

made most easily after completion of the changeover of software used by the Federal Reserve to process most data flows, currently projected for March 1998, and prior to the annual deposit panel shifts that will take place in September 1998.

**Initial Regulatory Flexibility Analysis**

The Regulatory Flexibility Act (5 U.S.C. 601-612) requires an agency to publish an initial regulatory flexibility analysis with any notice of proposed rulemaking. An initial regulatory flexibility analysis must include: (1) A description of the reasons why action by the agency is being considered; (2) a statement of the objectives of, and legal basis for, the proposed rule; (3) a description of and, where feasible, an estimate of the number of small entities to which the proposed rule will apply; (4) a description of the projected reporting, recordkeeping, and other compliance requirements of the proposed rule; and (5) an identification, to the extent practicable, of all relevant Federal rules that may duplicate, overlap, or conflict with the proposed rules. 5 U.S.C. 603(b).

As discussed above, the Board is considering this action to improve the ability of the Federal Reserve to estimate accurately the need for reserves on a timely basis, with the objective of ensuring greater effectiveness of the Federal Reserve's open market operations. Under section 19 of the Federal Reserve Act, the Board is authorized to promulgate rules concerning the maintenance of reserves. 12 U.S.C. 461(c). The Board does not believe that there are any Federal rules that duplicate, overlap, or conflict with the proposed rule.

The proposal will affect only institutions that are weekly deposit reporters, which generally include depository institutions that have total deposits of \$75 million or greater, as only these institutions currently are required to maintain reserves on a contemporaneous basis.<sup>5</sup> The proposed amendments will not increase reporting or recordkeeping requirements associated with Regulation D for institutions that are weekly reporters, but will significantly simplify compliance with the rule for these institutions. The proposal therefore will not increase regulatory burden on small institutions generally and will reduce

regulatory burden for those small institutions that are affected.

**List of Subjects in 12 CFR Part 204**

Banks, banking, Federal Reserve System, Reporting and recordkeeping requirements.

For the reasons set out in the preamble, the Board proposes to amend part 204 of chapter II of title 12 of the Code of Federal Regulations 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), 371a, 461, 601, 611, and 3105.

2. In § 204.3, paragraph (c) is revised to read as follows:

**§ 204.3 Computation and maintenance.**

\* \* \* \* \*

(c) *Computation of required reserves for institutions that report on a weekly basis.* (1) Required reserves are computed on the basis of daily average balances of deposits and Eurocurrency liabilities during a 14-day period ending every second Monday (the "computation period"). Reserve requirements are computed by applying the ratios prescribed in § 204.9 to the classes of deposits and Eurocurrency liabilities of the institution. In determining the reserve balance that is required to be maintained with the Federal Reserve, the average daily vault cash held during the computation period is deducted from the amount of the institution's required reserves.

(2) The reserve balance that is required to be maintained with the Federal Reserve shall be maintained during a 14-day period (the "maintenance period") that begins on the third Thursday following the end of a given computation period.

\* \* \* \* \*

By order of the Board of Governors of the Federal Reserve System, November 6, 1997.

**William W. Wiles,**

*Secretary of the Board.*

[FR Doc. 97-29761 Filed 11-10-97; 8:45 am]

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**SOCIAL SECURITY ADMINISTRATION**

**20 CFR Part 404**

[Regulations No. 4]

RIN 0960-AE35

**Reduction of Disability Benefits—Workers' Compensation and Public Disability Benefits and Payments**

AGENCY: Social Security Administration.

ACTION: Proposed rules; extension of comment period.

**SUMMARY:** On September 4, 1997, in the **Federal Register** (62 FR 46682), we published a proposal to revise our rules on the reduction of Social Security benefits based on disability on account of receipt of workers' compensation and/or public disability benefits and payments provided under Federal (other than Social Security), State, or local laws or plans to clarify our existing policies. To allow the public additional time to send us comments, we are extending the comment period. We are also making a few changes in the address and contact information.

**DATES:** To be sure that your comments are considered, we must receive them no later than January 5, 1998.

**ADDRESSES:** Comments should be submitted in writing to the Commissioner of Social Security, P.O. Box 1585, Baltimore, MD 21235, sent by telefax to (410) 966-2830, sent by E-mail to "regulations@ssa.gov", or delivered to the Office of Process and Innovation Management, Social Security Administration, L2109 West Low Rise Building, 6401 Security Boulevard, Baltimore, MD 21235-0001, between 8:00 a.m. and 4:30 p.m. on regular business days. Comments may be inspected during these same hours by making arrangements with the contact person shown below.

**FOR FURTHER INFORMATION CONTACT:** Daniel T. Bridgewater, Legal Assistant, Office of Process and Innovation Management, Social Security Administration, L2109 West Low Rise Building, 6401 Security Boulevard, Baltimore, MD 21235, (410) 965-3298 for information about these rules.

Dated: November 6, 1997.

**Kenneth S. Apfel,**

*Commissioner of Social Security.*

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<sup>5</sup> While weekly reporters that are Edge or Agreement corporations or U.S. branches or agencies of a foreign bank may have deposits of less than \$75 million, the deposits of these entities represent only a portion of the total deposits of the larger organizations to which they belong.