

that all interested persons have an opportunity to participate. Attendees who wish to speak but who did not register will be provided time to speak only after all registered speakers have been heard.

The purpose of the forums is to give interested persons an opportunity for oral presentation of data, views, and information to the Department concerning APHIS' program to control and eradicate Karnal bunt. Questions about the content of the interim rules and the proposed rule concerning Karnal bunt may be part of the commenters' oral presentations. However, neither the presiding officer nor any other representative of the Department will respond to the comments on the interim rules and proposed rule at the forums, except to clarify or explain provisions of the interim rules and the proposed rule.

We ask that anyone who reads a statement provide two copies to the presiding officer at the forum. A transcript will be made of the public forums and the transcript will be placed in the rulemaking record and will be available for public inspection.

Done in Washington, DC, this 30th day of July 1996.

Terry L. Medley,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 96-19756 Filed 8-1-96; 8:45 am]

BILLING CODE 3410-34-P

7 CFR Part 319

[Docket No. 95-082-1]

Importation of Cut Flowers

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Proposed rule.

SUMMARY: We are proposing to amend the cut flowers regulations by eliminating the import permit and notice of arrival requirements for imported cut flowers of camellia, gardenia, rhododendron, rose, and lilac. All cut flowers are routinely inspected upon arrival in the United States and, if necessary, fumigated. Cut flowers of camellia, gardenia, rhododendron, rose, and lilac appear to present no greater risk than other cut flowers of introducing plant pests, including serious plant diseases. We believe that this action would reduce barriers to trade and eliminate an unnecessary paperwork burden without increasing the risk of imported cut flowers introducing exotic plant pests into the United States.

DATES: Consideration will be given only to comments received on or before September 3, 1996.

ADDRESSES: Please send an original and three copies of your comments to Docket No. 95-082-1, Regulatory Analysis and Development, PPD, APHIS, suite 3C03, 4700 River Road Unit 118, Riverdale, MD 20737-1238. Please state that your comments refer to Docket No. 95-082-1. Comments received may be inspected at USDA, room 1141, South Building, 14th Street and Independence Avenue SW., Washington, DC, between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays. Persons wishing to inspect comments are requested to call ahead on (202) 690-2817 to facilitate entry into the comment reading room.

FOR FURTHER INFORMATION CONTACT: Mr. Peter M. Grosser, Senior Staff Officer, Port Operations, PPQ, APHIS, 4700 River Road Unit 139, Riverdale, MD 20737-1236, (301) 734-8891.

SUPPLEMENTARY INFORMATION:

Background

The regulations in 7 CFR part 319.74 through 319.74-7 (referred to below as "the regulations") govern the importation of certain cut flowers into the United States. These regulations, among other things, require that all cut flowers imported into the United States be inspected for serious plant pests and, if necessary, treated to eliminate any injurious plant pest. Sections 319.74-2a, 319.74-4, and 319.74-5 of the regulations also provide that import shipments of cut flowers of camellia (*Camellia* spp.), gardenia (*Gardenia* spp.), rhododendron (*Rhododendron* spp. [including *Azalea*]), rose (*Rosa* spp.), and lilac (*Syringa* spp.) be accompanied by an import permit and that a notice of arrival be submitted to the Collector of Customs immediately after a shipment of these cut flowers arrives in the United States. Currently, no other varieties of cut flowers require an import permit or a notice of arrival when they are imported into the United States.

In 1947, we determined that imported cut flowers of camellia, gardenia, rhododendron, rose, and lilac presented a special risk of introducing injurious insects and plant diseases when imported into the United States and, therefore, should be accompanied by an import permit and should be subject to notice of arrival requirements. However, based on our experience enforcing the regulations, we have since determined that the import permit and notice of arrival requirements are no longer necessary for these varieties of cut

flowers. Instead, procedures standard to the importation of all varieties of cut flowers appear to be sufficient to mitigate the risk of camellia, gardenia, rhododendron, rose, and lilac introducing exotic plant pests into the United States.

Our port inspectors are routinely notified of the arrival of imported cut flowers by examining a shipment's manifest or by receiving electronic correspondence from importers or shippers. After arrival at the port of entry in the United States, all cut flowers are routinely inspected for injurious insects, including agromyzids, and for symptoms of plant diseases by an inspector of the Animal and Plant Health Inspection Service (APHIS), and, if necessary, the cut flowers are treated in accordance with § 319.74-3. We have determined that these standard procedures are sufficient to allow the safe importation of cut flowers of camellia, gardenia, rhododendron, rose, and lilac into the United States. Therefore, we are proposing to eliminate the import permit and notice of arrival requirements for imported cut flowers of camellia, gardenia, rhododendron, rose, and lilac. This action would reduce barriers to trade in cut flowers between the United States and other countries, in accordance with the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA), and would eliminate an unnecessary paperwork burden without increasing the risk of imported cut flowers introducing exotic plant pests, including plant diseases, into the United States.

Because cut flowers of camellia, gardenia, rhododendron, rose, and lilac are the only varieties of cut flowers for which we require an import permit or notice of arrival, we are, therefore, proposing that all import permit and notice of arrival requirements, and all references to both, be removed from the regulations. If we remove the import permit requirement, APHIS will no longer need to confirm that an import permit has been issued for a shipment of cut flowers, and importers will no longer need to apply for import permits or seek renewals of import permits in order to import cut flowers into the United States. In addition, if we remove the notice of arrival requirement, there will be no need for importers to submit a notice of arrival to APHIS. These actions would save time and effort and would reduce the paperwork burden both for importers of cut flowers and for APHIS.

We are also proposing to remove paragraph (c) of § 319.74-2 in order to streamline the regulations and to make

the regulations consistent with the proposed changes in this document. By removing this paragraph, we would eliminate a provision that allows the Deputy Administrator of Plant Protection and Quarantine to deny certain importations of cut flowers into a State, Territory, or District of the United States by refusal of an import permit or by other means. Historically, this provision has not been utilized, and, if this proposed rule is adopted, this paragraph would no longer be necessary.

We believe that these actions would simplify and streamline import procedures and make compliance easier while maintaining high standards for the prevention of the introduction of exotic plant pests into the United States. Executive Order 12866 and Regulatory Flexibility Act.

This proposed 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.

We are proposing to eliminate the import permit and notice of arrival requirements for imported cut flowers of camellia, gardenia, rhododendron, rose, and lilac.

The United States imported approximately \$408 million worth of fresh cut flowers in 1994. Roses constituted the largest category of fresh cut flowers imported into the United States in 1994, accounting for 36 percent of the total value.

Although the United States imports cut flowers from many countries, in 1994, five countries represented approximately 92 percent of the total value of cut flowers imported into the United States. Colombia supplied the greatest percentage, 66 percent, of the total value of cut flowers imported into the United States in 1994, followed by The Netherlands with 13 percent, Ecuador with 6.4 percent, Costa Rica with 3.7 percent, and Mexico with 3.3 percent. In 1994, four countries accounted for approximately 96.9 percent of the total value of rose imports into the United States; Colombia supplied the greatest percentage, 71.2 percent, of the total value, followed by Ecuador with 13.6 percent, Mexico with 6.8 percent, and Guatemala with 5 percent.

Entities in the United States that may be affected by this rule are U.S. producers, importers, and wholesalers of cut flowers. Of the estimated 1,409 producers of cut flowers in the United States, approximately 85 percent are considered small entities. We do not

expect that the volume of cut flowers imported into the United States will increase because of the proposed changes to the regulations, and, therefore, we expect little, if any, change in the market price of cut flowers of camellia, gardenia, rhododendron, rose, and lilac. As a result, we expect that the impact on domestic producers of these varieties of cut flowers would be insignificant.

At this time, we cannot determine the number of importers of cut flowers. However, we do not expect our proposed changes to affect the supply of cut flower importations, and, therefore, we expect any changes in costs or competition of the importation of cut flowers of camellia, gardenia, rhododendron, rose, and lilac to be insignificant. As a result, we anticipate that the effect on domestic importers of cut flowers of camellia, gardenia, rhododendron, rose, and lilac would be insignificant.

Of the estimated 3,043 wholesalers of cut flowers, approximately 96 percent are considered small entities. We do not expect that the volume of cut flowers imported into the United States will increase, and, therefore, we do not expect the price of cut flowers to be affected by the changes we are proposing. As a result, we expect that the effect of the proposed changes on wholesalers of imported cut flowers of camellia, gardenia, rhododendron, rose, and lilac would be insignificant.

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

Executive Order 12988

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. If this proposed rule is adopted: (1) All State and local laws and regulations that are inconsistent with this rule will be preempted; (2) no retroactive effect will be given to this rule; and (3) administrative proceedings will not be required before parties may file suit in court challenging this rule.

Paperwork Reduction Act

This proposed rule contains no new information collection or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). Further, this proposed rule would reduce information collection or recordkeeping requirements in 7 CFR 319.74 from 10,495 hours to 10,036 hours.

Regulatory Reform

This action is part of the President's Regulatory Reform Initiative, which, among other things, directs agencies to remove obsolete and unnecessary regulations and to find less burdensome ways to achieve regulatory goals.

List of Subjects in 7 CFR Part 319

Bees, Coffee, Cotton, Fruits, Honey, Imports, Incorporation by reference, Nursery stock, Plant diseases and pests, Quarantine, Reporting and recordkeeping requirements, Rice, Vegetables.

Accordingly, 7 CFR part 319 would be amended to read as follows:

PART 319—FOREIGN QUARANTINE NOTICES

1. The authority citation for part 319 would continue to read as follows:

Authority: 7 U.S.C. 150dd, 150ee, 150ff, 151–167, 450, 2803, and 2809; 21 U.S.C. 136 and 136a; 7 CFR 2.22, 2.80, and 371.2(c).

§ 319.74–1 [Amended]

2. In § 319.74–1, paragraph (c) would be removed.

§ 319.74–2 [Amended]

3. Section 319.74–2 would be amended as follows:

- a. By removing paragraph (b).
- b. By removing paragraph (c).
- c. By removing the designation “(a)” preceding the first paragraph.

§ 319.74–2a [Removed]

4. Section 319.74–2a would be removed.

§ 319.74–3 [Amended]

5. Section 319.74–3 would be amended as follows:

- a. By removing paragraph (b).
- b. By redesignating paragraphs (c) and (d) as paragraphs (b) and (c), respectively.
- c. In paragraph (a), in the first sentence, by removing the words “imported from the named foreign countries and localities, whether or not subject to permit requirements.”.
- d. In paragraph (a), in the second sentence, by removing the reference “(d)” and adding in its place the reference “(c)”.

§ 319.74–4 [Removed]

6. Section 319.74–4 and footnote 1 would be removed.

§ 319.74–5 [Removed]

7. Section 319.74–5 would be removed.

§ 319.74–6 [Redesignated]

8. Section 319.74–6 would be redesignated as § 319.74–4.

§ 319.74-7 [Removed]

9. Section 319.74-7 would be removed.

Done in Washington, DC, this 29th day of July 1996.

Terry L. Medley,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 96-19719 Filed 8-1-96; 8:45 am]

BILLING CODE 3410-34-P

FEDERAL HOUSING FINANCE BOARD**12 CFR Part 935**

[No. 96-47]

Terms and Conditions for Advances

AGENCY: Federal Housing Finance Board.

ACTION: Proposed rule.

SUMMARY: The Board of Directors of the Federal Housing Finance Board (Finance Board) is proposing to amend its regulation on terms and conditions for advances. The proposed rule requires a Federal Home Loan Bank (FHLBank) that wants to make putable advances available to member institutions to provide appropriate disclosures and to offer replacement advance funding if the FHLBank terminates the putable advance prior to its stated maturity date.

DATES: Comments on this proposed rule must be received in writing on or before September 3, 1996.

ADDRESSES: Mail comments to Elaine L. Baker, Executive Secretary, Federal Housing Finance Board, 1777 F Street, N.W., Washington, D.C. 20006. Comments will be available for public inspection at this address.

FOR FURTHER INFORMATION CONTACT: Christine M. Freidel, Assistant Director, Financial Management Division, Office of Policy, (202) 408-2976, or, Janice A. Kaye, Attorney-Advisor, Office of General Counsel, (202) 408-2505, Federal Housing Finance Board, 1777 F Street, N.W., Washington, D.C. 20006.

SUPPLEMENTARY INFORMATION:**I. Statutory and Regulatory Background**

Under section 10 of the Federal Home Loan Bank Act (Bank Act), each FHLBank has the authority to make secured advances to its members. See 12 U.S.C. 1430. To ensure that the FHLBanks operate their advance programs in a safe and sound manner, id. § 1422a(a)(3)(A), and pursuant to its authority to supervise the FHLBanks and ensure that the FHLBanks carry out their housing finance mission and

remain adequately capitalized and able to raise funds in the capital markets, id. § 1422a(a)(3)(B), the Finance Board promulgated a final rule governing FHLBank advance programs in May 1993. See 58 FR 29456 (May 20, 1993), codified at 12 CFR part 935.

Since that time, the FHLBanks have developed a new type of advance¹ product called a "putable advance." A "putable advance" is an advance that a FHLBank may, at its discretion, terminate and put back to the member for immediate repayment after a specified period of time and on certain dates prior to the maturity date of the putable advance. A member borrowing a putable advance faces the risk that the FHLBank will exercise its discretion and terminate the putable advance prior to its maturity date. For example, a FHLBank might terminate a putable advance prior to its maturity date in a rising interest rate environment. Any replacement advance funding offered to the member would be extended at then current higher market interest rates. Since the member takes on the interest rate risk associated with putable advances, the FHLBank is able to offer advance funding at an interest rate that can be significantly lower than the market interest rate. Members have expressed considerable interest in taking advantage of the lower cost funding a FHLBank can offer through putable advances.

The Finance Board's advances regulation does not address putable advances, and the practices with respect to this type of advance funding vary from FHLBank to FHLBank. To provide for consistency among the FHLBanks that offer putable advances and to reinforce the role of the FHLBanks as sources of liquidity for member institutions, the Finance Board is proposing to amend its advances regulation to address specifically the issuance of putable advances. The Finance Board requests comment on any aspect of this proposed rule.

II. Analysis of the Proposed Rule

The Finance Board proposes to add a new paragraph (d), putable advances, to § 935.6 of its advances regulation, which concerns the terms and conditions for advances. To ensure that members are fully apprised of the risks associated with putable advance funding, proposed § 935.6(d)(1) would require a FHLBank that provides a putable advance to a

member to disclose in writing to such member the risks associated with putable advance funding. Such risks include the interest rate risk described above in section I and the potentially adverse impact on a member's liquidity if a FHLBank exercises its discretion to terminate a putable advance prior to the stated maturity date. To preclude the possibility that putable advance funding might cause undue liquidity problems for members, proposed § 935.6(d)(2) would require a FHLBank that terminates a putable advance prior to its maturity date to offer replacement funding to the member at current market rates for the remaining term to maturity of the putable advance. The replacement funding would be considered a conversion of the putable advance rather than the extension of a new advance.

Proposed § 935.6(d)(3) provides a definition of the term "putable advance." For purposes of proposed § 935.6(d), a putable advance would mean an advance that a FHLBank may, at its discretion, terminate and require the member to repay prior to the stated maturity date of the putable advance.

III. Regulatory Flexibility Act

This proposed rule contains only technical revisions to an existing rule and, therefore, does not impose any additional regulatory requirements on small entities. Thus, in accordance with the provisions of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, the Board of Directors of the Finance Board hereby certifies that this proposed rule, if promulgated as a final rule, will not have a significant economic impact on a substantial number of small entities. *Id.* section 605(b).

List of Subjects in 12 CFR Part 935

Credit, Federal home loan banks.

Accordingly, the Board of Directors of the Federal Housing Finance Board hereby proposes to amend chapter IX, title 12, part 935, Code of Federal Regulations, as follows:

PART 935—ADVANCES

1. The authority citation for part 935 continues to read as follows:

Authority: 12 U.S.C. 1422b(a)(1), 1426, 1429, 1430, 1430(b), and 1431.

2. In § 935.6, paragraph (d) is added to read as follows:

§ 935.6 Terms and conditions for advances.

* * * * *

(d) *Putable advances.* (1) A Bank that provides a putable advance to a member shall disclose in writing to such member

¹ An "advance" is a loan from a FHLBank that is provided pursuant to a written agreement, supported by a note or other written evidence of the borrower's obligation, and fully secured by collateral in accordance with the Bank Act and Finance Board regulations. See 12 CFR 935.1.