

FEDERAL RESERVE SYSTEM**12 CFR Part 204****[Docket No. OP–1440]****Payment System Risk Policy; Daylight Overdraft Posting Rules****AGENCY:** Board of Governors of the Federal Reserve System.**ACTION:** Policy statement.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) has revised its Policy on Payment System Risk (PSR Policy) to modify the posting rules to conform with procedural changes to the redemption of separately-sorted savings bonds and to eliminate a reference to the contractual clearing balance program.

DATES: *Effective Date:* The PSR Policy revisions concerning separately-sorted savings bond redemptions will take effect on April 11, 2012. Revisions related to the elimination of the contractual clearing balance program are effective July 12, 2012.

FOR FURTHER INFORMATION CONTACT: Susan V. Foley, Associate Director, (202/452–3596) or Jeffrey D. Walker, Manager, Financial Risk Management, (202/721–4559), Division of Reserve Bank Operations and Payment Systems. For users of Telecommunications Device for the Deaf (TDD) only, please call 202/263–4869.

SUPPLEMENTARY INFORMATION:**I. Background***Posting Rules for Separately-Sorted Savings Bond Redemptions*

The Board's PSR Policy measures depository institutions' intraday account balances according to a set of "posting rules" that determine the intraday timing of debits and credits to institutions' Federal Reserve accounts for different payment types. Posting rules currently specify that EZ-Clear savings bond redemptions in separately-sorted deposits will post at 8:30 a.m. Eastern time or 5 p.m. Eastern time, depending on the deposit time.

As announced by the Department of the Treasury on March 20, 2012 (77 FR 16165), effective April 11, 2012, Treasury is changing the procedures for financial institutions to transmit and receive settlement for redeemed definitive (paper) savings securities (savings bonds and savings notes) from the EZ-Clear system to an image-based securities process through the Federal Reserve Banks, and the EZ-Clear program will be decommissioned following the transition. The Reserve Banks will begin accepting redeemed

savings bonds as electronic images on Monday, April 16, 2012. The Federal Reserve Bank of Atlanta will accept deposits of redeemed savings bonds in paper form, but the processing of the bonds will no longer be based on the EZ-Clear system. The posting rules for separately-sorted savings bond redemptions remain unchanged, except that references to the EZ-Clear system have been removed from the PSR Policy.

Reference to the Contractual Clearing Balance Program

Under the PSR Policy, each Reserve Bank has the right to protect its risk exposure from individual institutions by unilaterally imposing risk-control measures, including requiring an institution to maintain balances under the contractual clearing balance program.¹ The Board, however, is amending Regulation D to eliminate the contractual clearing balance program on July 12, 2012.² To conform to this amendment to Regulation D, the reference to clearing-balance requirements is being removed from the PSR policy. Instead, the PSR policy will reference the right of a Reserve Bank to impose balance requirements. Depository institutions may be eligible to earn interest on these required balances held in their Federal Reserve accounts.³

Policy on Payment System Risk

The Federal Reserve Policy on Payment System Risk, Section II.A. under the heading "Procedures for Measuring Daylight Overdrafts" and the subheadings "Post at 8:30 a.m. Eastern time" and "Post at 5 p.m. Eastern time" is amended with changes as indicated in *italics*.

Procedures for measuring daylight overdrafts⁴

Post at 8:30 a.m. Eastern time:

+ / – Term deposit maturities and accrued interest

+ / – Government and commercial ACH credit transactions⁵

¹ A contractual clearing balance is an amount that an institution contracts to maintain with a Reserve Bank in addition to any reserve balance requirement.

² 77 FR 21846 (April 12, 2012).

³ 73 FR 59482 (October 9, 2008).

⁴ This schedule of posting rules does not affect the overdraft restrictions and overdraft-measurement provisions for nonbank banks established by the Competitive Equality Banking Act of 1987 and the Board's Regulation Y (12 CFR 225.52).

⁵ Institutions that are monitored in real time must fund the total amount of their commercial ACH credit originations in order for the transactions to be processed. If the Federal Reserve receives commercial ACH credit transactions from institutions monitored in real time after the scheduled close of the Fedwire Funds Service,

- + Treasury Electronic Federal Tax Payment System (EFTPS) investments from ACH credit transactions
 - + Advance-notice Treasury investments
 - + Treasury checks, postal money orders, local Federal Reserve Bank checks, and savings bond redemptions in separately sorted deposits; these items must be deposited by 12:01 a.m. local time or the local deposit deadline, whichever is later.
 - Penalty assessments for tax payments from the Treasury Investment Program (TIP).⁶
- Post at 5 p.m. Eastern time:
- + / – FedACH SameDay service transactions
 - + Treasury checks, postal money orders, and savings bond redemptions in separately sorted deposits; these items must be deposited by 4 p.m. Eastern time
 - + Local Federal Reserve Bank checks; these items must be presented before 3 p.m. Eastern time
 - + / – Immediate-settlement ACH transactions; these transactions include ACH return items and check-truncation items.

Additionally, in the Federal Reserve Policy on Payment System Risk, Section II.G.1 under the subheading "Ex post," the phrase "clearing-balance requirements" will be replaced with "balance requirements." The new sentence will read "Each Reserve Bank retains the right to protect its risk exposure from individual institutions by unilaterally reducing net debit caps, imposing (additional) collateralization or balance requirements, rejecting or delaying certain transactions as described below, or, in extreme cases, taking the institution offline or prohibiting it from using Fedwire."

these transactions will be processed at 12:30 a.m. the next business day, or by the ACH deposit deadline, whichever is earlier. The Account Balance Monitoring System provides intraday account information to the Reserve Banks and institutions and is used primarily to give authorized Reserve Bank personnel a mechanism to control and monitor account activity for selected institutions. For more information on ACH transaction processing, refer to the ACH Settlement Day Finality Guide available through the Federal Reserve Financial Services Web site at <http://www.frbservices.org>.

⁶ The Reserve Banks will identify and notify institutions with Treasury-authorized penalties on Thursdays. In the event that Thursday is a holiday, the Reserve Banks will identify and notify institutions with Treasury-authorized penalties on the following business day. Penalties will then be posted on the business day following notification.

By order of the Board of Governors of the Federal Reserve System, April 12, 2012.

Jennifer J. Johnson,
Secretary of the Board.

[FR Doc. 2012-9211 Filed 4-16-12; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 73

[Docket No. FAA-2012-0226; Airspace
Docket No. 12-ASO-10]

RIN 2120-AA66

Amendment of Restricted Area R-2917, De Funiak Springs, FL

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action modifies restricted area R-2917 by reducing the lateral and vertical dimensions of the area. The U.S. Air Force has determined that a smaller restricted area is needed to ensure that aircraft carrying certain electro-explosive devices remain a safe distance from an FPS-85 radar site.

DATES: Effective date 0901 UTC, May 31, 2012.

FOR FURTHER INFORMATION CONTACT: Paul Gallant, Airspace, Regulations and ATC Procedures Group, AJV-11, Office of Airspace Services, Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 20591; telephone: (202) 267-8783.

SUPPLEMENTARY INFORMATION:

Background

On January 2, 1996, the FAA published a final rule in the **Federal Register** to expand the lateral and vertical dimensions of restricted area R-2917, De Funiak Springs, FL, which surrounds an FPS-85 radar system located at that site (61 FR 0004). The expanded restricted area consisted of a 2.5 nautical mile radius, from the surface up to, but not including, Flight Level (FL) 230. The purpose of R-2917 is to provide protected airspace around the radar site because the radio frequency (RF) energy emitted by the radar has the potential to activate electro-explosive devices (EED) carried on board certain aircraft. It should be noted that R-2917 is located within the confines of a much larger restricted area, R-2914A, which extends from the surface to unlimited altitude.

A recent revision to Air Force explosive safety standards guidance revised the formula for computing the

hazards to EED from FPS-85 RF radiation. As a result, a smaller safe separation distance is required for aircraft carrying EED. This allows the size of R-2917 to be reduced to a one-nautical mile radius up to 5,000 feet MSL. The smaller restricted area R-2917 remains totally contained within existing restricted area R-2914A.

The Rule

This action amends Title 14 Code of Federal Regulations (14 CFR) part 73 to change the lateral and vertical dimensions of R-2917, De Funiak Springs, FL, from the current 2.5-nautical mile radius circle, extending from the surface to, but not including FL 230, to a one-nautical mile radius circle, extending from the surface to 5,000 feet MSL.

Because this amendment reduces the size of restricted airspace within the confines of a larger existing restricted area and does not increase the burden on the public, notice and public procedures under 5 U.S.C. 553(b) are unnecessary.

The FAA has determined that this action only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation: (1) Is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

The FAA has determined that this action qualifies for categorical exclusion under the National Environmental Policy Act in accordance with 311c., FAA Order 1050.1E, Environmental Impacts: Policies and Procedures. This action reduces the vertical and lateral dimensions of special use airspace; therefore, it is not expected to cause any potentially significant environmental impacts, and no extraordinary circumstances exist that warrant preparation of an environmental assessment.

List of Subjects in 14 CFR Part 73

Airspace, Prohibited areas, Restricted areas.

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 73, as follows:

PART 73—SPECIAL USE AIRSPACE

■ 1. The authority citation for part 73 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 73.29 [Amended]

■ 2. § 73.29 is amended as follows:

* * * * *

1. R-2917 De Funiak Springs, FL [Amended]

By removing the current Boundaries and Designated altitudes and substituting the following: Boundaries. A circle with a 1-nautical mile radius centered at lat. 30°34'21"N., long. 86°12'53"W.

Designated altitudes. Surface to 5,000 feet MSL.

Issued in Washington, DC on April 12, 2012.

Ellen Crum,

Acting Manager, Airspace, Regulations and ATC Procedures Group.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 558

[Docket No. FDA-2012-N-0002]

New Animal Drugs for Use in Animal Feeds; Tiamulin

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to reflect the withdrawal of approval of those parts of a new animal drug application (NADA) for a tiamulin Type A medicated article that pertain to the production indications for use of increased rate of weight gain and improved feed efficiency in swine.

DATES: This rule is effective April 17, 2012.

FOR FURTHER INFORMATION CONTACT: Cindy L. Burnsteel, Center for Veterinary Medicine (HFV-130), Food and Drug Administration, 7500 Standish