Dated: July 23, 1996.

Bruce C. Jordan,

*Director, Emissions Standards Division.*

[FR Doc. 96–19195 Filed 7–26–96; 8:45 am]

**BILLING CODE 6560–50–P**

**[FRL–5542–8]**

## Notice of 90–Day Comment Period on the Proceedings of the Climate Change Analysis Workshop

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notice.

**SUMMARY:** Negotiations under the Framework Convention on Climate Change (FCCC) are underway to address possible actions under the Berlin Mandate. These discussions are scheduled to reach a conclusion at the Third Meeting of the Parties which is planned for Fall of 1997. To provide input on a wide range of analytical issues related to these negotiations, the Departments of Agriculture, Commerce, Energy, and State, and the Environmental Protection Agency hosted the Climate Change Analysis Workshop on June 6–7 in Springfield, VA (''Workshop Announcement; Call for Papers Analysis of Issues Related to Next Steps on Climate Change,'' Federal Register, April 23, 1996, at 61 FR 17893–17894).

This workshop provided an opportunity for federal agencies to present the interim results of their ongoing analyses related to the economic and environmental impacts of issues arising in the context of these negotiations. The workshop also provided an opportunity for other interested individuals and organizations to present analytical studies that contribute to an improved understanding of the issues described above. Over 50 organizations presented papers at the workshop.

Copies of the papers presented at the workshop were distributed to all attendees. Additional copies can be viewed Monday through Friday between the hours of 8:00 a.m. and 5:30 p.m. at: U.S. Environmental Protection Agency, Office of Air and Radiation, Docket and Information Center, 401 M Street, Southwest, Washington, DC, Room M 1500 (phone: 202–260–7548). The docket number is A–96–35.

**ADDRESSES:** Comments on papers presented at the workshop can be sent to: U.S. Environmental Protection Agency, Air Docket, 401 M Street, SW (Mail code 6102), Washington, DC, 20460. Please include the docket number: A–96–35.

**DATES:** The comment period is now open and will close October 28, 1996.

**FOR FURTHER INFORMATION CONTACT:** Jeremy Symons, U.S. Environmental Protection Agency, 401 M Street, NW, Mail Code 6202J, Washington, DC, 20460. Internet address: ''symons.jeremy@epamail.epa.gov''. Telephone: 202–233–9190.

Dated: July 19, 1996.

Richard Wilson,

*Acting, Assistant Administrator for Air and Radiation.*

[FR Doc. 96–19089 Filed 7–26–96; 8:45 am]

**BILLING CODE 6560–50–P**

## FARM CREDIT SYSTEM INSURANCE CORPORATION

**[BM–11–JUL–96–02]**

## Policy Statement Concerning Adjustments to the Insurance Premiums

**AGENCY:** Farm Credit System Insurance Corporation.

**ACTION:** Notice of policy statement.

**SUMMARY:** The Farm Credit System Insurance Corporation (Corporation) announces that it has adopted a Policy Statement Concerning Adjustments to the Insurance Premiums. This policy statement establishes a semiannual review process, using the criteria announced in the Board's March proposal, as a basis for the Corporation's exercise of its discretion to adjust premiums in response to changing conditions. It also establishes a premium floor of 7.5 basis points for loans in accrual status until the Insurance Fund reaches the level specified in the Farm Credit Act of 1971, as amended (the Act); 12 U.S.C. 2277a-4. Finally, it adds two clarifications to the March proposal. The policy states the express authority of the Corporation to reduce premiums to zero on loans guaranteed by Federal or State governments. It also makes it clear that the Board will consider asset growth, not merely loan growth, when it does its semiannual review.

**EFFECTIVE DATE:** July 11, 1996.

**FOR FURTHER INFORMATION CONTACT:** Dorothy L. Nichols, General Counsel, Farm Credit System Insurance Corporation, 1501 Farm Credit Drive, McLean, Virginia 22102, (703) 883–4380, TDD (703) 883–4444.

**SUPPLEMENTARY INFORMATION:**

### Background

In 1987, Congress directed the Corporation to collect premiums to reach the secure base amount, which is defined as 2 percent of the aggregate outstanding insured obligations of all insured banks (excluding a percentage of State and Federally guaranteed loans) or such other percentage of the aggregate amount as the Corporation in its sole discretion determines is ''actuarially sound.''

The statute specifies a limited form of risk-based premium assessments: 25 basis points for nonaccrual loans; 15 basis points for loans in accrual status (excluding certain State and Federally guaranteed loans); and a very modest premium for government-guaranteed loans. This formula was designed as an incentive for the Farm Credit System to make quality loans and at the same time build the Insurance Fund to a level that Congress believed would prevent a default on a System debt obligation. The Insurance Fund represents the Corporation's equity, i.e., the difference between its total assets ($1,023 million as of yearend 1995) and its total liabilities, including its insurance obligations ($121 million as of yearend 1995).

While Congress gave the Corporation the discretion to reduce the premium assessments before reaching the secure base amount in the Farm Credit System Reform Act of 1996, Pub. L. No. 104–105, 110 Stat. 162 (Feb. 10, 1996), it did not alter the original mandate to reach and maintain the secure base amount. In the policy statement, the Corporation concludes that under these circumstances, any reduction in premium must take into account its impact on the original mandate.

Neither the statute nor the legislative history provides guidance on how the Corporation is to balance the Congressional desire to reach the secure base amount with the new discretionary authority. Nor does the legislative history provide guidance as to the appropriate timeframe for reaching the secure base amount. However, it is clear from the legislative history creating the Corporation that Congress was focused on assuring that the taxpayer would not be required to rescue the Farm Credit System again, as they had been in the mid-eighties. Past experience demonstrates that under severe stress, the Farm Credit System suffered $4.6 billion in losses from 1985—1987 and had to borrow $1.3 billion in U.S. Treasury-guaranteed bonds to assist institutions experiencing financial difficulty. It is also clear that Congress intended that the Fund be built in anticipation of potential problems in the Farm Credit System by assessing each insured bank until the Insurance Fund reached 2 percent of outstanding insured debt obligations. Recently, Congress reaffirmed the importance of the Insurance Fund's protection of investors and taxpayers when it provided reserve accounts for amounts above the secure base. The funds in these accounts cannot be refunded to insured banks until 8 years after the Insurance Fund exceeds the secure base amount and in no event before January 1, 2005. These funds will provide an additional layer of insurance protection.

It is instructive as well that in the eighties financial difficulties in the banking industry often were unanticipated as early as 2 years prior to failure. Thus, pushing achievement of the secure base amount off too far in the future ignores the real risks that exist in lending beyond the immediate time horizon. Also, it ignores the fact that problems in agricultural lending tend to hit many institutions at the same time. This would conflict with the Corporation's duty as a prudent insurer to consider such possibilities for the protection of the Farm Credit System's investors. Thus, achieving the secure base amount quickly while the Farm Credit System is in good health is important because it would be difficult to revert to the statutory assessment from a very low assessment during times of financial stress. Substantially higher assessments then could result in adverse effects on bank earnings and capital precisely when the Farm Credit System could least afford the extra cost. Finally, Congress recognized the importance of redressing inequities in initial assessments to capitalize the Farm Credit System Financial Assistance Corporation (FAC) when it recently authorized rebates to associations that paid these assessments from the Insurance Fund, totaling $56 million, to be paid 8 years after the secure base amount is reached. Delay in reaching the secure base amount due to reduced premiums paid by the banks delays resolution of this issue.

Congress believed that the premium assessment system should incorporate a higher rate for nonaccruing loans to provide an incentive to control risk-taking while at the same time covering the long-term costs of the insurer's obligations through a lower premium assessment on loans in accrual status. This limited form of risk-based premiums provides an incentive for sound credit extension and administration.

For these reasons, the policy statement concludes that, while the Corporation may reduce premiums, it should continue to assess sufficient premiums to reach the secure base in a reasonable time period. To continue providing an incentive to control risk-taking, the policy statement indicates that the Corporation does not intend to reduce the premium on loans in nonaccrual status. In determining whether to adjust premiums on loans in accrual status, the Corporation will consider a number of pertinent factors including: (1) The current level of the Insurance Fund and the amount and time needed to reach the secure base amount; (2) the condition of the Farm Credit System; (3) the probability and likely amount of any losses to the Insurance Fund; and (4) multiple scenarios reflecting the impact of the potential growth on the time frame required to achieve the secure base amount. In the final policy statement, the third factor has been modified to make it clear that the Board will consider asset growth. Assets would include investments as well as loans.

Furthermore, to ensure steady progress towards the secure base amount, the Corporation has decided to establish a premium floor, as described in the policy statement. Thus, premiums on loans in accrual status may be reduced below the statutory rate of 15 basis points but will not be reduced below the premium floor until the secure base amount is reached.

## Public Comments

The policy statement was published for public comment in the Federal Register on April 17, 1996 (61 FR 16788). The Corporation received 48 comment letters, all from Farm Credit institutions or their representatives. Most of the letters commend the Corporation for addressing this issue in an expeditious manner. All but two of the comment letters are supportive of the policy statement.

One Farm Credit bank, commenting for a borrower association as well, urged the Board to take a different approach than the general guidelines listed in the policy statement. It recommended that the Board adopt ''more definite and concrete'' criteria to be used in setting the assessment level, and it would leave full discretion, using those criteria, to set any premium level from 15 basis points to zero. Also, five associations, commenting together, urged the Board not to set a premium floor. Another bank was generally supportive of the policy statement, but suggested a 5 basis point premium floor, rather than the 7.5 specified in the policy statement. Thirty-two (32) commenters support the premium floor, most agreed with the Board that it is important to reach the secure base amount in a reasonable time (this includes four Farm Credit banks). After considering the diverse views provided by the comments, the Board has decided to finalize the policy statement without modifying the general guidelines or the premium floor.

Two commenters sought a clarification concerning premiums on government-guaranteed loans. They suggested that the policy state expressly that premiums on guaranteed loans can be decreased to zero in the Board's discretion. The Board agrees that it has this authority and it has added a sentence to the policy to make that clear.

Some commenters expressed support for leaving the premium on loans in nonaccrual status at 25 basis points. None of the comments recommended a reduction. The final policy statement leaves the insurance premium for nonaccrual loans at 25 basis points.

One Farm Credit bank understood the policy statement to leave the premium on loans in nonaccrual status at 25 basis points even after the secure base is achieved, and indicated it would support this decision. Another sought a clarification on this issue and indicated its belief that once the secure base is achieved premiums must be reduced on nonaccrual loans. This policy statement only deals with the Corporation's discretionary authority to reduce premiums prior to the Insurance Fund reaching the secure base. Thus, it does not address the issue raised by these two commenters.

Five associations, commenting together, encouraged the Board not to consider the recently authorized Financial Assistance Corporation repayment as a factor in its deliberations. One bank, on the other hand, expressed its belief that it is an appropriate consideration. The Board continues to believe, as it states above in the supplementary information, that delay in reaching the secure base amount due to reduced premiums also delays the Congressionally authorized rebates.

Forty-three (43) commenters believe the Board should exercise its discretion to reduce the premiums. In many of these comments the inference was that a reduction would have no adverse effect on the Insurance Fund. Others stated their belief that there would be no adverse effect. Four commenters, all associations, recommended that the Board leave the premiums at their present level until the secure base amount is reached (one of these indicated that the institution would benefit from the FAC repayment). One commenter supported a reduction in the premiums, but not until 1997 so that the secure base could be reached sooner and then an even more meaningful reduction could be enjoyed by all. The Board has finalized the policy statement and it is conducting its first semi-annual review, using the criteria set out in the policy. It will make its determination public in the near future.

Farm Credit System Insurance Corporation Policy Statement Concerning Adjustments to the Insurance Premiums

BM–11–JUL–96–02

*Effective Date:* July 11, 1996.
*Effect on Previous Action:* None.

Source of Authority: Section 5.55 of the Farm Credit Act of 1971, as amended (the Act); 12 U.S.C. 2277a–4.

*Whereas,* section 5.52 of the Act established the Farm Credit System Insurance Corporation (Corporation) to, among other things, insure the timely payment of principal and interest on Farm Credit System obligations (12 U.S.C. 2277a–1); and

*Whereas,* section 5.55 of the Act mandates that the Corporation collect premiums from all insured Farm Credit System banks until the Insurance Fund reaches the secure base amount, which is defined as 2 percent of the aggregate outstanding insured obligations of all insured banks (excluding a percentage of State and Federally guaranteed loans) or such other percentage of the aggregate amount as the Corporation determines is actuarially sound; and

*Whereas,* the Farm Credit System Reform Act of 1996, Pub. L. No. 104–105, 110 Stat. 162 (Feb. 10, 1996), amended section 5.55 of the Act to permit the Corporation to exercise its discretion to adjust the premium assessments applied to all insured Farm Credit System banks before the Insurance Fund reaches the secure base amount;

*Whereas,* any reduction in the premium schedule must take into account its impact on the original mandate to reach the secure base amount. *Now therefore,* the Corporation's Board of Directors (Board) adopts the following policy statement to govern adjustments to premiums in response to changing conditions.

The Board will review the premium assessment schedule at least semiannually in order to determine whether to exercise its discretion to adjust the premium assessments in response to changing conditions. The Board may reduce the premiums when the Farm Credit System demonstrates good health and sound risk management and other conditions warrant, and raise premiums to the statutory level if, for example, the Insurance Fund suffers a significant loss or if bank capital or collateral decreases significantly before the secure base amount is achieved.

As a basis for its decision the Board will consider the following:

1. The current level of the Insurance Fund and the amount of money and time needed to reach the secure base amount in light of potential growth;

2. The likelihood and probable amount of any losses to the Insurance Fund;

3. The overall condition of the Farm Credit System, including the level and quality of capital, earnings, asset growth, asset quality, loss allowance levels, asset liability management, as well as the collateral ratios of the 8 banks;

4. The health and prospects for the agricultural economy, including the potential impact of governmental farm policy and the effect of the globalization of agriculture on opportunities and competition for U.S. producers; and

5. The risks in the financial environment that may cause a problem, even when there is no imminent threat, such as volatility in the level of interest rates, the use of sophisticated investment securities and derivative instruments, and increasing competition from non-System financial institutions.

In its review of the premium assessments, the Board will consider multiple scenarios that reflect the impact of potential growth in Farm Credit System debt levels on the time required to achieve the secure base amount. The secure base amount should be achieved while the Farm Credit System is in good health with very few problem institutions. Therefore, the Board will not reduce the premium below 7.5 basis points on loans in accrual status until the secure base amount is achieved. Thus, the premium on loans in accrual status will be set between 7.5 basis points and the statutory rate of 15 basis points. The premium on guaranteed loans will be set between zero and the statutory rate of 1.5 basis points for Federal and 3 basis points for state. Furthermore, the Board will not reduce the premium on loans in nonaccrual status, to continue providing an incentive for sound credit extension and administration.

Adopted this 11th day of July, 1996 by order of the Corporation Board.

Dated: July 23, 1996.

Floyd Fithian,

*Secretary to the Board, Farm Credit System Insurance Corporation.*

[FR Doc. 96–19170 Filed 7–26–96; 8:45 am]

BILLING CODE 6710–01–P

## FEDERAL EMERGENCY MANAGEMENT AGENCY

### Notice of Extended Period for Public Comments on the Federal Emergency Management Agency's Notice of Intent to Conduct a Strategic Review of its Radiological Emergency Preparedness Activities

**AGENCY:** Federal Emergency Management Agency (FEMA).

**ACTION:** Notice.

**SUMMARY:** The purpose of this notice is to extend the time period for public comments on FEMA's Notice of Intent to Conduct a Strategic Review of its Radiological Emergency Preparedness (REP) Activities, published in the Federal Register on July 8, 1996 (61 FR 35732–35733).

**DATES:** Comments from the public on this review of the REP Program are encouraged and invited on or before October 28, 1996.

**ADDRESSES:** Written comments should be addressed to the Rules Docket Clerk, Office of the General Counsel, Federal Emergency Management Agency, room 840, 500 C Street SW., Washington, DC 20472; (facsimile) (202) 646–4536.

**FOR FURTHER INFORMATION CONTACT:** O. Megs Hepler, III, Director, Exercises Division, Preparedness, Training, and Exercises Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646–2867.

**SUPPLEMENTARY INFORMATION:** On July 8, 1996, FEMA published in the Federal Register a notice of intent to conduct a strategic review of its REP activities and requested specific suggestions for accomplishing this review by August 22, 1996. In response to requests from REP community stakeholders, this notice extends the time period for public comments to October 28, 1996.

Dated: July 17, 1996.

Kay C. Goss,

*Associate Director for Preparedness, Training, and Exercises.*

[FR Doc. 96–19193 Filed 7–26–96; 8:45 am]

BILLING CODE 6718–06–P

## FEDERAL HOUSING FINANCE BOARD

### Sunshine Act Notice; Announcing an Open Meeting of the Board

**TIME AND DATES:** 1:00 p.m. Thursday, August 1, 1996.

**PLACE:** Board Room, Second Floor, Federal Housing Finance Board, 1777 F Street, N.W., Washington, D.C. 20006.

**STATUS:** The entire meeting will be open to the public.