

subsumed into other rating elements (it is taken into account indirectly in assessing the capital and earnings components).

Additionally, as discussed in more detail below, in contrast to BHCs, SLHCs currently are not subject to regulatory capital requirements. As one element of its overall assessment of capital adequacy, the (F) component of the RFI rating system does take into account regulatory capital requirements for BHCs. The (C) component of the CORE rating system takes into consideration both a qualitative and quantitative supervisory capital assessment that can be found in OTS guidance. With the exception of the regulatory capital requirement for BHCs, the methods used by the agencies to determine capital adequacy for purposes of establishing a supervisory rating are similar. Until such time as consolidated capital standards for SLHCs are finalized by the Board, the Board anticipates that it will assess SLHC capital using supervisory quantitative and qualitative methods similar to those currently employed by the OTS.

The Board notes that changes to the RFI rating system guidance and policies may be necessary to accommodate SLHCs and differences in their statutory and regulatory framework. The Board is reviewing this guidance to determine where adjustments may be necessary.

The Board is seeking comment on all aspects of this approach. Specifically, the Board requests comment with regard to:

1. The burden of these potential modifications to supervisory activities on SLHCs; and
2. Whether there are any unique characteristics, risks, or specific activities of SLHCs that should be taken into account when evaluating which supervisory program should be applied to SLHCs and what changes would be required to accommodate these unique characteristics.

Capital Adequacy

One material difference between the OTS and Board supervisory programs for holding companies is the assessment of capital adequacy. Currently, SLHCs are not subject to minimum regulatory capital ratio requirements. The OTS instead applies both a qualitative and quantitative supervisory capital assessment to SLHCs that is based in guidance.

Section 171 of the Dodd-Frank Act requires that BHCs and SLHCs be subject to minimum leverage and risk-based capital requirements that are not less than the generally applicable leverage and risk-based capital

requirements applied to depository institutions.¹⁴ Small BHCs that are subject to the Small Bank Holding Company Policy Statement (Appendix C of 12 CFR part 225) are exempt from these requirements. Section 171 of the Act did not expressly provide a similar exemption for small SLHCs.

Pursuant to the Dodd-Frank Act and the Basel Committee on Banking Supervision's "Basel III: A global regulatory framework for more resilient banks and banking systems" report ("Basel III"),¹⁵ the Board, together with the other Federal banking agencies, is reviewing consolidated capital requirements for all depository institutions and their holding companies. The Board is considering applying to SLHCs the same consolidated risk-based and leverage capital requirements as BHCs to the extent reasonable and feasible taking into consideration the unique characteristics of SLHCs and the requirements of HOLA. The Board, together with the other Federal banking agencies, expects to issue a notice of proposed rulemaking in 2011 that will outline how Basel III-based requirements will be implemented for all institutions, including any relevant provisions needed to comply with the Dodd-Frank Act. It is expected that the Basel III notice of proposed rulemaking also would address any proposed application of Basel III-based requirements to SLHCs. The Board expects that final rules establishing Basel III-based capital requirements would be finalized in 2012 and implementation would start in 2013, in accordance with the international agreement. The Board invites SLHCs to monitor and participate in the Basel III capital rulemaking process.

Although the Board believes it is important for SLHCs generally to be subject to the same consolidated leverage and risk-based capital requirements as BHCs, it recognizes that SLHCs have traditionally been permitted to engage in a broad range of nonbanking activities that were not contemplated when the general leverage and risk-based capital requirements for BHCs were developed. The Board is seeking specific comment with respect to any unique characteristics, risks, or specific activities of SLHCs the Board

¹⁴ Under section 171 of the Dodd-Frank Act, the "generally applicable" leverage and risk-based capital requirements are those established by the appropriate Federal banking agencies to apply to insured depository institutions under prompt corrective action regulations implementing section 38 of the Federal Deposit Insurance Act.

¹⁵ The Basel III text can be found at: <http://www.bis.org/publ/bcbs189.htm>.

should take into consideration when developing consolidated capital requirements for SLHCs based on Basel III. What specific provisions, consistent with the Dodd-Frank Act, should be incorporated in the proposed rule in order to address such unique characteristics, risks, and/or specific activities? Additionally, the Board is seeking comment on the following:

3. What instruments that are currently includable in SLHCs' regulatory capital would be either excluded from regulatory capital or more strictly limited under Basel III? 3(a) How prevalent is the issuance of such instruments? Please comment on the appropriateness of the Basel III transitional arrangements for non-qualifying regulatory capital instruments. Provide specific examples and data to support any proposed alternative treatment.

4. Are the proposed Basel III-based transition periods appropriate for SLHCs and, if not, what alternative transition periods would be appropriate and why?

Finally, the Board is seeking specific comment with respect to what methods the Board should consider implementing for assessing capital adequacy for SLHCs during the period between the transfer date and implementation of consolidated capital standards for SLHCs. The Board also anticipates providing additional notice or issuing specific formal guidance or rules with regard to supervisory capital assessment after the transfer date and providing further opportunity for comment.

By order of the Board of Governors of the Federal Reserve System, April 15, 2011.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. 2011-9588 Filed 4-21-11; 8:45 am]

BILLING CODE 6210-01-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 50

[EPA-HQ-OAR-2007-0492; FRL-9298-4]

Release of Final Document Related to the Review of the National Ambient Air Quality Standards for Particulate Matter

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of availability.

SUMMARY: The Office of Air Quality Planning and Standards (OAQPS) of EPA is announcing the availability of a

final document titled, *Policy Assessment for the Review of the Particulate Matter National Ambient Air Quality Standards (PA)*. The PA contains staff analyses of the scientific bases for alternative policy options for consideration by the Agency prior to rulemaking.

DATES: The PA will be available on or about April 19, 2011.

ADDRESSES: The document will be available via the Internet at the following Web site: http://www.epa.gov/ttn/naaqs/standards/pm/s_pm_2007_pa.html.

FOR FURTHER INFORMATION CONTACT: For questions related to this final document, please contact Ms. Beth Hassett-Sipple, Office of Air Quality Planning and Standards (Mail code C504-06), U.S. Environmental Protection Agency, Research Triangle Park, NC 27711; e-mail: hassett-sipple.beth@epa.gov; telephone: 919-541-4605; fax: 919-541-0237.

SUPPLEMENTARY INFORMATION: Under section 108(a) of the Clean Air Act (CAA), the Administrator identifies and lists certain pollutants which “cause or contribute to air pollution which may reasonably be anticipated to endanger public health or welfare.” The EPA then issues air quality criteria for these listed pollutants, which are commonly referred to as “criteria pollutants.” The air quality criteria are to “accurately reflect the latest scientific knowledge useful in indicating the kind and extent of all identifiable effects on public health or welfare which may be expected from the presence of [a] pollutant in the ambient air, in varying quantities.” Under section 109 of the CAA, EPA establishes primary (health-based) and secondary (welfare-based) national ambient air quality standards (NAAQS) for pollutants for which air quality criteria are issued. Section 109(d) of the CAA requires periodic review and, if appropriate, revision of existing air quality criteria. The revised air quality criteria reflect advances in scientific knowledge on the effects of the pollutant on public health or welfare. The EPA is also required to periodically review and revise the NAAQS, if appropriate, based on the revised criteria.

Presently, EPA is reviewing the NAAQS for particulate matter (PM).¹ The document announced today, *Policy Assessment for the Review of the Particulate Matter National Ambient Air Quality Standards*, contains staff analyses of the scientific bases for alternative policy options for consideration by the Agency prior to rulemaking. This document, which builds upon the historical “Staff Paper,” will serve to “bridge the gap” between the available scientific information and the judgments required of the Administrator in determining whether it is appropriate to retain or revise the standards.² The current and potential alternative PM standards are considered in terms of the basic elements of the NAAQS: indicator, averaging time, form, and level. The PA builds upon information presented in the *Integrated Science Assessment for Particulate Matter* (ISA, EPA 600/R-08/139F and EPA 600/R-08/139FA, December 2009) and two quantitative risk and exposure assessment documents (REAs)—*Quantitative Health Risk Assessment for Particulate Matter* (EPA 452/R-10-005; June 2010) and *Particulate Matter Urban-Focused Visibility Assessment* (EPA 452/R-10-004, July 2010).

A preliminary draft PA (EPA-452/P-09-007) was released in September 2009 for informational purposes and to facilitate discussion with the Clean Air Scientific Advisory Committee (CASAC) at an October 5–6, 2009, meeting on the overall structure, areas of focus, and level of detail to be included in the PA (74 FR 46586, September 10, 2009). CASAC’s comments on the preliminary draft PA encouraged the development of a document focused on the key policy-relevant issues that draws from and is not repetitive of information in the *Integrated Science Assessment* (ISA) and REAs. These comments were considered in developing a first draft PA

(EPA-452/P-10-003, March 2010; 75 FR 4067, January 26, 2010) that built upon the information presented and assessed in the ISA and second draft REAs (EPA-452/P-10-001, February 2010; EPA-452/P-10-002, January 2010). The EPA presented an overview of the first draft PA at a CASAC meeting on March 10, 2010 (75 FR 8062, February 23, 2010). CASAC and public review of the first draft PA was discussed during public teleconferences on April 8–9, 2010, (75 FR 8062, February 23, 2010) and May 7, 2010 (75 FR 19971, April 16, 2010).

CASAC (Samet, 2010a)³ and public comments on the first draft PA were considered by EPA staff in developing a second draft PA (EPA 452/P-10-007, June 2010) based on the ISA and final REAs. The EPA solicited advice and recommendations from CASAC regarding the second draft PA at a public meeting that was held on July 26–27, 2010 (75 FR 32763, June 9, 2010). Following the CASAC meeting, EPA considered comments received from CASAC (Samet, 2010b)⁴ and the public in preparing the final PA. The final PA is available through the Agency’s Technology Transfer Network (TTN) Web site at http://www.epa.gov/ttn/naaqs/standards/pm/s_pm_2007_pa.html.

Dated: April 15, 2011.

Mary Henigin,

Acting Director, Office of Air Quality Planning and Standards.

[FR Doc. 2011-9688 Filed 4-21-11; 8:45 am]

BILLING CODE 6560-50-P

³ Samet J (2010a). Letter from Dr. Jonathan M. Samet, Chair, Clean Air Scientific Advisory Committee to the Honorable Lisa P. Jackson, Administrator, U.S. EPA. CASAC Review of Policy Assessment for the Review of the PM NAAQS—First External Review Draft (March 2010). May 17, 2010. Available at: [http://yosemite.epa.gov/sab/sabproduct.nsf/264cb1227d55e02c85257402007446a4/E504EE3276D87A9E8525772700647AFB/\\$File/EPA-CASAC-10-011-unsigned.pdf](http://yosemite.epa.gov/sab/sabproduct.nsf/264cb1227d55e02c85257402007446a4/E504EE3276D87A9E8525772700647AFB/$File/EPA-CASAC-10-011-unsigned.pdf).

⁴ Samet J (2010b). Letter from Dr. Jonathan M. Samet, Chair, Clean Air Scientific Advisory Committee to the Honorable Lisa P. Jackson, Administrator, U.S. EPA. CASAC Review of Policy Assessment for the Review of the PM NAAQS—Second External Review Draft (June 2010). September 10, 2010. Available at: [http://yosemite.epa.gov/sab/sabproduct.nsf/264cb1227d55e02c85257402007446a4/CCF9F4C0500C500F8525779D0073C593/\\$File/EPA-CASAC-10-015-unsigned.pdf](http://yosemite.epa.gov/sab/sabproduct.nsf/264cb1227d55e02c85257402007446a4/CCF9F4C0500C500F8525779D0073C593/$File/EPA-CASAC-10-015-unsigned.pdf).

¹ The EPA’s initial overall plan and schedule for this review was presented in the *Integrated Review Plan for the National Ambient Air Quality Standards for Particulate Matter* (EPA 452/R-08-004, March 2008). Documents related to the current PM NAAQS review are available at: http://www.epa.gov/ttn/naaqs/standards/pm/s_pm_index.html.

² See <http://www.epa.gov/ttn/naaqs/review.html> for a copy of Administrator Jackson’s May 21, 2009, memorandum and for additional information on the NAAQS review process.