(ii) Payments or costs deemed to be coordinated expenditures for general public political communications, pursuant to 11 CFR 100.23;

(iii) Payments or costs associated with any general public political communication that refers to a candidate for federal office and has been tested to determine its probable impact on the candidate preference of voters;

(iv) Payments or costs associated with any general public political communication that refers to a candidate for federal office, where the intended audience has been selected based on its voting behavior; or

(v) Payments made to a commercial vendor for a service or product, with the express understanding that the service or product be designed to influence one or more federal elections.

(3) Notwithstanding any other provision of this section, a business entity organized for profit that provides goods or services to others at the usual and normal charge for such goods or services shall not be considered a political committee. Discounts may be provided as set forth in 11 CFR 9008.9(a).

* * * * *

Dated: March 1, 2001.

Danny L. McDonald,

Chairman, Federal Election Commission.

[FR Doc. 01–5473 Filed 3–6–01; 8:45 am]

BILLING CODE 6715–01–P

FEDERAL HOUSING FINANCE BOARD

12 CFR Part 932

[No. 2001–03]

RIN 3069–AB11

Unsecured Credit Limits for Federal Home Loan Banks

AGENCY: Federal Housing Finance Board.

ACTION: Proposed rule.

SUMMARY: On December 20, 2000, as part of its new capital rule, the Federal Housing Finance Board (Finance Board) approved new limits on the amounts of unsecured credit that a Federal Home Loan Bank (Bank) may extend to a single counterparty or group of affiliated counterparties. These new unsecured limits revised and codified the unsecured credit guidelines set forth in the Finance Board's Financial Management Policy (FMP). The Finance Board is, hereby, proposing amendments to the unsecured credit provisions of the capital rule to increase the limit on a Bank's unsecured credit exposure to government-sponsored enterprises (GSEs).

DATES: The Finance Board will consider written comments on the proposed rulemaking that are received on or before April 23, 2001.

ADDRESSES: Send comments to: Elaine L. Baker, Secretary to the Board, by electronic mail at *bakere@fhfb.gov,* or by regular mail to the Board, at the Federal Housing Finance Board, 1777 F Street, N.W., Washington, D.C. 20006. Comments will be available for inspection at this address.

FOR FURTHER INFORMATION CONTACT: James L. Bothwell, Managing Director, (202) 408–2821; Scott L. Smith, Acting Director, (202) 408–2991; or Julie Paller, Senior Financial Analyst, (202) 408–2842, Office of Policy, Research and Analysis; or Thomas E. Joseph, Attorney-Advisor, (202) 408–2512, Office of General Counsel, Federal Housing Finance Board, 1777 F Street, N.W., Washington, D.C. 20006.

SUPPLEMENTARY INFORMATION:

I. Background

On December 20, 2000, in accordance with the Gramm-Leach-Bliley Act, Pub. Law No. 106–102, 133 Stat. 1338 (Nov. 12, 1999) (GLB Act), the Finance Board adopted a final rule to implement the new capital structure that the GLB Act established for the Banks. *See* 66 FR 8262 (Jan. 30, 2001). As part of the final capital rule, the Finance Board adopted new limits on the permitted amounts of a Bank's unsecured credit exposures to a single counterparty or a group of affiliated counterparties. *Id.* at 8318–19 (to be codified at 12 CFR 932.9). These new limits represent a revision and codification of the unsecured credit guidelines of Section VI of the FMP, Finance Board Res. No. 96–45 (July 3, 1996), *as amended by* Finance Board Res. No. 96–90 (Dec. 6, 1996), Finance Board Res. No. 97–05 (Jan. 14, 1997), and Finance Board Res. 97–86 (Dec. 17, 1997), which will remain in effect until these new limits take effect on July 2, 2001.[1] During the comment period for the proposed capital rule, many commenters generally opposed the implementation of the unsecured credit guidelines in § 932.9, but did not comment on the specific limits set in the rule, which are designed to address safety and soundness concerns related to the risk created by credit concentrations in a single counterparty or group of affiliated counterparties. *See* 66 FR 8301–02.

The new unsecured credit limits in 12 CFR 932.9 are more restrictive than those that are applied under the FMP. They allow the Banks, however, to extend unsecured credit to lower-rated counterparties than is now allowed under the FMP and will remove maturity constraints on extensions of unsecured credit that are contained in Section VI of the FMP. Before a Bank may extend unsecured credit to any counterparty (or affiliated counterparties) to which a Bank could not previously lend because of the credit rating restrictions or maturity limits in the FMP, the Bank must obtain the Finance Board's approval for the lending activity as a new business activity pursuant to 12 CFR Part 980. The new limits do not apply to obligations backed by the full faith and credit of the United States government, which is the case under the unsecured credit guidelines of the FMP. Section 932.9 also does not require a Bank to unwind positions that do not conform to the new requirements provided the credit was extended in accordance with the FMP before the effective date of the new rule.

II. Proposed Rule

As discussed in the **SUPPLEMENTARY INFORMATION** section of the adopting release of the final capital rule, the Finance Board believes that the diversification of risk, particularly with regard to unsecured credit, promotes the safety and soundness of the Banks and that the specific limits adopted in 12 CFR 932.9 are necessary to address the increase in credit risk associated with concentrations of credit exposures. The limits are not unduly onerous[2] and generally are consistent with those applicable to commercial banks. *See* 12 CFR Part 32.

It has been suggested, however, that as applied to debt issued by the GSEs, the new limits may present problems for some Banks. Under the FMP, the Banks could maintain unsecured credit exposures with a single GSE in an amount equal to 100 percent of the Bank's capital. The new unsecured credit limits would treat GSEs like other private counterparties and base the unsecured credit limit on the long- or

[1] The Chairman of the Bank Presidents' Conference requested an extension of the March 1, 2001 effective date for complying with the new unsecured credit limits. In response, the Finance Board has waived the March 1, 2001 date by Resolution, dated February 28, 2001, and has extended the date for compliance with § 932.9 by 120 days until July 2, 2001.

[2] If extension of credit to GSEs are not included, at year-end 2000, the Banks in aggregate had only just over $4.4 billion in unsecured extensions of credit that would be in excess of the limits set forth in 12 CFR § 932.9 compared with a total unsecured extensions of credit to private counterparties of just over $84 billion.

short-term ratings assigned to the GSE by a Nationally Recognized Statistical Rating Organization (NRSRO). Generally speaking, GSEs currently receive the highest investment grade rating assigned by an NRSRO. For all such counterparties, a Bank's maximum allowable unsecured credit exposure under § 932.9 cannot exceed 15 percent of the Bank's total capital or of the counterparty's regulatory capital, whichever amount is lower.

Some Banks have indicated that, given the magnitude of the reduction in the allowable credit exposure to a GSE under § 932.9, they will experience difficulty in developing new investment strategies to conform to these new limits. Since publication of the final unsecured credit rule, some Banks have indicated that GSE debt offers an attractive risk-return profile not available from other investments, especially in the immediate future. Some Banks also have suggested that GSEs are a better credit risk than other counterparties, even those counterparties with the highest investment grade ratings, and point to the premium over corporate debt at which GSE debt trades in the markets as an indication of the GSEs' special status. These Banks further claim that the new restrictions on their credit exposures to GSEs may result in greater investment in instruments with a lesser credit quality.

In the **SUPPLEMENTARY INFORMATION** section of the final capital rule, the Finance Board noted that it ''may solicit additional comments regarding the appropriateness of the [unsecured credit] limits in future rulemaking and may consider revising them at that time.'' 66 FR 8302. The Finance Board also recognizes that for some Banks, the magnitude of the reduction in the allowable unsecured credit limit applicable to GSEs could be disruptive and that, historically, GSEs have been viewed more favorably by debt markets than even the highest-rated corporate debt issuers. Thus, the Finance Board is proposing to amend 12 CFR 932.9 to raise the limit on a Bank's unsecured extensions of credit to a GSE and is requesting comment and supporting analysis concerning the appropriate level for this new limit.

It also has been suggested that the Finance Board amend 12 CFR 932.9 to exclude from the unsecured credit limits the sale of Federal funds with a maturity of one day or less, or Federal funds sold under a continuing contract, as do commercial bank regulators. *See* 12 CFR Part 32. The Finance Board requests comment on whether it should adopt such an exclusion, although it is not proposing to do so at this time. If commenters support such an exclusion, they should provide data indicating how the lack of such an overnight Federal funds exclusion in 12 CFR 932.9 would negatively affect the Banks and should address why such an exclusion would not raise safety and soundness concerns.

III. Regulatory Flexibility Act

The proposed rule applies only to the Banks, which do not come within the meaning of small entities as defined in the Regulatory Flexibility Act (RFA). *See* 5 U.S.C. 601(6). Therefore, in accordance with section 605(b) of the RFA, 5 U.S.C. 605(b), the Finance Board hereby certifies that this proposed rule, if promulgated as a final rule, will not have a significant economic effect on a substantial number of small entities.

IV. Paperwork Reduction Act

The proposed rule does not contain any collections of information pursuant to the Paperwork Reduction Act of 1995. *See* 33 U.S.C. 3501 *et seq.* Therefore, the Finance Board has not submitted any information to the Office of Management and Budget for review.

Dated: February 28, 2001.

By the Board of Directors of the Federal Housing Finance Board.

Allan I. Mendelowitz,

Chairman.

[FR Doc. 01–5474 Filed 3–6–01; 8:45 am]

BILLING CODE 6725–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 284

[Docket No. PL00–1–000]

Dialog Concerning Natural Gas Transportation Policies Needed To Facilitate Development of Competitive Natural Gas Markets

March 2, 2001.

AGENCY: Federal Energy Regulatory Commission, Department of Energy.

ACTION: Notice organizing staff conference.

SUMMARY: In Order 637, issued on February 9, 2000, the Federal Energy Regulatory Commission (Commission) revised its regulatory policies, amended its regulations, and established new procedures to enhance the competitiveness and efficiency of markets for the transportation of natural gas in interstate commerce. This notice provides the organizational framework for the second of three public staff conferences in a dialog between the industry and Commission staff. This conference focuses on affiliate issues.

EFFECTIVE DATE: The conference will take place on March 15, 2001, starting at 1 p.m. Persons wishing to submit further comments following the conclusion of the conference must submit them by April 30, 2001.

ADDRESSES: Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426.

FOR FURTHER INFORMATION CONTACT: Robert A. Flanders, Office of Markets, Tariffs and Rates, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, (202) 208–2084, e-mail: Robert.Flanders@ferc.fed.us

Notice Organizing Staff Conference on Competitive Natural Gas Markets

This notice provides the organizational format for the Federal Energy Regulatory Commission staff conference to be held on March 15, 2001 to discuss how the changes in the natural gas market affect the way in which the Commission should regulate transportation transactions between pipelines and their affiliates, as well as between pipeline capacity holders and their affiliates, capacity managers and agents. The purpose of this conference is to continue the dialog begun with the September 19, 2000 staff conference to enable the industry to discuss with staff, as well as with each other, issues relating to the development of Commission policy and regulatory responses to rate and service revisions to meet the needs of the changing natural gas market. The conference will begin at 1:00 p.m. at the Commission's offices, 888 First Street, NE., Washington, DC in the Commission's Meeting Room.

The November 22, 2000 notice [1] of the conference requested those who were interested in making presentations or participating to indicate their interest by January 5, 2001. Sixteen requests to participate in the roundtable debate were made and comments from twenty-six interested persons were received.

The conference will be structured as a roundtable debate with staff as moderator. Panel participants are identified below. In order to facilitate a robust discussion of the affiliate issues identified in the November 22, 2000 notice, a roundtable debate format was selected. Accordingly, participants will not have the opportunity to make oral

[1] 65 FR 75627 (Dec. 4, 2000).