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FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 303

RIN 3064-AC22

Filing Procedures and Delegations of Authority

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Final rule.

SUMMARY: The FDIC is amending its procedural regulations for mutual-to-stock conversion notices to delegate authority from the FDIC's Board of Directors to the Director and Deputy Director of the Division of Supervision to act on certain requests for the waiver of the depositor vote requirements in its mutual-to-stock conversion regulations. Delegated authority is granted only with respect to requests for the waiver of the depositor vote requirements involving mutual-to-stock conversions in situations where applicable state law in effect as of January 1, 1999, provided for voting by corporators as the only depositor voting mechanism for mutual-to-stock conversions, or prohibited proxy voting by depositors of state-chartered, cooperative savings banks in mutual form. This amendment will expedite the FDIC's final actions regarding such waiver requests.

EFFECTIVE DATE: May 26, 1999.

FOR FURTHER INFORMATION CONTACT: Division of Supervision: John M. Lane, Assistant Director, (202) 898-3671; Calvin B. Riddick, Manager, (202) 898-6758; Scott S. Patterson, Review Examiner, (202) 898-6768; Legal Division: Michael B. Phillips, Counsel, (202) 898-3581.

SUPPLEMENTARY INFORMATION:

I. Background

On November 30, 1994, the FDIC promulgated regulations governing

mutual-to-stock conversions of state nonmember banks. (59 FR 61233 (November 30, 1994)). Under the conversion regulations, as recodified in 1998, a proposed conversion must be approved by a vote of at least a majority of the bank's depositors. (12 CFR 333.4(c)(2)). Voting may be in person or by proxy. Waivers of the requirements in § 333.4 may be granted by the FDIC's Board of Directors (the Board) for good cause shown. (12 CFR 333.4(a)). Certain authority involving the FDIC's conversion regulations is delegated; however, under 12 CFR 303.164(b), the authority to act on depositor vote waiver requests is reserved to the Board.

Based on its experience with such waiver requests, the Board has determined that sufficient precedent has been established to allow a delegation of the authority to the Director or Deputy Director of the Division of Supervision (DOS) to act on depositor vote waiver requests when the requests involve state law in effect as of January 1, 1999, regarding (i) voting by corporators as the only depositor voting mechanism for conversions, or (ii) prohibitions under state law regarding proxy voting by depositors of cooperative savings banks in mutual form.

II. Final Amendment to Part 303

Since the promulgation of the conversion regulations in 1994, the Board has approved many depositor waiver requests from mutual savings banks in Massachusetts and other New England states which concerned (i) corporator voting in lieu of voting by all eligible depositors or (ii) prohibitions under state law (for mutual cooperative savings banks) regarding proxy voting by depositors.

The FDIC Board has determined that sufficient precedent has been established with respect to waiver requests in the above circumstances to allow for a delegation of authority to the Director of DOS and Deputy Director of DOS to approve or deny waiver requests. In its review of waiver requests from mutual savings banks whose corporators (not the broader set of eligible depositors) were authorized to vote on mutual-to-stock conversions, the focus of the Board's inquiry has been whether a sufficient number of independent corporators voted in favor of the proposed conversion. This focus accords with the statement in the

preamble to the FDIC's conversion regulations that provides the following criteria for such determinations: on a case-by-case basis, the Board will consider waiving the depositor voting requirement if it is demonstrated, to the Board's satisfaction, that the alternative voting mechanism established under the applicable state law satisfies the concerns expressed above regarding the need for a vote on the conversion by parties that are not insiders and do not have a potential conflict of interest in reviewing the proposed conversion. (59 FR 61233, 61238 (November 30, 1994)).

With respect to waiver requests based on state prohibitions on proxy voting by depositors, the focus of inquiry by the Board has been, among other factors, the efforts expended by the cooperative savings bank to encourage in-person depositor voting and the number of depositors with no apparent conflict of interest who attended the special meeting held by the bank and voted for the conversion.

In order to recognize current state law regarding corporator voting or prohibitions on proxy voting by depositors, the Board has decided to only provide the delegation where the request is based upon applicable state law in effect as of January 1, 1999.

III. Effective Date

This amendment to part 303 is being adopted without opportunity for public comment in accordance with section 553(b)(A) of the Administrative Procedure Act (APA) which exempts from required public comment rules of agency organization, procedure, or practice. As this amendment modifies a rule concerning internal delegations of authority, section 553(b)(A) applies.

Section 302 of the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRI) provides that rules imposing reporting, disclosure or other new requirements may not be effective earlier than the first day of the calendar quarter after adoption. This statutory requirement does not apply to this amendment as there are no additional reporting, disclosure or other new requirements imposed by this amendment on insured depository institutions.

IV. Paperwork Reduction Act

In accordance with the requirements of the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 *et seq.*, the FDIC may not

conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. Information collection under the FDIC's mutual-to-stock conversion regulations is approved under OMB control number 3064-0117 and is valid until July 31, 2000. This rulemaking does not modify the collection approved by OMB. As this amendment does not involve any additional recordkeeping or reporting requirements, no Paperwork Reduction Act analysis is required.

V. Regulatory Flexibility Act

In accordance with section 603(a) of the Regulatory Flexibility Act, 5 U.S.C. 601-612, no regulatory flexibility analysis is required with respect to this amendment as the APA does not require that this amendment be published for public comment.

VI. Assessment of Impact of Federal Regulation on Families

The FDIC has determined that this amendment will not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act of 1999 (Public Law 105-277).

VII. Small Business Regulatory Enforcement Fairness Act

No notice of a final rule is being provided to Congress regarding this amendment under the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), 5 U.S.C. 801. SBREFA provides generally for agencies to report rules to Congress and for major rules not to take effect until a certain period after the notice has been received. However, section 251 of SBREFA provides that rules of agency practice and procedure that do not substantially affect the rights or obligations of non-agency parties are not subject to the reporting requirement and may be made effective in accordance with the APA and any other applicable law. This amendment pertains to the FDIC's delegations of authority, is procedural in nature and does not substantially affect the rights of any non-agency party.

List of Subjects in 12 CFR Part 303

Administrative practice and procedure, Authority delegations (Government agencies), Bank deposit insurance, Banks, Banking, Bank merger, Branching, Foreign branches, Foreign investments, Golden parachute payments, Insured branches, Interstate branching, Reporting and recordkeeping requirements, Savings associations.

For the reasons set forth in the preamble and under the authority of 12 U.S.C. 1819(a)(Tenth), the FDIC Board of Directors hereby amends 12 CFR part 303 as follows:

PART 303—FILING PROCEDURES AND DELEGATIONS OF AUTHORITY

1. The authority citation for part 303 continues to read as follows:

Authority: 12 U.S.C. 378, 1813, 1815, 1816, 1817, 1818, 1819(Seventh, and Tenth), 1820, 1823, 1828, 1831a, 1831e, 1831o, 1831p-1, 1835a, 3104, 3105, 3108, 3207; 15 U.S.C. 1601-1607.

2. Section 303.164 is amended by revising paragraph (b) to read as follows:

§ 303.164 Delegation of authority.

* * * * *

(b) Authority to act on a waiver under § 303.162 is retained by the Board of Directors, except for requests to waive the depositor vote requirements in § 333.4(c)(2) of this chapter when the requests are based on the need for the bank to comply with applicable state law in effect as of January 1, 1999, that provides for voting by corporators as the only depositor voting mechanism for state-chartered, mutual savings banks, or prohibits depositors of state-chartered, cooperative savings banks in mutual form from voting by proxy. Authority is delegated to the Director and Deputy Director (DOS) to act on such waiver requests.

* * * * *

By Order of the Board of Directors.

Dated at Washington, D.C., this 20th day of April, 1999.

Federal Deposit Insurance Corporation.

Robert E. Feldman,

Executive Secretary.

[FR Doc. 99-10424 Filed 4-23-99; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 91-CE-25-AD; Amendment 39-11149; AD 95-11-15 R1]

RIN 2120-AA64

Airworthiness Directives; Alexander Schleicher Segelflugzeugbau Model ASK 21 Gliders

AGENCY: Federal Aviation Administration, DOT.

ACTION: Direct final rule; request for comments.

SUMMARY: This amendment revises Airworthiness Directive (AD) 95-11-15,

which currently requires replacing the parallel rocker with a part of improved design and incorporating flight manual revisions on all Alexander Schleicher Segelflugzeugbau (Alexander Schleicher) Model ASK 21 gliders. AD 95-11-15 was the result of two incidents of the parallel rocker breaking at the elevator connection on the affected gliders. Since that time, the FAA has determined that the AD should only affect those Model ASK 21 gliders equipped with the automatic elevator connection. This AD retains the actions of AD 95-11-15, but only for those gliders with the automatic elevator connection incorporated. The actions specified in this AD are intended to continue to prevent possible loss of elevator control that could result from a broken parallel rocker.

DATES: Effective July 25, 1999.

The incorporation by reference of certain publications as listed in the regulations was previously approved by the Director of the Federal Register as of July 14, 1995 (60 FR 29978, June 7, 1995).

Comments for inclusion in the Rules Docket must be received on or before May 28, 1999.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 91-CE-25-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

Service information that applies to this AD may be obtained from Alexander Schleicher GmbH & Co., Segelflugzeugbau, Postfach 60, 36163 Poppenhausen, Germany; telephone: ++49 (0) 6658-890; facsimile: ++49 (0) 6658-8923. This information may also be examined at the Federal Aviation Administration (FAA), Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 91-CE-25-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106; or at the Office of the Federal Register, 800 North Capitol Street, NW, suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Mr. Mike Kiesov, Aerospace Engineer, FAA, Small Airplane Directorate, 1201 Walnut, suite 900, Kansas City, Missouri 64106; telephone: (816) 426-6932; facsimile: (816) 426-2169.

SUPPLEMENTARY INFORMATION:

Discussion

AD 95-11-15, Amendment 39-9248 (60 FR 29978, June 7, 1995), currently requires the following on all Alexander Schleicher Segelflugzeugbau (Alexander Schleicher) Model ASK 21 gliders: