

regulated entity's size, complexity and risk profile;

- the nature and complexity of interest rate risk exposure arising from non-trading positions; and
- the nature and complexity of market risk exposure arising from trading, asset management activities and foreign operations.

#### Sensitivity to market risk ratings

**1. A rating of 1 indicates:** Market risk sensitivity is well controlled and there is minimal potential that the regulated entity's earnings performance or capital position will be adversely affected by market risk sensitivity. Risk management practices are strong for the size, sophistication and market risk accepted by the regulated entity. Earnings and capital provide substantial support for the amount of market risk taken by the regulated entity.

**2. A rating of 2 indicates:** Market risk sensitivity is satisfactorily controlled and there is moderate potential that the regulated entity's earnings performance or capital position will be adversely affected by market risk sensitivity. Risk management practices are satisfactory for the size, sophistication and market risk accepted by the regulated entity. Earnings and capital provide adequate support for the amount of market risk taken by the regulated entity.

**3. A rating of 3 indicates:** Market risk sensitivity control needs improvement or there is significant potential that the regulated entity's earnings performance or capital position will be adversely affected by market risk sensitivity. Risk management practices need improvement given the size, sophistication and market risk accepted by the regulated entity. Earnings and capital may not adequately support the amount of market risk taken by the regulated entity.

**4. A rating of 4 indicates:** Market risk sensitivity control is deficient or there is a high potential that the regulated entity's earnings performance or capital position will be adversely affected by market risk sensitivity. Risk management practices are deficient for the size, sophistication and market risk accepted by the regulated entity. Earnings and capital provide inadequate support for the amount of market risk taken by the regulated entity.

**5. A rating of 5 indicates:** Market risk sensitivity control is critically deficient or the level of market risk taken by the regulated entity may be an imminent threat to the regulated entity's viability. Risk management practices are critically deficient for the size, sophistication and level of market risk accepted by the regulated entity.

**OPERATIONAL RISK**—when rating a regulated entity's or the OF's operational risk, examiners determine the exposure to loss from inadequate or failed internal processes, people, and systems, including internal controls and information technology, or from external events, including all direct and indirect economic losses related to legal liability, reputational setbacks, and compliance and remediation costs to the extent such costs are consequences of operational events. When making this determination examiners assess:

- the efficiency and effectiveness of operations and technology;
- the effectiveness of the operational risk framework in identifying and assessing threats posed to operations;
- the quality of operational risk management in the administration of the regulated entity's or the OF's mission-related activities, including affordable housing and community investment activities;
- the organizational structure, including lines of authority and responsibility for adhering to prescribed policies;
- the accuracy of recording transactions;
- the effectiveness of internal controls over financial reporting (*i.e.*, the level of compliance with Sarbanes-Oxley section 404);
- the controls surrounding limits of authorities, including: Safeguarding access to and use of records and assets; segregation of duties;
- the effectiveness of the control environment in preventing and/or detecting errors and unauthorized activity;
- the accuracy, effectiveness and security of information systems, data and management reporting;
- the effectiveness of business continuity planning; and
- the effectiveness, accuracy and security of models

#### Operational risk ratings

**1. A rating of 1 indicates:** Operational risk management is strong and the number and severity of operational risk events are low. There is minimal potential that the regulated entity's or the OF's earnings performance or capital position will be adversely affected by the level of operational risk.

**2. A rating of 2 indicates:** Operational risk management is satisfactory and the number and severity of operational risk events are moderate. There is moderate potential that the regulated entity's or the OF's earnings performance or capital position will be adversely affected by the level of operational risk.

**3. A rating of 3 indicates:** Operational risk management needs improvement or there is significant potential that the regulated entity's or the OF's earnings performance or capital position will be adversely affected by the level of operational risk. The number and severity of operational risk events are moderate to serious.

**4. A rating of 4 indicates:** Operational risk management is deficient or there is a high potential that the regulated entity's or the OF's earnings performance or capital position will be adversely affected by the level of operational risk. The number and severity of operational risk events are serious to critical.

**5. A rating of 5 indicates:** Operational risk management is critically deficient or the level of operational risk taken by the regulated entity or the OF may be an imminent threat to the regulated entity's or the OF's viability. The number and severity of operational risk events may threaten the regulated entity's or the OF's viability.

[FR Doc. 2012-14912 Filed 6-18-12; 8:45 am]

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## FEDERAL RESERVE SYSTEM

### Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The applications will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than July 13, 2012.

A. Federal Reserve Bank of Kansas City (Dennis Denney, Assistant Vice President) 1 Memorial Drive, Kansas City, Missouri 64198-0001:

1. *Security Bancshares Corporation*; to become a bank holding company by acquiring 100 percent of the voting shares of Security State Bank of Wewoka, Oklahoma, both in Wewoka, Oklahoma.

Board of Governors of the Federal Reserve System, June 14, 2012.

**Robert deV. Frierson,**

*Deputy Secretary of the Board.*

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## FEDERAL RESERVE SYSTEM

### Notice of Proposals To Engage in or To Acquire Companies Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than July 2, 2012.

A Federal Reserve Bank of Chicago (Colette A. Fried, Assistant Vice President) 230 South LaSalle Street, Chicago, Illinois 60690-1414:

1. *North Milwaukee Bancshares, Inc., Milwaukee, Wisconsin*, to continue to engage in the nonbanking activity of extending credit and servicing loans

pursuant to section 225.28(b)(1) of Regulation Y.

Board of Governors of the Federal Reserve System, June 13, 2012.

**Robert deV. Frierson,**

*Deputy Secretary of the Board.*

[FR Doc. 2012-14820 Filed 6-18-12; 8:45 am]

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## GENERAL SERVICES ADMINISTRATION

[OMB Control No. 3090-0205; Docket 2012-0001; Sequence 11]

### General Services Administration Acquisition Regulation (GSAR) Part 523; Information Collection; Environmental Conservation, Occupational Safety, and Drug-Free Workplace

**AGENCY:** Office of Acquisition Policy, GSA.

**ACTION:** Notice of request for comments regarding the reinstatement of a previously existing OMB clearance.

**SUMMARY:** Under the provisions of the Paperwork Reduction Act, the General Services Administration will be submitting to the Office of Management and Budget (OMB) a request to review and approve an extension of a previously approved information collection requirement regarding Environmental Conservation, Occupational Safety, and Drug-Free Workplace.

Public comments are particularly invited on: Whether this collection of information is necessary and whether it will have practical utility; whether our estimate of the public burden of this collection of information is accurate and based on valid assumptions and methodology; and ways to enhance the quality, utility, and clarity of the information to be collected.

**DATES:** Submit comments on or before: August 20, 2012.

**FOR FURTHER INFORMATION CONTACT:** Mitchell Gasbarra, Procurement Analyst, General Services Acquisition Policy Division, GSA, at telephone (202) 357-5846 or via email to [Mitchell.gasbarra@gsa.gov](mailto:Mitchell.gasbarra@gsa.gov).

**ADDRESSES:** Submit comments identified by Information Collection 3090-02085 by any of the following methods:

- *Regulations.gov:* <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by searching the OMB control number. Select the link "Submit a Comment" that corresponds with "Information

Collection 3090-0205, Environmental Conservation, Occupational Safety, and Drug-Free Workplace". Follow the instructions provided at the "Submit a Comment" screen. Please include your name, company name (if any), and "Information Collection 3090-0205, Environmental Conservation, Occupational Safety, and Drug-Free Workplace" on your attached document.

- *Fax:* 202-501-4067.

- *Mail:* General Services

Administration, Regulatory Secretariat (MVCB), 1275 First Street NE., Washington, DC 20417. Attn: Hada Flowers/IC 3090-0205, Environmental Conservation, Occupational Safety, and Drug-Free Workplace.

*Instructions:* Please submit comments only and cite Information Collection 3090-0205, Environmental Conservation, Occupational Safety, and Drug-Free Workplace, in all correspondence related to this collection. All comments received will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided.

## SUPPLEMENTARY INFORMATION:

### A. Purpose

The Federal Hazardous Substance Act and Hazardous Material Transportation Act prescribe standards for packaging of hazardous substances. To meet the requirements of the Acts, the General Services Administration Regulation prescribes clause 552.223-72, Hazardous Material Information, to be inserted in solicitations and contracts that provides for delivery of hazardous materials on an f.o.b. origin basis. This information collection will be accomplished by means of the clause, which requires the contractor to identify for each National Stock Number the DOT Shipping Name, DOT Hazards Class, and whether the item requires a DOT label. Contracting Officers and technical personnel use the information to monitor and ensure contract requirements based on law and regulation. Properly identified and labeled items of hazardous material allows for appropriate handling of such items throughout GSA's supply chain system. The information is used in GSA warehouses, stored in an NSN database and provided to GSA customers. Non-Collection and/or a less frequently conducted collection of the information resulting from Clause 552.223-72 would prevent the Government from being properly notified and prepared for arrival and storage of items containing hazardous material. Government activities may be hindered from apprising their employees of; (1) All