

to the discount window include Edge and agreement corporations, bankers' banks that are not subject to reserve requirements, limited-purpose trust companies, government-sponsored enterprises (GSEs), and international organizations. Depository institutions that have been assigned a zero cap by their Reserve Banks are also subject to special considerations under this policy based on the risks they pose. In developing its policy for these account holders, the Board has sought to balance the goal of reducing and managing risk in the payments system, including risk to the Federal Reserve, with that of minimizing the adverse effects on the payments operations of these account holders.

Regular access to the Federal Reserve discount window generally is available to institutions that are subject to reserve requirements. If an account holder that is not subject to reserve requirements and thus does not have regular discount-window access were to incur a daylight overdraft, the Federal Reserve might end up extending overnight credit to that account holder if the daylight overdraft were not covered by the end of the business day. Such a credit extension would be contrary to the quid pro quo of reserves for regular discount-window access as reflected in the Federal Reserve Act and in Board regulations. Thus, account holders that do not have regular access to the discount window should not incur daylight overdrafts in their Federal Reserve accounts.

Certain account holders are subject to a daylight-overdraft penalty fee levied against the average daily daylight overdraft incurred by the account holder. These include Edge and agreement corporations, bankers' banks that are not subject to reserve requirements, limited-purpose trust companies, GSEs, and international organizations. The annual rate used to determine the daylight-overdraft penalty fee is equal to the annual rate applicable to the daylight overdrafts of other depository institutions (36 basis points) plus 100 basis points multiplied by the fraction of a 24-hour day during which Fedwire is scheduled to operate (currently 18/24). The daily daylight overdraft penalty rate is calculated by dividing the annual penalty rate by 360.

The daylight-overdraft penalty rate applies to the account holder's average daily daylight overdraft in its Federal Reserve account. The daylight-overdraft penalty rate is charged in lieu of, not in addition to, the rate used to calculate daylight overdraft fees for depository institutions described in section I.B. While daylight overdraft fees are

calculated differently for these account holders than for depository institutions, overnight overdrafts at Edge and agreement corporations, bankers' banks that are not subject to reserve requirements, limited-purpose trust companies, GSEs, and international organizations are priced the same as overnight overdrafts at depository institutions that have regular access to the discount window.

A new heading "Government-sponsored enterprises and international organizations" and text would be added to read as follows in Section I.E.4.:

4. Government-sponsored enterprises and international organizations

The Reserve Banks act as fiscal agents for certain GSEs and international organizations in accordance with federal statutes. These entities generally have Federal Reserve accounts and issue securities over the Fedwire Securities Service. The securities of these account holders are not obligations of, or guaranteed by, the United States. Furthermore, these account holders are not subject to reserve requirements, do not have regular discount-window access, and should refrain from incurring daylight overdrafts and post collateral to cover any daylight overdrafts they do incur. GSEs and international organizations are subject to the same daylight-overdraft penalty rate as other entities that do not maintain reserves and do not have regular discount-window access.

Section I.E.4., under the heading "Problem institutions," would be renumbered as "I.E.5."

By order of the Board of Governors of the Federal Reserve System, February 4, 2004.

Jennifer J. Johnson,
Secretary of the Board.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[Program Announcement 04078]

Providing Technical Assistance Support for the Rapid Strengthening of Blood Transfusion Services in Selected Countries in Africa and the Caribbean Under the President's Emergency Plan for AIDS Relief; Amendment

A notice announcing the availability of fiscal year (FY) 2004 funds for cooperative agreements for Providing

Technical Assistance Support for the Rapid Strengthening of Blood Transfusion Services in Selected Countries in Africa and the Caribbean Under the President's Emergency Plan for AIDS Relief was published in the **Federal Register** on December 1, 2003, volume 68, number 230, pages 67181-67186. The notice is amended as follows:

On page 67183, in the first column under "III.1. Eligible applicants," please include a fifth bullet allowing "For profit organizations" to apply.

On page 67185, in the first column under "IV.5. Funding restrictions," please incorporate the following as an additional restriction:

In accordance with CFR 45 74.81, no HHS funds may be paid as profit to any recipient even if the recipient is a commercial organization. Profit is any amount in excess of allowable direct and indirect costs.

Dated: February 4, 2004.

Sandra R. Manning,

Director, Procurement and Grants Office,
Centers for Disease Control and Prevention.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[FDA 225-03-8002]

Memorandum of Understanding Between the Food and Drug Administration and Virginia Polytechnic Institute and State University

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is providing notice of a memorandum of understanding (MOU) between FDA and the Virginia Polytechnic Institute and State University to establish terms of collaboration to support shared interests that can proceed through a variety of programs, such as sabbaticals, postdoctoral fellowships, and student internships.

DATES: The agreement became effective March 13, 2003.

FOR FURTHER INFORMATION CONTACT: Peter Pitts, Office of External Relations (HF-10), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-827-3330.

SUPPLEMENTARY INFORMATION: In accordance with 21 CFR 20.108(c), which states that all written agreements