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FEDERAL RESERVE SYSTEM

12 CFR Part 201

[Regulation A]

Extensions of Credit by Federal Reserve Banks; Change in Discount Rate

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors has amended its Regulation A on Extensions of Credit by Federal Reserve Banks to reflect its approval of an increase in the basic discount rate at each Federal Reserve Bank. The Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks.

EFFECTIVE DATE: These amendments to part 201 (Regulation A) were effective February 13, 1995. The rate changes for adjustment credit were effective on the dates specified in 12 CFR 201.51.

FOR FURTHER INFORMATION CONTACT: William W. Wiles, Secretary of the Board (202/452-3257); for the hearing impaired only, contact Dorothea Thompson, Telecommunications Device for the Deaf (TDD) (202/452-3544), Board of Governors of the Federal Reserve System, 20th and C Streets NW., Washington, DC 20551.

SUPPLEMENTARY INFORMATION: Pursuant to the authority of sections 10(b), 13, 14, 19, et al., of the Federal Reserve Act, the Board has amended its Regulation A (12 CFR part 201) to incorporate changes in discount rates on Federal Reserve Bank extensions of credit. The discount rates are the interest rates charged to depository institutions when they borrow from their district Reserve Banks.

The "basic discount rate" is a fixed rate charged by Reserve Banks for adjustment credit and, at the Reserve

Bank's discretion, for extended credit. In increasing the basic discount rate, the Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks. The new rates were effective on the dates specified below. The increase was implemented to keep inflation contained, and thereby foster sustainable economic growth.

The provisions of 5 U.S.C. 553(b) relating to notice and public participation were not followed in connection with the adoption of this amendment because the Board for "good cause" finds that delaying the change in the basic discount rate in order to allow notice and public comment on the change is impracticable, unnecessary, and contrary to the public interest in keeping inflation contained, and thereby fostering sustainable economic growth.¹

The provisions of 5 U.S.C. 553(d) that prescribe 30 days' prior notice of the effective date of a rule have not been followed because section 553(d) provides that such prior notice is not necessary whenever there is good cause for finding that such notice is contrary to the public interest. As previously stated, the Board determined that delaying the changes in the basic discount rate is contrary to the public interest.

Regulatory Flexibility Act Analysis

Pursuant to section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601-612), the Board certifies that the change in the basic discount rate will not have a significant adverse economic impact on a substantial number of small entities. Although the change increases the rate of interest charged to borrowers from Reserve Banks, the Board believes that the higher cost of funds is outweighed by the salutary effect on the economy.

List of Subjects in 12 CFR Part 201

Banks, Banking, Credit, Federal Reserve System.

For the reasons outlined in the preamble, the Board of Governors amends 12 CFR part 201 as follows:

¹The Board's Rules of Procedure provide that advance notice and deferred effective date will ordinarily be omitted in the public interest for changes in discount rates. 12 CFR 262.2(e).

PART 201—EXTENSIONS OF CREDIT BY FEDERAL RESERVE BANKS (REGULATION A)

1. The authority citation for 12 CFR part 201 continues to read as follows:

Authority: 12 U.S.C. 343 *et seq.*, 347a, 347b, 347c, 347d, 348 *et seq.*, 357, 374, 374a and 461.

2. Section 201.51 is revised to read as follows:

§ 201.51 Adjustment credit for depository institutions.

The rates for adjustment credit provided to depository institutions under § 201.3(a) are:

Federal Reserve Bank	Rate	Effective
Boston	5.25	February 1, 1995.
New York	5.25	February 1, 1995.
Philadelphia	5.25	February 2, 1995.
Cleveland	5.25	February 9, 1995.
Richmond	5.25	February 1, 1995.
Atlanta	5.25	February 2, 1995.
Chicago	5.25	February 1, 1995.
St. Louis	5.25	February 1, 1995.
Minneapolis	5.25	February 2, 1995.
Kansas City	5.25	February 1, 1995.
Dallas	5.25	February 2, 1995.
San Francisco	5.25	February 1, 1995.

By order of the Board of Governors of the Federal Reserve System, February 13, 1995.

Williams W. Wiles,

Secretary of the Board.

[FR Doc. 95-3993 Filed 2-16-95; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 94-AWP-23]

Amendment to Class E airspace; Page, AZ

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment modifies Class E airspace at Page, AZ. Controlled airspace extending from 700 feet and 1200 feet above the surface is amended to accommodate aircraft executing the VHF Omnidirectional Range (VOR-A) instrument approach procedure. This action will provide adequate Class E