PART 615—FUNDING AND FISCAL AFFAIRS, LOAN POLICIES AND OPERATIONS, AND FUNDING OPERATIONS

3. The authority citation for part 615 continues to read as follows:

Authority: Secs. 1.5, 1.7, 1.10, 1.11, 1.12, 2.2, 2.3, 2.4, 2.5, 2.12, 3.1, 3.7, 3.11, 3.25, 4.3, 4.9, 4.14B, 4.25, 5.9, 5.17, 6.20, 6.26, 8.0, 8.4, 8.6, 8.7, 8.8, 8.10, 8.12 of the Farm Credit Act (12 U.S.C. 2013, 2015, 2018, 2019, 2020, 2073, 2074, 2075, 2076, 2093, 2122, 2128, 2132, 2146, 2154, 2160, 2202b, 2211, 2243, 2252, 2278b, 2278b–6, 2279aa, 2279aa–4, 2279aa–6, 2279aa–7, 2279aa–8, 2279aa–10, 2279aa–12); sec. 301(a) of Pub. L. 100–233, 101 Stat. 1568, 1608.

Subpart C—Issuance of Bonds, Notes, Debentures and Similar Obligations

§ 615.5104 [Removed]

4. Section 615.5104 is removed.

§ 615.5105 [Amended]

5. Section 615.5105 is amended by removing paragraph (c).

Subpart F—Property and Other Investments

§ 615.5170 [Amended]

6. Section 615.5170 is amended by removing paragraphs (b), (c), (d), (e) and the designation for paragraph (a).

Subpart G—[Removed and reserved]

7. Subpart G, consisting of § 615.5190, is removed and reserved.

Subpart O—Issuance of Farm Credit Securities

§ 615.5498 [Removed and reserved]

8. Section 615.5498 is removed and reserved.

Subpart P—[Removed and reserved]

9. Subpart P, consisting of §§ 615.5500, 615.5520, and 615.5530 is removed and reserved.

PART 618—GENERAL PROVISIONS

10. The authority citation for part 618 continues to read as follows:

Authority: Secs. 1.5, 1.11, 1.12, 2.2, 2.4, 2.5, 2.12, 3.1, 3.7, 4.12, 4.13A, 4.25, 4.29, 5.9, 5.10, 5.17 of the Farm Credit Act (12 U.S.C. 2013, 2019, 2020, 2073, 2075, 2076, 2093, 2122, 2128, 2183, 2200, 2211, 2218, 2243, 2244, 2252).

Subpart F—Miscellaneous Provisions

§ 618.8220 [Removed and reserved]

11. Section 618.8220 is removed and reserved.

Dated: March 13, 1995.

Floyd Fithian,

Secretary, Farm Credit Administration Board.

[FR Doc. 95–10007 Filed 4–21–95; 8:45 am]

BILLING CODE 6705–01–P

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12 CFR Part 620

RIN 3052–AB37

Disclosure to Shareholders

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: The Farm Credit Administration (FCA), by the Farm Credit Administration Board, issues a final regulation amending its disclosure requirements for association annual meeting information statements including required disclosures for director candidates nominated from the floor. The amendments provide associations more flexibility in accepting floor nominations for director positions, clarify disclosure requirements when annual meetings are held in more than one session and shareholders vote by mail, and make other technical changes.

EFFECTIVE DATE: The regulations shall become effective upon expiration of 30 days after publication in the **Federal Register** during which either or both Houses of Congress are in session. Notice of the effective date will be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT:

Laurie A. Rea, Policy Analyst, Office of Examination, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4498, or

James M. Morris, Senior Attorney, Office of General Counsel, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4020, TDD (703) 883–4444.

SUPPLEMENTARY INFORMATION:

Background

On September 13, 1993, the FCA issued a proposed regulation (58 FR 47836) that would amend certain aspects of § 620.21(d) pertaining to required disclosures in the association annual meeting information statement (Statement) concerning the nominating and balloting process for association directors. The FCA proposed changes to § 620.21(d) after learning that the regulation may have inadvertently placed an undue burden on certain members. Section 620.21(d)(3) required the Statement to ''contain a notice that nominations from the floor must be made at the first sectional meeting'' when the association's annual meeting was held in consecutive sectional sessions. Consequently, certain members that would have otherwise attended a different session were required to travel to the first sectional session if they wished to participate in the floor nominating process. Sections 620.21(d)(5) and (d)(6) also required that persons nominated from the floor provide the necessary written disclosures ''in writing at the meeting(s) at which the nomination is considered.''

The FCA proposed regulatory amendments to make it less burdensome for members to participate in the floor nominating process. If the association's members are voting by mail ballot at the conclusion of all sessions of the annual meeting, the proposed rule allowed floor nominations at any sectional session. The proposed rule also relaxed the disclosure requirement for floor nominees by allowing them to provide the mandated disclosures ''within 10 days of nominations'' instead of ''at the meeting(s) at which the nomination is considered.'' The FCA believed that these regulatory changes would afford members more opportunity to nominate candidates from the floor when voting by mail ballot after the annual meeting is concluded and make it easier for floor nominees to provide the required disclosures without any significant inconvenience to management or other nominees.

The FCA received four comment letters on the proposed rule during the comment period that expired on October 13, 1993. One letter was submitted by a Farm Credit bank, two letters by associations, and one by the Farm Credit Council (Council) on behalf of its membership. Commenters were generally supportive of the proposed changes. The Council commented that its membership applauded the FCA's responsiveness to Farm Credit System institutions' concerns.

The final regulation allows persons to be nominated from the floor at any sectional session when the director election is conducted by mail balloting following the final session of the annual meeting. However, in response to a comment from the Council, the FCA has changed the regulation so that associations can specify in their bylaws that nominations from the floor will be accepted only at the first session. The final rule requires persons nominated from the floor to provide associations with the written disclosure information for mailing with the ballot. The final rule also allows associations using mail balloting after the last session the latitude to prescribe in their bylaws the time period for floor nominees to submit the required disclosures.

Response to Comments

The Council asserted that some associations interpreted the proposed regulation to require a change in their current method of nominating and electing directors because their stockholders have the option of voting by mail or in person at each association's annual meeting. Therefore, the Council requested that the proposed regulation be modified to permit associations that hold annual meetings in sectional sessions and conduct elections by mail ballot after the final sectional session to require in their bylaws that all floor nominations be made at the first sectional session. Section 4.15 of the Farm Credit Act of 1971 (Act), concerning the nomination of association directors, states ''Nominations shall also be accepted from the floor.'' To comply with § 4.15 of the Act, associations must continue to afford a full, fair, and meaningful opportunity for members to make viable nominations from the floor. Section 620.21(d)(3) has been revised to emphasize this requirement.

The FCA believes allowing nominations at *any* session of an association annual meeting when mail balloting occurs after those sessions is the best method of ensuring members an opportunity to nominate candidates from the floor. Nevertheless, the FCA is aware that some associations may wish to retain bylaw provisions that provide for the acceptance of floor nominations only at the first session. The FCA is engaged in a continuing effort to reduce regulatory burden by eliminating regulations that prescribe specific operational or managerial practices [1] and amending regulations to provide flexibility, so long as the requirements of the Act are satisfied. Accordingly, the FCA has revised the final § 620.21(d)(3) to allow associations to prescribe that nominations from the floor will be accepted only at the first session. Further, the FCA notes that, if an association uses a combination of voting in person and voting by mail ballot, nominations from the floor can only be made at the first session so that every stockholder has the opportunity to vote on floor nominees.

One commenter suggested that the regulations be modified to expressly accommodate a pre-annual meeting mail balloting process. The commenter argued that it is impossible for associations employing a pre-annual meeting mail balloting process to comply with the floor nomination and disclosure requirements of the proposed regulations because many stockholders have already voted by mail at the time a floor nomination is made. The commenter suggested that the FCA allow associations to accept nominations by mail. The suggestions were not incorporated in the final regulation for several reasons.

The FCA does not believe the use of mail ballots prior to an association's annual meeting is legally permissible. In addition to the slate of eligible candidates presented by the nominating committee, § 4.15 of the Act expressly requires associations to accept nominations ''from the floor.'' A stockholder voting by mail prior to the annual meeting would not be able to vote for floor nominees because their candidacy would not be known until the meeting. In addition, a stockholder who has voted by mail prior to the annual meeting would not be able to revoke his or her mail ballot and vote in person at the meeting. Consequently, stockholders who vote by mail ballot prior to the annual meeting relinquish their rights to vote for candidates nominated from the floor at the meeting.

The FCA believes that accepting nominations solely by mail would discourage the borrowers' active participation in the management and control of System institutions. Mail nominations do not foster borrowers' active involvement in the director nomination and election process but rather may minimize the stockholders' role. Nominations by mail restrict stockholders' opportunity to discuss potential candidates for director positions. If nominations by mail were employed, the absence of consideration and discussion by members at the annual meeting would also inhibit the origination of viable nominations from the floor. Accordingly, the FCA has not modified the regulation to include a procedure to accept floor nominations by mail so that associations may conduct mail balloting prior to the annual meeting. The FCA notes that proxy voting in director elections is a permissible alternative voting method, although it is not specifically mandated by the Act.[2] A secret proxy ballot allows a stockholder who will be absent from the meeting to designate another person to cast his vote. Although proxies must be returned to the association prior to the start of the annual meeting, a stockholder attending the meeting can revoke his or her proxy prior to the balloting at the annual meeting and vote in person for a floor nominee.

Commenters raised concerns about the appropriateness of the 10-day timeframe prescribed in proposed § 620.21(d)(5) for floor nominees to provide written disclosure information. Three commenters suggested that the 10-day period be shortened to 5 business days. Commenters argued that this would give floor nominees sufficient time to prepare and submit the required disclosure information without unduly delaying the mailing of ballots after the last sectional session. The Council stated that its members suggested a time period of 3 days or no more than 5 days, and it recommended that associations be allowed to set an appropriate timeframe in their bylaws. Consistent with its role as an arm's-length regulator, the FCA has revised the regulation to allow associations the latitude to prescribe in their bylaws the time period for floor nominees to submit the required disclosure. Associations should provide a sufficient time for floor nominees to compile the information necessary to comply with the regulatory requirements and ensure that the election process is completed expeditiously. Therefore, the time period for floor nominees to submit the required disclosure information was changed in the final rule from ''within 10 days of nomination'' to ''within the time period prescribed by the association's bylaws.'' If the bylaws do not address this issue, the regulation requires that this information be submitted within 5 business days.

The Council also requested that the regulation, as proposed, be changed by adding the words ''upon conclusion of all sessions'' after ''mail ballot'' in § 620.21(d)(5). The FCA agrees that the suggested change clarifies the meaning of paragraph (d)(5) and modified the regulation accordingly.

The final regulation makes a technical correction to § 620.21(c)(3). (See 51 FR 8644, March 13, 1986). The technical correction deletes the words ''during the last year fiscal year to date'' and inserts the words ''since the last annual meeting'' to clarify that associations are required to disclose in the Statement any resignations by directors that stem from disagreements with the board that occurred during the time period between annual meetings.

List of Subjects in 12 CFR Part 620

Accounting, Agriculture, Banks, banking, Reporting and recordkeeping requirements, Rural areas.

For the reasons stated in the preamble, part 620 of chapter VI, title 12

[1] The FCA Board's Policy Statement on Regulatory Philosophy (59 FR 32189, June 22, 1994).

[2] The rights of stockholders to vote by proxy is mandated by the Act in certain situations. See §§ 4.3A(c)(2), 7.8(a)(3), and 7.13(a)(3) of the Act.

of the Code of Federal Regulations is amended to read as follows:

PART 620—DISCLOSURE TO SHAREHOLDERS

1. The authority citation for part 620 continues to read as follows:

Authority: Secs. 5.17, 5.19, 8.11 of the Farm Credit Act (12 U.S.C. 2252, 2254, 2279aa–11); sec. 424 of Pub. L. 100–233, 101 Stat. 1568, 1656.

Subpart D—Association Annual Meeting Information Statement

2. Section 620.21 is amended by revising the heading and paragraphs (c)(3), (d)(1), (d)(3), (d)(5), and (d)(6) to read as follows:

§ 620.21 Contents of the information statement and other information to be furnished in connection with the annual meeting.

* * * * *

(c) * * *

(3) If any director resigned or declined to stand for reelection since the last annual meeting because of a policy disagreement with the board, and if the director has furnished a letter requesting disclosure of the nature of the disagreement, state the date of the director's resignation and summarize the director's description of the disagreement contained in the letter. If the institution holds a different view of the disagreement, the institution's view may be summarized.

* * * * *

(d) * * *

(1) If directors are nominated by region, describe the regions and state the number of voting shareholders entitled to vote in each region. Any nominee from the floor must be an eligible candidate for the director position for which the person has been nominated.

* * * * *

(3) State that nominations shall be accepted from the floor.

(i) If the annual meeting is to be held in more than one session and mail balloting will be conducted upon the conclusion of all sessions, state that nominations from the floor may be made at any session or, if the association's bylaws so provide, state that nominations from the floor shall be accepted only at the first session.

(ii) If shareholders will not vote solely by mail ballot upon conclusion of all sessions, state that nominations from the floor may be made only at the first session.

* * * * *

(5) For each nominee who is not an incumbent director, except a nominee from the floor, provide the information referred to in § 620.5 (j) and (k) and § 620.21(d)(4). If shareholders will vote by mail ballot upon conclusion of all sessions, each floor nominee must provide the information referred to in § 620.5 (j) and (k) and § 620.21(d)(4) in writing to the association within the time period prescribed by the association's bylaws. If the association's bylaws do not prescribe a time period, state that each floor nominee must provide the written disclosure to the association within 5 business days of the nomination. The association shall ensure that the information is distributed to the voting shareholders with the mailing of the ballots for the election of directors in the same format as the comparable information contained in the association's annual meeting information statement. If shareholders will not vote by mail ballot upon conclusion of all sessions, each floor nominee must provide the information referred to in § 620.5 (j) and (k) and § 620.21(d)(4) in writing at the first session at which voting is held.

(6) No person may be a nominee for director who does not make the disclosures required by this subpart.

* * * * *

Dated: April 13, 1995.

Floyd Fithian,

Secretary, Farm Credit Administration Board.

[FR Doc. 95–10008 Filed 4–21–95; 8:45 am]

BILLING CODE 6705–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 94–NM–91–AD; Amendment 39–9200; AD 95–08–11]

Airworthiness Directives; Boeing Model 767 Series Airplanes Equipped With Off-Wing Escape Slides

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain Boeing Model 767 series airplanes, that requires replacement of the currently installed door opening actuators of the emergency off-wing escape system with new, improved actuators. This amendment is prompted by reports indicating that the requirements of a previously issued AD do not adequately preclude leakage from these actuators. The actions specified by this AD are intended to prevent failure of the escape slide to deploy due to failure of the door opening/snubbing actuator, which could delay and possibly jeopardize successful emergency evacuation of an airplane.

DATES: Effective May 24, 1995.

The incorporation by reference of Boeing Service Bulletin 767–25–0216, dated February 3, 1994, as listed in regulations, is approved by the Director of the Federal Register as of May 24, 1995.

The incorporation by reference of certain other publications listed in the regulations was approved previously by the Director of the Federal Register as of November 25, 1992 (57 FR 47987, October 21, 1992).

ADDRESSES: The service information referenced in this AD may be obtained from OEA Aerospace, Inc., P.O. Box KK, Highway 12, Explosive Technology Road, Fairfield, California 94533–0659; and Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124–2207. This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Jayson Claar, Aerospace Engineer, Airframe Branch, ANM–120S, FAA, Transport Airplane Directorate, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98055–4056; telephone (206) 227–2784; fax (206) 227–1181.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) to include an airworthiness directive (AD) that is applicable to certain Boeing Model 767 series airplanes was published in the **Federal Register** on August 30, 1994 (59 FR 44672). That action proposed to require replacement of the currently installed door opening actuators of the emergency off-wing escape system on Model 767 series airplanes with new, improved actuators.

Interested persons have been afforded an opportunity to participate in the making of this amendment. Due consideration has been given to the comments received.

Response to Comments

One commenter supports the proposed rule.

One commenter requests that the name and address for obtaining service information from OEA Aerospace, Inc., be corrected. The FAA concurs. Since the issuance of the proposal, OEA has changed its name from OEA, Inc., to