

the OIG to another agency for law enforcement purposes.

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Dated: November 3, 2017.

Susan A. Poling,

General Counsel, Government Accountability Office.

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FEDERAL RESERVE SYSTEM

12 CFR Part 204

Regulation D; Docket No. OP-1582; Reserve Requirements of Depository Institutions

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board is amending Regulation D, Reserve Requirements of Depository Institutions, to reflect the annual indexing of the reserve requirement exemption amount and the low reserve tranche for 2018. The Regulation D amendments set the amount of total reservable liabilities of each depository institution that is subject to a zero percent reserve requirement in 2018 at \$16.0 million (up from \$15.5 million in 2017). This amount is known as the reserve requirement exemption amount. The Regulation D amendments also set the amount of net transaction accounts at each depository institution (over the reserve requirement exemption amount) that is subject to a three percent reserve requirement in 2018 at \$122.3 million (up from \$115.1 million in 2017). This amount is known as the low reserve tranche. The adjustments to both of these amounts are derived using statutory formulas specified in the Federal Reserve Act.

The Board is also announcing changes in two other amounts, the nonexempt deposit cutoff level and the reduced reporting limit, that are used to determine the frequency at which depository institutions must submit deposit reports.

DATES:

Effective Date: December 8, 2017.

Compliance Dates: The new low reserve tranche and reserve requirement exemption amount will apply to the fourteen-day reserve maintenance period that begins January 18, 2018. For depository institutions that report deposit data weekly, this maintenance period corresponds to the fourteen-day computation period that begins December 19, 2017. For depository

institutions that report deposit data quarterly, this maintenance period corresponds to the seven-day computation period that begins December 19, 2017. The new values of the nonexempt deposit cutoff level, the reserve requirement exemption amount, and the reduced reporting limit will be used to determine the frequency at which a depository institution submits deposit reports effective in either June or September 2018.

FOR FURTHER INFORMATION CONTACT:

Clinton N. Chen, Senior Attorney (202-452-3952), Legal Division, or Kristen R. Payne, Financial Analyst (202-452-2872), Division of Monetary Affairs; for users of Telecommunications Device for the Deaf (TDD) only, contact (202/263-4869); Board of Governors of the Federal Reserve System, 20th and C Streets NW., Washington, DC 20551.

SUPPLEMENTARY INFORMATION: Section 19(b)(2) of the Federal Reserve Act (12 U.S.C. 461(b)(2)) requires each depository institution to maintain reserves against its transaction accounts and nonpersonal time deposits, as prescribed by Board regulations, for the purpose of implementing monetary policy. Section 11(a)(2) of the Federal Reserve Act (12 U.S.C. 248(a)(2)) authorizes the Board to require reports of liabilities and assets from depository institutions to enable the Board to conduct monetary policy. The Board's actions with respect to each of these provisions are discussed in turn below.

I. Reserve Requirements

Pursuant to section 19(b) of the Federal Reserve Act (Act), transaction account balances maintained at each depository institution are subject to reserve requirement ratios of zero, three, or ten percent. Section 19(b)(11)(A) of the Act (12 U.S.C. 461(b)(11)(A)) provides that a zero percent reserve requirement shall apply at each depository institution to total reservable liabilities that do not exceed a certain amount, known as the reserve requirement exemption amount.

Section 19(b)(11)(B) provides that, before December 31 of each year, the Board shall issue a regulation adjusting the reserve requirement exemption amount for the next calendar year if total reservable liabilities held at all depository institutions increase from one year to the next. No adjustment is made to the reserve requirement exemption amount if total reservable liabilities held at all depository institutions should decrease during the applicable time period. The Act requires the percentage increase in the reserve requirement exemption amount to be 80

percent of the increase in total reservable liabilities of all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

Total reservable liabilities of all depository institutions increased by 3.9 percent, from \$7,531 billion to \$7,821 billion, between June 30, 2016, and June 30, 2017. Accordingly, the Board is amending Regulation D to set the reserve requirement exemption amount for 2018 at \$16.0 million, an increase of \$0.5 million from its level in 2017.¹

Pursuant to Section 19(b)(2) of the Act (12 U.S.C. 461(b)(2)), transaction account balances maintained at each depository institution over the reserve requirement exemption amount and up to a certain amount, known as the low reserve tranche, are subject to a three percent reserve requirement. Transaction account balances over the low reserve tranche are subject to a ten percent reserve requirement. Section 19(b)(2) also provides that, before December 31 of each year, the Board shall issue a regulation adjusting the low reserve tranche for the next calendar year. The Act requires the adjustment in the low reserve tranche to be 80 percent of the percentage increase or decrease in total transaction accounts of all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

Net transaction accounts of all depository institutions increased 7.8 percent, from \$2,200 billion to \$2,372 billion, between June 30, 2016, and June 30, 2017. Accordingly, the Board is amending Regulation D to set the low reserve tranche for net transaction accounts for 2018 at \$122.3 million, an increase of \$7.2 million from 2017.

The new low reserve tranche and reserve requirement exemption amount will be effective for all depository institutions for the fourteen-day reserve maintenance period beginning Thursday, January 18, 2018. For depository institutions that report deposit data weekly, this maintenance period corresponds to the fourteen-day computation period that begins December 19, 2017. For depository institutions that report deposit data quarterly, this maintenance period corresponds to the seven-day computation period that begins December 19, 2017.

II. Deposit Reports

Section 11(b)(2) of the Federal Reserve Act authorizes the Board to

¹ Consistent with Board practice, the low reserve tranche and reserve requirement exemption amounts have been rounded to the nearest \$0.1 million.

require depository institutions to file reports of their liabilities and assets as the Board may determine to be necessary or desirable to enable it to discharge its responsibility to monitor and control the monetary and credit aggregates. The Board screens depository institutions each year and assigns them to one of four deposit reporting panels (weekly reporters, quarterly reporters, annual reporters, or nonreporters). The panel assignment for annual reporters is effective in June of the screening year; the panel assignment for weekly and quarterly reporters is effective in September of the screening year.

In order to ease reporting burden, the Board permits smaller depository institutions to submit deposit reports less frequently than larger depository institutions. The Board permits depository institutions with net transaction accounts above the reserve requirement exemption amount but total transaction accounts, savings deposits, and small time deposits below a specified level (the “nonexempt deposit cutoff”) to report deposit data quarterly. Depository institutions with net transaction accounts above the reserve requirement exemption amount and with total transaction accounts, savings deposits, and small time deposits greater than or equal to the nonexempt deposit cutoff are required to report deposit data weekly. The Board requires certain large depository institutions to report weekly regardless of the level of their net transaction accounts if the depository institution’s total transaction accounts, savings deposits, and small time deposits exceeds or is equal to a specified level (the “reduced reporting limit”). The nonexempt deposit cutoff level and the reduced reporting limit are adjusted annually, by an amount equal to 80 percent of the increase, if any, in total transaction accounts, savings deposits, and small time deposits of all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

From June 30, 2016, to June 30, 2017, total transaction accounts, savings deposits, and small time deposits at all depository institutions increased 6.1 percent, from \$11,457 billion to \$12,157 billion. Accordingly, the Board is increasing the nonexempt deposit cutoff level by \$21.3 million to \$457.5 million for 2018 (up from \$436.2 million for 2017). The Board is also increasing the reduced reporting limit by \$97.2 million

to \$2.086 billion for 2018 (up from \$1.989 billion in 2017).²

Beginning in 2018, the boundaries of the four deposit reporting panels will be defined as follows. Those depository institutions with net transaction accounts over \$16.0 million (the reserve requirement exemption amount) or with total transaction accounts, savings deposits, and small time deposits greater than or equal to \$2.086 billion (the reduced reporting limit) are subject to detailed reporting, and must file a Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900 report) either weekly or quarterly. Of this group, those with total transaction accounts, savings deposits, and small time deposits greater than or equal to \$457.5 million (the nonexempt deposit cutoff level) are required to file the FR 2900 report each week, while those with total transaction accounts, savings deposits, and small time deposits less than \$457.5 million are required to file the FR 2900 report each quarter. Those depository institutions with net transaction accounts less than or equal to \$16.0 million (the reserve requirement exemption amount) and with total transaction accounts, savings deposits, and small time deposits less than \$2.086 billion (the reduced reporting limit) are eligible for reduced reporting, and must either file a deposit report annually or not at all. Of this group, those with total deposits greater than \$16.0 million (but with total transaction accounts, savings deposits, and small time deposits less than \$2.086 billion) are required to file the Annual Report of Deposits and Reservable Liabilities (FR 2910a) report annually, while those with total deposits less than or equal to \$16.0 million are not required to file a deposit report. A depository institution that adjusts reported values on its FR 2910a report in order to qualify for reduced reporting will be shifted to an FR 2900 reporting panel.

Regulatory Analysis

Administrative Procedure Act

The provisions of 5 U.S.C. 553(b) relating to notice of proposed rulemaking have not been followed in connection with the adoption of these amendments. The amendments involve expected, ministerial adjustments prescribed by statute and by the Board’s policy concerning reporting practices. The adjustments in the reserve

² Consistent with Board practice, the nonexempt deposit cutoff level has been rounded to the nearest \$0.1 million, and the reduced reporting limit has been rounded to the nearest \$1 million.

requirement exemption amount, the low reserve tranche, the nonexempt deposit cutoff level, and the reduced reporting limit serve to reduce regulatory burdens on depository institutions. Accordingly, the Board finds good cause for determining, and so determines, that notice in accordance with 5 U.S.C. 553(b) is unnecessary.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) does not apply to a rulemaking where a general notice of proposed rulemaking is not required.³ As noted previously, the Board has determined that it is unnecessary to publish a general notice of proposed rulemaking for this final rule. Accordingly, the RFA’s requirements relating to an initial and final regulatory flexibility analysis do not apply.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995,⁴ the Board reviewed this final rule. No collections of information pursuant to the Paperwork Reduction Act are contained in the final rule.

List of Subjects in 12 CFR Part 204

Banks, banking, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Board is amending 12 CFR part 204 as follows:

PART 204—RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS (REGULATION D)

- 1. The authority citation for part 204 continues to read as follows:

Authority: 12 U.S.C. 248(a), 248(c), 461, 601, 611, and 3105.

- 2. Section 204.4 is amended by revising paragraph (f) to read as follows:

§ 204.4 Computation of required reserves.

* * * * *

(f) For all depository institutions, Edge and Agreement corporations, and United States branches and agencies of foreign banks, required reserves are computed by applying the reserve requirement ratios below to net transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities of the institution during the computation period.

³ 5 U.S.C. 603 and 604.

⁴ 44 U.S.C. 3506; 5 CFR 1320.

| Reservable liability | Reserve requirement |
|---|---|
| Net Transaction Accounts: | |
| \$0 to reserve requirement exemption amount (\$16.0 million) | 0 percent of amount. |
| Over reserve requirement exemption amount (\$16.0 million) and up to low reserve tranche (\$122.3 million). | 3 percent of amount. |
| Over low reserve tranche (\$122.3 million) | \$3,189,000 plus 10 percent of amount over \$122.3 million. |
| Nonpersonal time deposits | 0 percent. |
| Eurocurrency liabilities | 0 percent. |

By order of the Board of Governors of the Federal Reserve System, acting through the Director of the Division of Monetary Affairs under delegated authority, November 2, 2017.

Ann E. Misback,
Secretary of the Board.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA-2017-0620; Airspace Docket No. 17-ASW-10]

Establishment Class E Airspace; Cisco, TX

AGENCY: Federal Aviation Administration (FAA), DOT.
ACTION: Final rule.

SUMMARY: This action establishes Class E airspace extending upward from 700 feet above the surface at Gregory M. Simmons Memorial Airport, Cisco, TX, to accommodate a new public instrument approach procedure at the airport and for safety and management of instrument flight rules (IFR) operations at the airport. Also, a correction is made to the airport name in the regulatory text.

DATES: Effective 0901 UTC, February 1, 2018. The Director of the Federal Register approves this incorporation by reference action under Title 1, Code of Federal Regulations, part 51, subject to the annual revision of FAA Order 7400.11 and publication of conforming amendments.

ADDRESSES: FAA Order 7400.11B, Airspace Designations and Reporting Points, and subsequent amendments can be viewed online at http://www.faa.gov/air_traffic/publications/. For further information, you can contact the Airspace Policy Group, Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 20591; telephone: (202) 267-8783. The Order is also available for inspection at the National Archives and Records Administration (NARA). For

information on the availability of FAA Order 7400.11B at NARA, call (202) 741-6030, or go to <https://www.archives.gov/federal-register/cfr/ibr-locations.html>.

FAA Order 7400.11, Airspace Designations and Reporting Points, is published yearly and effective on September 15.

FOR FURTHER INFORMATION CONTACT: Jeffrey Claypool, Federal Aviation Administration, Operations Support Group, Central Service Center, 10101 Hillwood Parkway, Fort Worth, TX 76177; telephone (817) 222-5711.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA’s authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency’s authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it establishes Class E airspace extending upward from 700 feet above the surface at Gregory M. Simmons Memorial Airport, Cisco, TX, to support IFR operations at this airport.

History

On August 1, 2017, the FAA published in the **Federal Register** (82 FR 35716) Docket No. FAA-2017-0620, a notice of proposed rulemaking (NPRM) to establish Class E airspace extending upward from 700 feet above the surface at Gregory M. Simmons Memorial Airport, Cisco, TX, to support the new public instrument approach procedure and enhance the safety and management of IFR operations at this airport. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. No comments were received.

Subsequent to publication, the FAA discovered that “Memorial” was inadvertently omitted from the airport name in the regulatory text of the NPRM and is corrected in this action.

Except for the edit noted above, this rule is the same as published in the NPRM.

Class E airspace designations are published in paragraph 6005 of FAA Order 7400.11B, dated August 3, 2017, and effective September 15, 2017, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designations listed in this document will be published subsequently in the Order.

Availability and Summary of Documents for Incorporation by Reference

This document amends FAA Order 7400.11B, Airspace Designations and Reporting Points, dated August 3, 2017, and effective September 15, 2017. FAA Order 7400.11B is publicly available as listed in the **ADDRESSES** section of this document. FAA Order 7400.11B lists Class A, B, C, D, and E airspace areas, air traffic service routes, and reporting points.

The Rule

This amendment to Title 14, Code of Federal Regulations (14 CFR) part 71 establishes Class E airspace extending upward from 700 feet above the surface within a 6.6-mile radius of Gregory M. Simmons Memorial Airport, Cisco, TX, due to the establishment of a new public instrument approach procedure at the airport. Controlled airspace is necessary for the safety and management of instrument approach procedures for IFR operations at the airport. The airport name is corrected to Gregory M. Simmons Memorial Airport, from Gregory M. Simmons Airport, as set forth in the regulatory text of the NPRM.

Regulatory Notices and Analyses

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current, is non-controversial and unlikely to result in adverse or negative comments. It, therefore: (1) Is not a