period specified by law or regulation other than in this part.

### § 2.17 Can an appeal be dismissed before it is reviewed?

- (a) An appeal under this part will be dismissed if the notice of appeal is not filed within the time specified in § 2.9(a).
- (b) An appeal under this part may be subject to summary dismissal for the following causes:
- (1) If after the appellant is given an opportunity to amend them, the appeal documents do not state the reasons why the appellant believes the decision being appealed is in error, or the reasons for the appeal are not otherwise evident in the documents; or
- (2) If the appellant has been required to post a bond and fails to do so.

### § 2.18 Can appeals be consolidated?

Separate proceedings pending before one official under this part and involving common questions of law or fact may be consolidated by the official conducting the proceedings, under a motion by any party or on the initiative of the official.

# § 2.19 How do Area Directors or Education Line Officers render decisions?

(a) Area Directors, Education Line Officers and the Director, Office of Indian Education Programs must render written decisions in all cases appealed to them within 60 days after all time for pleadings (including all extensions granted) has expired. The decision must include a statement that the decision may be appealed and indicate the appeal procedures, including the 30-day time limit for filing a notice of appeal.

(b) The official deciding the appeal must send a copy of the decision to the appellant and each known interested party by certified or registered mail, return receipt requested.

These receipts will become a permanent part of the record.

# § 2.20 Can the Assistant Secretary—Indian Affairs render a decision after I have filed an appeal with the Interior Board of Indian Appeals?

(a) When a decision is appealed to the Interior Board of Indian Appeals, a copy of the notice of appeal must be sent to the Assistant Secretary—Indian Affairs.

(b) The notice of appeal sent to the Interior Board of Indian Appeals must certify that a copy has been sent to the Assistant Secretary—Indian Affairs.

- (c) Under 43 CFR 4.332(b), a notice of appeal to the Board of Indian Appeals will not be effective until 20 days after receipt by the Board. During this time, the Assistant Secretary—Indian Affairs will have authority to issue a decision in the appeal or assign responsibility to issue a decision in the appeal to the Commissioner of Indian Affairs. The Assistant Secretary—Indian Affairs will not consider petitions to exercise this authority.
- (1) If the Assistant Secretary—Indian Affairs decides to issue a decision in the appeal or to assign responsibility to the Commissioner of Indian Affairs, he/she will notify the Board of Indian Appeals, the deciding official, the appellant, and interested parties within 15 days of his/her receipt of a copy of the notice of appeal.
- (2) Upon receipt of the notification, the Board of Indian Appeals will transfer the appeal to the Assistant Secretary—Indian Affairs. The decision must be signed by the Assistant Secretary—Indian Affairs or the Commissioner of Indian Affairs within 60 days after all time for pleadings (including all extensions granted) has expired.
- (3) If the decision is signed by the Assistant Secretary—Indian Affairs, it will be final for the Department and effective immediately unless the Assistant Secretary—Indian Affairs provides otherwise in the decision. Except as otherwise provided in § 2.20(g), if the decision is signed by the Commissioner of Indian Affairs, it may be appealed to the Board of Indian Appeals under the provisions of 43 CFR part 4, subpart D.
- (d) The official deciding the appeal must send a copy of the decision to the

appellant and each known interested party by certified or registered mail, return receipt requested. These receipts will become a permanent part of the record.

- (e) If the Assistant Secretary—Indian Affairs or the Commissioner of Indian Affairs does not make a decision within 60 days after all time for pleadings (including all extensions granted) has expired, any party may move the Board of Indian Appeals to assume jurisdiction subject to 43 CFR 4.337(b). A motion for Board decision under this section will invest the Board with jurisdiction as of the date the motion is received by the Board.
- (f) When the Board of Indian Appeals, in accordance with 43 CFR 4.337(b), refers an appeal containing one or more discretionary issues to the Assistant Secretary—Indian Affairs for further consideration, the Assistant Secretary—Indian Affairs will take action on the appeal consistent with the procedures in this section.
- (g) The Assistant Secretary—Indian Affairs will render a written decision in an appeal from a decision of the Director, Office of Indian Education Programs within 60 days after all time for pleadings (including extensions granted) has expired. A copy of the decision must be sent to the appellant and each known interested party by certified or registered mail, return receipt requested. These receipts will become a permanent part of the record. The decision will be final for the Department and effective immediately unless the Assistant Secretary-Indian Affairs provides otherwise in the decision.

### § 2.21 What information may the reviewing official consider?

- (a) When a decision has been appealed, any information available to the reviewing official may be used in reaching a decision whether part of the record or not.
- (b) When the official deciding an appeal believes it appropriate to consider documents or information not contained in the record on appeal, the official must notify all interested parties of the information and give them not less than 10 days to comment on the information before the appeal is decided. The deciding official will include in the record copies of documents or a description of the information used in arriving at the decision. Except where disclosure of the actual documents used may be prohibited by law, copies of the information will be made available to the parties upon request and at their expense.

Dated: May 31, 1996.

Ada E Deer.

Assistant Secretary—Indian Affairs. [FR Doc. 96-15501 Filed 6-20-96; 8:45 am] BILLING CODE 4310-02-P

#### DEPARTMENT OF THE TREASURY

#### **Fiscal Service**

### 31 CFR Part 202

### RIN 1510-AA42

# Depositaries and Financial Agents of the Federal Government

**AGENCY:** Financial Management Service, Fiscal Service, Treasury.

**ACTION:** Proposed rule.

**SUMMARY:** This proposes to revise regulations which govern the designation of Depositaries and Financial Agents of the Federal Government (depositaries); their authorization to accept deposits of public money and to perform other specific services; and the securing of public money. The proposed revisions update, clarify, and simplify current requirements, but do not change them. Outdated references to specific acceptable insurers are deleted. Existing language concerning the types and valuation of acceptable collateral securities and the authorization for depositaries to perform services other than acceptance of insured deposits is clarified. In addition, various references are updated.

**DATES:** Comments must be submitted on or before August 5, 1996.

ADDRESSES: All comments concerning these proposed regulations should be addressed to the Cash Management Policy and Planning Division, Financial Management Service, 401 14th Street, S.W., Room 420, Washington, DC 20227, Attn. Donald E. Clark.

FOR FURTHER INFORMATION CONTACT: Donald E. Clark, (202) 874–7106 (Financial Program Specialist, Cash Management Policy and Planning Division) or Cynthia L. Johnson, (202) 874–6590 (Director, Cash Management Policy and Planning Division).

### SUPPLEMENTARY INFORMATION:

### Background

Depositaries accepting deposits of public money and providing other financial agency services to the United States are required to pledge adequate acceptable securities as collateral, as directed by the Secretary of the Treasury (Secretary). The Secretary previously promulgated regulations, codified at 31 CFR part 202, setting forth the general requirements for designating depositaries and the pledging of collateral to secure public money held by depositaries.

Since these regulations were last amended, the Secretary has revised the types and valuations of acceptable collateral for securing public money referenced in this part. In addition, these regulations reference the Federal Savings and Loan Insurance Corporation (FSLIC) as an acceptable insurer of deposits. FSLIC has been abolished.

### **Summary of Changes**

# 1. Types and Valuation of Acceptable Collateral Securities

The current rule provides that certain identified securities are acceptable as collateral at face value, unless otherwise specified by the Secretary. The Secretary has recognized that the use of face value for managing the level of pledged collateral is problematic because the true value of a security is rarely the face value, except on the day of redemption. A common practice of the Federal Reserve bank and United States Department of the Treasury when valuing collateral is to apply market discounts, i.e., subtractions, to the value of the collateral to account for market volatility due to interest rate fluctuations, the quality of the security pledged, or the financial instability of the pledging institution. Therefore, since this Part was last amended, the Secretary has "otherwise specified" that certain securities, including certain of those expressly referenced in the current rule, are acceptable only at 90% of face value, rather than at 100% of face value.

Because the Secretary has otherwise specified the types and valuations of acceptable collateral securities, revision of this part will eliminate any possible confusion regarding acceptable collateral security types and valuation under this part. The proposed rule provides that types and valuation of acceptable collateral securities will be specified in Treasury procedural instructions. Treasury issued these procedural instructions to Federal Reserve banks, which disseminated them to financial institutions pledging collateral under this Part.

#### 2. Financial Institution Insurers

The current rule provides that eligible banks insured by the Federal Deposit Insurance Corporation (FDIC) and eligible institutions insured by FSLIC are designated as depositaries. The proposed rule deletes references to FSLIC, which has been abolished, and