

## MEMORANDUM

**TO:** Public File – Notice of Proposed Rulemaking: Standardized Approach for Calculating the Exposure Amount of Derivative Contracts

**FROM:** Catherine Wood  
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Michael Phillips  
Counsel, FDIC Legal Division

**DATE:** May 30, 2019

**SUBJECT:** May 2, 2019 Conference Call with California Resources Corporation

Staff of the Federal Deposit Insurance Corporation (“FDIC”), the Office of the Comptroller of the Currency (“OCC”), and the Board of Governors of the Federal Reserve System (“Board”) (collectively, “agencies”) had a conference call with representatives from California Resources Corporation on May 2, 2019 to discuss comments submitted by the organization on the interagency notice of proposed rulemaking that proposed to implement the standardized approach for counterparty credit risk to calculate the exposure amount of derivative contracts under the agencies’ regulatory capital rule (“NPR” or “proposal”). This NPR was published for comment in the Federal Register on December 17, 2018 (83 FR 64660).

The primary topic covered during the call was the comments submitted by the organization regarding the impact of the NPR on commercial end users, especially with respect to the capital treatment under the proposal involving derivative transactions between banking organizations and non-financial end-users.

Representatives from California Resources Corporation were: James Kahrhoff, Roy Pineci, Megan Stilwell, and Darren Mallick. Representatives from the FDIC included Irina Leonova, Peter Yen, Catherine Wood and Michael Phillips.

Attachments