

which branches are insured and which branches are not insured in all of its advertisements requiring the use of the official advertising statement.

(b) *Official advertising statement.* The official advertising statement shall be in substance as follows: "Member of the Federal Deposit Insurance Corporation". The word "the" or the words "of the" may be omitted. The words "This bank is a", "This savings association is a", "This savings and loan is a", or the words "This institution is a" or the name of the insured depository institution followed by the words "is a" may be added before the word "member." The short title "Member of FDIC" or "Member FDIC" or a reproduction of the "symbol" may be used by insured depository institutions at their option as the official advertising statement. The official advertising statement shall be of such size and print to be clearly legible. Where it is desired to use the "symbol" of the Corporation as the official advertising statement, and the "symbol" must be reduced to such proportions that the small lines of type and the Corporation seal therein are indistinct and illegible, the Corporation seal in the letter C and the two lines of small type may be blocked out or dropped.

(c) *Types of advertisements which do not require the official advertising statement.* The following types of advertisements need not include the official advertising statement:

(1) Statements of condition and reports of condition of an insured depository institution which are required to be published by state or federal law;

(2) Stationery (except when used for circular letters), envelopes, deposit slips, checks, drafts, signature cards, deposit passbooks, certificates of deposit, and other similar items;

(3) Signs or plates in the banking office or attached to the building or buildings in which the banking offices are located;

(4) Listings in directories;

(5) Advertisements not setting forth the name of the insured depository institution;

(6) Display advertisements in depository institution directory, provided the name of the depository institution is listed on any page in the directory with a symbol or other descriptive matter indicating it is a member of the Federal Deposit Insurance Corporation;

(7) Joint or group advertisements of banking services where the names of insured depository institutions and noninsured institutions are listed and form a part of such advertisements;

(8) Advertisements by radio or television, other than display advertisements, which do not exceed thirty (30) seconds in time;

(9) Advertisements which are of the type or character making it impractical to include thereon the official advertising statement including, but not limited to, promotional items such as calendars, matchbooks, pens, pencils, and key chains;

(10) Advertisements which contain a statement to the effect that the depository institution is a member of the Federal Deposit Insurance Corporation, or that the depository institution is insured by the Federal Deposit Insurance Corporation, or that its deposits or depositors are insured by the Federal Deposit Insurance Corporation to the maximum of \$100,000 for each depositor;

(11) Advertisements which do not relate to insured deposit products or services.

(d) *Prohibited use.* (1) Except as provided in paragraph (d)(2) of this section, an insured depository institution may not include the official advertising statement or refer to either federal deposit insurance or the Federal Deposit Insurance Corporation in any advertisement relating to nondeposit investment products or similar nondeposit products.

(2) In advertisements containing information about both insured deposits and nondeposit investment products or similar nondeposit products, the information concerning insured deposits shall be clearly segregated from the information about nondeposit investment products (or similar nondeposit products) and shall contain either the official statement, or any similar statement, including, but not limited to, statements to the effect that the depository institution's deposits or depositors are insured by the Federal Deposit Insurance Corporation to the maximum of \$100,000 for each depositor, or that specific deposit products are insured by the Federal Deposit Insurance Corporation.

(e) *Billboard advertisements.* Where an insured depository institution has billboard advertisements in use as of [the effective date of the final rule] which are required to include the official advertising statement and the insured depository institution has direct control of such advertisements either by possession or under the terms of a contract, the institution shall, as soon as it can consistent with its contractual obligations, cause the official advertising statement to be included therein.

(f) *Official advertising statement in non-English language.* The non-English equivalent of the official advertising statement may be used in any advertisement: *Provided*, That the translation has had the prior written approval of the Corporation. Authority to provide such approval on behalf of the Corporation is hereby delegated to the Director, Division of Compliance and Consumer Affairs; the Deputy Director, Division of Compliance and Consumer Affairs; and each Regional Director, Division of Compliance and Consumer Affairs.

#### **§ 328.4 [Removed]**

5. Section 328.4 is removed.

By order of the Board of Directors.

Dated at Washington, D.C., this 21st day of January, 1997.

Federal Deposit Insurance Corporation.

Jerry L. Langley,

*Executive Secretary.*

[FR Doc. 97-3319 Filed 2-10-97; 8:45 am]

BILLING CODE 6714-01-P

## **SMALL BUSINESS ADMINISTRATION**

### **13 CFR Part 107**

#### **Small Business Investment Companies**

**AGENCY:** Small Business Administration.

**ACTION:** Proposed rule.

**SUMMARY:** In response to concerns expressed by a number of small business investment companies (SBICs), SBA is proposing to modify the examination fees charged to SBICs. SBA believes that the current fee schedule places a disproportionate burden on certain classes of licensees (particularly those with the largest amount of total assets) and, in some cases, results in fee assessments that exceed reasonable charges based on the level of effort and time associated with the examination process.

**DATES:** Comments must be submitted on or before March 13, 1997.

**ADDRESSES:** Written comments should be addressed to Don A. Christensen, Associate Administrator for Investment, U.S. Small Business Administration, 409 3rd Street, SW., Suite 6300, Washington, DC 20416.

**FOR FURTHER INFORMATION CONTACT:** Leonard W. Fagan, Investment Division, at (202) 205-7583.

**SUPPLEMENTARY INFORMATION:** On January 31, 1996 the Small Business Administration (SBA) published final regulations which, among other things, increased the examination fees charged to SBICs. See 61 FR 3177. Fees

continued to be assessed based on total assets of the licensee, but at higher rates. The new fee schedule was designed to produce total revenue sufficient to cover the current direct costs to SBA of conducting examinations.

Since the effective date and implementation of this regulation (March 1, 1996), SBA has received a number of comments regarding the impact of the new fee schedule on licensees in certain asset size groups. In particular, bank-owned SBICs argue that they are required to bear an unfair portion of the overall fees. In this regard, they note that they generally have no federal funds at risk. However, because fees are based on total assets and they generally have the largest amount of total assets, they are required to pay fees at levels which far exceed the level of effort and risk associated with the examination process. Similarly, larger SBICs which are not bank-owned and do rely on federal funds to supplement private capital argue that the fees greatly exceed the amount they pay for financial audits and are not representative of the level of effort and time attributable to the process.

Because of these comments, the SBA has re-assessed its examination fee schedule and its impact on the various classes of licensees. Based on its reassessment, the SBA has concluded that the current fee schedule places a disproportionate burden on certain classes of licensees and, in some cases, results in fee assessments that exceed reasonable charges based on the level of effort and time associated with the examination process.

To remedy this situation, the SBA is proposing revisions to § 107.692 to establish fees that are more reasonable in relation to the level of effort and resources expended by the Agency. The proposed fee schedule would establish "base fees" for examinations. The base fee increases as a licensee's total assets increase, but is capped at \$14,000. The base fee would be adjusted upward in circumstances where the Agency incurs additional cost or burdens in the process because of circumstances solely related to the licensee to be examined. Similarly, the base fee would be adjusted downward where circumstances solely related to the licensee to be examined are such that the Agency's level of effort and time are minimized. In SBA's view, these adjustments are incentives for the licensees to adhere to program regulations and will serve to further enhance the safety and soundness of the SBIC program. The new fee schedule

would apply to examinations beginning after the effective date of a final rule.

Compliance With Executive Orders, 12612, 12778, and 12866, the Regulatory Flexibility Act (5 U.S.C. 601, et seq.), and the Paperwork Reduction Act (44 U.S.C. Ch. 35)

SBA certifies that this proposed rule would not be a significant regulatory action for purposes of Executive Order 12866 because it would not have an annual effect on the economy of more than \$100 million, and that it would not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq. The purpose of the proposed rule is to modify the existing regulatory guidance related to SBIC examination fees. The proposed regulations would provide for more reasonable and equitable examination fees. The proposed fee structure would more properly reflect the level of effort and Agency resources expended to conduct an examination, would encourage continued compliance with program regulations, and would continue to allow for efficient and effective program administration.

The proposed regulations would have some economic effect. The base fee for examinations would continue to be based on total assets of a licensee and, for the most part, at the rates prescribed in current regulations. However, no licensee would have a base fee greater than \$14,000. The proposed regulations would provide for discounts of the base examination fee for (1) licensees that had no outstanding regulatory violations at the time of the examination and there were no violations noted as a result of the most recent prior examination; and (2) licensees that are cooperative with SBA examination personnel by being fully responsive to the letter of notification of examination. Similarly, the proposed regulations would provide increases to the base examination fee for a licensee that (1) is organized as a partnership or limited liability company; (2) is authorized to issue Participating Securities; and/or (3) maintains its records/files in multiple locations.

The largest licensees, those with total assets exceeding \$60 million, would realize substantial fee decreases. The examination base fee of all licensees potentially could be increased or decreased. Therefore, all licensees with total assets below \$60 million may experience a 5% to 25% increase or a 10% to 25% decrease in the cost of an annual examination. The economic impact in either case is inconsequential

given the total number of licensees and the base fees applicable to the majority of the licensees. Further, even assuming the maximum increases provided for in the proposed regulations, most licensees with total assets greater than \$60 million would realize significant examination fee reductions.

For purposes of the Paperwork Reduction Act, 44 U.S.C. Ch. 35, SBA certifies that this proposed rule, if adopted in final form, would contain no new reporting or recordkeeping requirements that have not already been approved by the Office of Management and Budget.

For purposes of Executive Order 12612, SBA certifies that this rule would not have any federalism implications warranting the preparation of a Federalism Assessment.

For purposes of Executive Order 12778, SBA certifies that this rule is drafted, to the extent practicable, in accordance with the standards set forth in Section 2 of that Order.

#### List of Subjects in 13 CFR Part 107

Investment companies, Loan programs-business, Reporting and recordkeeping requirements, Small businesses.

For the reasons set forth above, SBA hereby proposes to amend Part 107 of Title 13 of the Code of Federal Regulations as follows:

#### **PART 107—SMALL BUSINESS INVESTMENT COMPANIES**

1. The authority citation for part 107 is revised to read as follows:

Authority: 15 U.S.C. 681 *et seq.*, 683, 687(c), 687b, 687d, 687g and 687m, Pub. L. 104-208.

2. Section 107.692 is revised to read as follows:

#### **§ 107.692 Examination fees.**

(a) General. SBA will assess fees for examinations in accordance with this § 107.692. Unless SBA determines otherwise on a case by case basis, SBA will not assess fees for special examinations to obtain specific information.

(b) Base fee. A base fee will be assessed based on your total assets (at cost) as of the date of your latest certified financial statement or a more recent interim statement requested by and submitted to SBA in connection with the examination. The base fee table is as follows:

Total assets of licensee	Base fee	Plus, percent of assets
\$0 to \$1,500,000 .....	\$3,500	+0%.
\$1,500,001 to \$5,000,000 .....	3,700	+0.065% of the amount over \$1,500,000.
\$5,000,001 to \$10,000,000 .....	6,000	+0.02% of the amount over \$5,000,000.
\$10,000,001 to \$15,000,000 .....	7,000	+0.01% of the amount over \$10,000,000.
\$15,000,001 to \$25,000,000 .....	7,700	+0.015% of the amount over \$15,000,000.
\$25,000,001 to \$50,000,000 .....	9,200	+0.015% of the amount over \$25,000,000.
\$50,000,001 to \$60,000,000 .....	13,000	+0.01% of the amount over \$50,000,000.
\$60,000,001 and above .....	14,000	+0%.

(c) Adjustments to base fee. Your base fee, as determined by the table in paragraph (b) of this section, will be adjusted (increased or decreased) based on the following criteria:

(1) If you have no outstanding regulatory violations at the time of the commencement of the examination and SBA did not identify any violations as a result of the most recent prior examination, you will receive a 15% discount on your base fee;

(2) If you were fully responsive to the letter of notification of examination

(that is, you provided all requested documents and information within the time period stipulated in the notification letter in a complete and accurate manner, and you prepared and had available all information requested by the examiner for on-site review), you will receive a 10% discount on your base fee;

(3) If you are organized as a partnership or limited liability company, you will pay an additional charge equal to 5% of your base fee;

(4) If you are a Licensee authorized to issue Participating Securities, you will pay an additional charge equal to 10% of your base fee; and

(5) If you maintain your records/files in multiple locations (as permitted under § 107.600(b)), you will pay an additional charge equal to 10% of your base fee.

(d) Fee discounts and additions table. The following table summarizes the discounts and additions noted in paragraph (c) of this section:

Examination fee discounts	Amount of discount—% of base examination fee	Examination fee additions	Amount of addition—% of base examination fee
No prior violations .....	15	Partnership or limited liability co .....	5
Responsiveness .....	10	Participating Security Licensee .....	10
		Financing Records at Multiple Locations .....	10

(e) Delay fee. If, in the judgment of SBA, the time required to complete your examination is delayed due to your lack of cooperation or the condition of your records, SBA may assess an additional fee of up to \$500 per day.

Dated: February 4, 1997.

Philip Lader,

Administrator.

[FR Doc. 97-3280 Filed 2-10-97; 8:45 am]

BILLING CODE 8025-01-P

## DEPARTMENT OF THE INTERIOR

### Minerals Management Service

#### 30 CFR Part 251

#### RIN 1010-AC10

### Geological and Geophysical (G&G) Explorations of the Outer Continental Shelf

**AGENCY:** Minerals Management Service (MMS), Interior.

**ACTION:** Proposed rule.

**SUMMARY:** We propose to revise the regulations that specify how to conduct G&G exploration and research for oil, gas, and sulphur in the Outer

Continental Shelf (OCS) under a permit and to expand the provisions governing research by requiring everyone conducting G&G scientific research in the OCS without a permit to file a notice with MMS. These revisions respond to changes in technology and practice.

**DATES:** MMS will consider all comments we receive by April 14, 1997. We will begin reviewing comments then and may not fully consider comments we receive after April 14, 1997.

**ADDRESSES:** Mail or hand-carry written comments to the Department of the Interior, Minerals Management Service, Mail Stop 4700, 381 Elden Street, Herndon, Virginia 20170-4817, Attention: John V. Mirabella, Chief, Engineering and Standards Branch.

**FOR FURTHER INFORMATION CONTACT:** David R. Zinzer, Geologic Assessment Branch, (703) 787-1515 or Kumkum Ray, Engineering and Standards Branch, (703) 787-1600.

**SUPPLEMENTARY INFORMATION:** The Outer Continental Shelf Lands Act (OCSLA) (43 U.S.C. 1331 *et seq.*) is the basis for MMS regulations to administer G&G exploration and scientific research activities in the OCS. Section 11(a) of the OCSLA provides authority for the

Secretary of the Interior (Secretary) to permit G&G exploration activities as follows:

(a) Approved exploration plans.

(1) Any agency of the United States and any person authorized by the Secretary may conduct geological and geophysical explorations in the outer Continental Shelf, which do not interfere with or endanger actual operations under any lease maintained or granted pursuant to this Act, and which are not unduly harmful to aquatic life in such area.

The regulations at 30 CFR part 251 implement the Secretary's authority and prescribe:

(1) MMS requirements for a permit or the filing of a statement of intent (notice) to conduct G&G exploration or scientific research in the OCS,

(2) Operating procedures for conducting exploration or scientific research,

(3) Conditions for reimbursing permittee for certain costs,

(4) Other conditions for conducting exploration and research, and

(5) Procedures for drilling deep stratigraphic tests in the OCS.

This proposed rule is especially timely now. Advances in 3-D seismic