NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

GC/HMU:jm
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NOV 25 1985

TO: Regional Director, Region II (Capital)

FROM: Office of General Counsel
Steven R. Bisker

SUBJ: Prudential-Bache Securities Investment Program

REF: (a) Memo from RD, Region II (Capital), EI/WPR:lmd, dtd. 8/1/85, same subj.

(b) Description of CD's

ENCL: (1) FDIC Proposed Rule, 50 FR 31380, 8/2/85

This is in response to reference (a) concerning the permissibility of FCU investment in the subject program.

As described in reference (b), the FCU's funds will be placed in a Prudential-Bache brokerage account ("PB account") (insured by the Securities Investor Protection Corporation) prior to their investment in FSLIC-insured CD's. We contacted Ed Boltz ((717) 823-3131), the Prudential-Bache broker involved in this transaction, and were informed that the funds in the PB account are actually placed in Prudential-Bache Moneymart Assets Inc. ("Moneymart") for the five to seven day lag period before the funds are invested in the CD's. According to the June 30, 1985, Semi-Annual Report for the Moneymart, it invests in various types of commercial paper. FCU's cannot invest in commercial paper. Hence, the Moneymart and the CD program as described in reference (b) are impermissible investments for FCU's. The CD program would be permissible if funds were not first placed in the Moneymart.

As described in reference (b), all of an FCU's accounts at a particular FSLIC-insured institution would be aggregated for the purposes of the $100,000 insurance limit. It is not clear from reference (b) that an FCU can control which insured institution receives its funds. The FCU should be aware of possible insurance limitations.

The Account Authorizing Resolution (Resolution) (enclosure with reference (a)) authorizes the broker (Prudential-Bache) to engage in numerous securities transactions with the FCU's account funds. Many of these transactions are impermissible for FCU's

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(e.g., stocks, put and call options). It should be made clear to the FCU that our opinion as to the permissibility of its investment relates only to the CD investment program and not the other investments described in the Resolution.

Lastly, for your information, the FDIC recently issued a proposed rule which would restrict insurance of accounts where an account is maintained for clients by a deposit broker. The proposed rule states that the claims for insurance will be recognized only if the records of the bank (issuer) disclose the identities of the owners (e.g., FCU's) of the account and the amount of their interests. This proposed rule, if finalized, would impact on the FDIC deposit insurance afforded to those dealing through brokers or other intermediaries. We alert you to this simply for its implications in investment programs similar (where FDIC insurance is involved) to the one here in issue. A copy of the proposed rule is attached as enclosure (1).

In summary, reference (b) is currently an impermissible investment for FCU's due to the Moneymart aspect of the investment. The CD's themselves are a permissible investment for FCU's if the FCU funds are not first placed in the Moneymart.

Please contact Hattie Ulan of this Office if further questions arise.

cc: All RD's
Dept. of E & I
PIO

Proposed Rules

Federal Register
Vol. 50, No. 149
Friday, August 2, 1985

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 330

Recordkeeping Requirements for Deposits Placed by Deposit Brokers

AGENCY: Federal Deposit Insurance Corporation ("FDIC").

ACTION: Notice of proposed rulemaking.

SUMMARY: The FDIC is proposing to amend certain recordkeeping requirements affecting the manner in which insurance coverage on brokered deposits is determined. The amendments would require disclosure in the account records of the bank of the identity of each person having a beneficial ownership interest in such accounts in order for those persons to obtain insurance coverage. The primary purpose of the amendments is to enable the FDIC to determine quickly and efficiently the extent of insurance coverage on brokered deposits for supervisory and regulatory reasons and to make informed decisions regarding the costs of alternatives considered in handling insured banks which are failing.

DATE: Comments must be received by September 3, 1985.

ADDRESS: Comments should be sent to Hoyle L. Robinson, Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429. Comments may be hand delivered to Room 6108 on weekdays between 8:30 a.m. and 5:00 p.m. and should reference the date and page number of this issue of the Federal Register. All written comments will be made available for public inspection during normal business hours at the Office of the Executive Secretary.

FOR FURTHER INFORMATION CONTACT: Joseph A. DiNuzzo, Senior Attorney, or Patti C. Fox, Attorney, Legal Division, (202) 389–4171, or William G. Hrindac, Examination Specialist, Division of Bank Supervision, (202) 389–4761, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429.

SUPPLEMENTARY INFORMATION:

As announced in the Federal Register on April 11, 1985, the FDIC intends to review and revise its current regulations on deposit insurance coverage found at 12 CFR Part 330. *See* 50 FR 14247, 14248 (1985). The proposed recordkeeping regulations constitute the first of several changes contemplated for Part 330. Additional changes to Part 330 will be made pending further study.

The banking system has changed considerably in the recent past. Deregulation of interest rates on deposits has substantially increased the funding costs of banks and created pressures to invest in riskier loans and other investments in order to obtain higher yields necessary to cover the increased costs with a margin of profitability. Vigorous competition for quality loans and investments has added to this tendency to assume greater risk in order to obtain higher yields. Many state legislatures have liberalized the investment powers of state-chartered depository institutions by authorizing them to invest in a variety of new, higher-risk undertakings such as real estate development. Banks are also taking advantage of sophisticated new investment and fee-generating mechanisms such as futures contracts and interest rate swaps. As a result, the banking system today is considerably more diverse and complicated, thereby posing potentially greater risks to the banks and to the FDIC insurance fund.

With regard to bank funding in particular, deregulation of interest rates on deposits now permits banks to compete for deposits on the basis of price, *i.e.*, by offering higher interest rates. Technical improvements in data processing and telecommunications have expanded deposit markets geographically while the existence of the $100,000 FDIC insurance coverage has effectively created a risk-free investment unit for potential depositors everywhere. As a result, depositors may now pursue the highest risk-free yields available from insured banks throughout the United States. Insured banks in turn are now able to attract virtually unlimited funding simply by offering marginally higher rates of interest. Moreover, this insured funding can be obtained very rapidly regardless of a bank's financial condition. In many instances, the banks most willing to pay marginally higher rates are those preparing to embark on high-risk investment strategies. Others in this category are already in a weakened or failing condition and seeking to prolong their life, while hoping to recoup their losses through high-risk lending and investment practices. A significant number of companies whose business it is to identify insured banks paying high rates of interest on deposits and to place customers' deposits with those banks have provided funding to banks based solely on the interest rates offered. The activities of these deposit brokers have resulted in increased losses to the FDIC when the depository banks eventually failed.

Bank failures have increased dramatically in recent years. For the three year period of 1979 through 1981, 30 banks failed. From January 1982 through December 1984, there were 169 bank failures. As of the end of June, 52 banks had failed in 1985. There are approximately 1000 banks on the problem bank list. Given the pace of failures to date, the number of banks which will fail this year will likely exceed the post-Depression record of 79 failures in 1984.

Data collected by the FDIC has established a clear correlation between brokered deposits and problem banks. Between 1982 and 1984, 69 of the FDIC-insured banks that failed held over $1 billion in fully insured brokered deposits; and, in two cases, brokered funds represented more than 75 percent of the closed banks' deposits. A recently completed survey of FDIC-insured banks and thrifts holding fully insured brokered deposits in excess of five percent of their deposits revealed $2.3 billion of such funds in more than 70 institutions. These figures illustrate that an insured bank can obtain a substantial amount of brokered deposits, thereby acquiring the ability to alter radically the character of the bank's investments and the risk the bank poses to the FDIC insurance fund.

Unfortunately, the precise amount of the risk to the insurance fund is not always apparent because of the varying nature of the brokerage arrangements. In many instances, brokers obtain large denomination certificates of deposit in bearer form or as agents or nominees for their client investors. In these cases, it is

impossible to determine the extent of deposit insurance coverage, and hence the risk to the insurance fund, from the records of the bank because the beneficial ownership of these deposits is revealed only in the records of the broker. Based on a recent survey, it is estimated that up to two-thirds of all fully insured brokered deposits may be held in this manner, *i.e.*, as certificates of deposit in bearer form or by brokers as agents or nominees for investors.

In view of the increased rate of bank failures and the frequent use of brokered deposits by failing banks, the FDIC has an increasing need to know the extent of insurance coverage of deposits in problem and failing banks. This information is important to the FDIC in meeting its statutory obligation under the assistance provisions of the Garn-St Germain Depository Institutions Act of 1982. *See* 12 U.S.C. 1823(c). Generally, section 1823(c) authorizes the FDIC to provide assistance, directly or through a merger, to a failing insured bank to prevent its closing or to facilitate the assumption of its liabilities after the bank closes. In making a determination under section 1823(c), the FDIC generally is bound by a "cost test": the amount of assistance is limited to that "reasonably necessary to save the cost of liquidating, including paying the insured accounts." 12 U.S.C. 1823(c)(4)(A). A proper evaluation of the risk of exposure to the FDIC insurance fund under the cost test requires a reasonably accurate assessment of the amount and number of potentially insured accounts. The proposed regulations will provide the information necessary to facilitate an assessment of the amount of insurance to be afforded to potentially insured brokered deposits promptly at the time of a bank's closing.

The FDIC's current rules on recordkeeping provide that the deposit account records of an insured bank are conclusive as to the existence of any relationship pursuant to which funds in the account are deposited and on which a claim for insurance coverage is founded. 12 CFR 330.1(b)(1). If the account records reveal a relationship between the depositor and other persons which may provide a basis for additional insurance, the details of the relationship, including the interests of other persons, must be disclosed either in the bank's records or the depositor's records maintained in good faith and in the regular course of business. 12 CFR 330.1(b)(2). When an agent holds an account for a principal, for example, the insurance coverage "flows through" the agent to the principal so long as the bank's records indicate that the account is held in an agency capacity and either the bank's or the agent's records show the ownership interest of the principal in the account. 12 CFR 330.2. In addition, section 330.11 provides that an owner of a negotiable deposit instrument will be recognized for insurance purposes as if his or her name and interest were disclosed on the bank's records, provided the instrument was negotiated to that owner prior to the bank's closing. 12 CFR 330.11.

Given the frequency and volume of brokered deposits held by failing banks and the complex account ownership devices commonly used, the current recordkeeping rules do not provide the FDIC with sufficient information to assess its insurance exposure. In addition, the current rules do not sufficiently enable the FDIC to determine accurately the potential costs of viable alternatives in assisting, merging, or liquidating a failing bank as required under section 1823(c). The inability to obtain ownership information on brokered funds from a bank's records may impede the decisional process and expose the insurance fund to additional costs. In view of the volume of brokered deposits being placed in problem banks, the FDIC must have a means of identifying the beneficial ownership interests in these funds.

In January 1985 the FDIC issued a regulation imposing monthly reporting requirements on all FDIC-insured banks maintaining a certain level of brokered deposits. 12 CFR 304.4. The rule is designed to enable the FDIC to monitor the receipt of insured brokered funds and take appropriate supervisory action to curb improper activities. The proposed recordkeeping requirements thus parallel the supervisory efforts of the FDIC as regulator by also addressing concerns raised in the FDIC's capacity as receiver and insurer. In that regard, the proposed recordkeeping regulations do not cover the issues raised in the FDIC's rule on brokered deposits now in litigation. *See* 49 FR 13,003 (1984). There is no limitation on insurance coverage for brokered deposits under the proposed rules nor do they operate in any manner as a replacement for the prior rule.

The proposed regulations would create an exception from existing recordkeeping requirements for deposits placed by deposit brokers. In situations where deposit brokers place customers' funds with insured banks, the banks' records would have to indicate the existence of the agency relationship and the names of the owners of the deposits. If not, the recordkeeping requirements for "flow through" insurance coverage to the agent's principals would not be met, and the deposits would be deemed held by the deposit broker in his or her individual ownership capacity for insurance purposes. The proposal defines a "deposit broker" as any person engaged in the business of placing or facilitating the placement of funds of third parties with insured banks. It also encompasses businesses that place funds with insured banks for the purpose of selling interests in the deposits to third parties. The use of the phrase "engaged in the business of" deposit brokering is intended to exclude implicitly from the definition of deposit broker persons and entities such as insured banks which solicit funds for themselves, trust departments of depository institutions, trustees of employee benefit plans, trustees of trusts established for a purpose other than that of placing funds with insured banks, agents or nominees whose primary purpose is not the placement of funds with banks, and deposit-listing services. In addition, the current regulation covering negotiable instruments, 12 CFR 330.11, has been amended to prevent easy circumvention of the proposed rule.

The amendments would provide the FDIC with information to: (1) more accurately assess its insurance exposure in insured banks utilizing brokered deposits, (2) prevent fraud and abuse designed to increase insurance coverage, (3) shorten the delay in determining the validity of insurance claims on such accounts and thus speed the entire insurance settlement process as required by law, and (4) assess more accurately and quickly the viable alternatives in a failing bank situation under the section 1823(c)(4) cost test. The FDIC is required by law to settle insured accounts as expeditiously as possible. 12 U.S.C. 1821(f).

The possibility of fraud and abuse is of particular concern to the FDIC in view of the potential losses to the insurance fund. Limiting potential fraud and evasion of insurance limits is one purpose of the recordkeeping rules. As the Federal Home Loan Bank Board recently observed in the proposed revision of its insurance regulations, the $100,000 insurance coverage has encouraged the development of complex ownershp devices. 50 FR 19 1985 (1985). Such devices increase the possibility of the invention of fraudulent relationships designed to increase insurance coverage. FDIC investigations in several recent bank failures have uncovered facts indicating possible fraud and misuse in connection with brokered

funds. In some instances, a linked financing arrangement between the deposit broker and the bank results in questionable, abusive loan practices, such as ill-advised loans to out-of-territory customers of illegal loans to insiders. The FDIC believes the proposed recordkeeping regulations will help to deter the possibility of fraud and abuse in connection with brokered deposits.

The proposed amendments to the current recordkeeping rules would be authorized by section 12(c) of the Federal Deposit Insurance Act (12 U.S.C. 1822(c)) (the "Act"), which gives the FDIC discretionary authority in the non-recognition of certain claims:

> (c) Except as otherwise prescribed by the Board of Directors, neither the Corporation nor such new bank or other insured bank shall be required to recognize as the owner of any portion of a deposit appearing on the records of the closed bank under a name other than that of the claimant, any person whose name or interest as such owner is not disclosed on the records of such closed bank as part owner of said deposit, if such recognition would increase the aggregate amount of the insured deposits in such closed bank.

The FDIC's authority to implement appropriate regulations to determine insurance coverage is well within the express statutory language of section 1822(c). Further, section 1819 "Tenth" of the Act authorizes the FDIC to prescribe the rules and regulations necessary to carry out the provisions of the Act. 12 U.S.C. 1819 Tenth. The FDIC can thus exclude from deposit insurance coverage those categories of persons not listed on bank records as owners of deposits, if recognition would increase the aggregate amount of insured deposits in a closed bank.

The FDIC believes that brokered deposits represent a unique situation very different from other custodial accounts, thereby warranting disclosure of the beneficial owners on the bank's records. The other major category of custodial accounts is employee benefit plans, in which a high percentage of all such deposits are insured. *See* 12 CFR 330.1(c) and 330.10. As a matter of public policy, employee benefit plans have been accorded special treatment under the law to support and encourage their retirement and pension functions. *See* 29 U.S.C. 1001. The extensive regulation to which employee benefit plans are subject provides safeguards against fraud and abuse. Although employee benefit plans are investment vehicles, the custodian of such a plan is subject to legal and fiduciary duties not present in the typical money brokerage relationship. In contrast, the use of brokered deposits has contributed to the number and complexity of bank failures and has caused sizeable losses to the FDIC insurance fund.

Other types of custodial accounts do not present the same prospect for dramatic growth as do brokered deposits; thus, there is no need to except them from current recordkeeping rules. Nor do other custodial accounts appear with as much frequency in failed banks compared to brokered deposits. The FDIC, however, may determine the necessity for stricter recordkeeping rules for other custodial accounts in the future. Comments are invited on the prospect of expanding the scope of this proposed amendment to other custodial accounts, as well as on all aspects of the proposed regulation.

Procedural Requirements

In accordance with the Regulatory Flexibility Act (5 U.S.C. 601–612), the Board of Directors hereby certifies that the rule would not have a significant economic impact on a substantial number of small entities. The rule would require that the records of an insured bank pertaining to deposit accounts placed by deposit brokers disclose the identity of each person having a beneficial ownership interest in such accounts and the amount of that interest. The banks that are most likely to be affected by the rule are those issuing large ($1 million and over) certificates of deposit in bearer form or in the names of nominees for subsequent participation by individual depositors up to $100,000 each. Such banks tend to be the larger institutions. The recordkeeping requirements contained in this rule has been submitted to the Office of Management and Budget for review pursuant to section 3504(h) of the Paperwork Reduction Act (44 U.S.C. 3504(h)).

Although the FDIC usually provides a sixty-day comment period for proposed regulations, the Board of Directors has determined that a thirty-day comment period is necessary in this situation because of the increasing number of bank facilities and the serious risk posed to the insurance fund by brokered deposits. The Board believes that the proposed amendments will aid the FDIC in carrying out its duties as regulator and insurer, and believes these rules will provide an additional tool for monitoring brokered deposits and their impact on banks.

List of Subjects in 12 CFR Part 330

Administrative practice and procedure, Bank deposit insurance, Banks, Banking, Federal Deposit Insurance Corporation, Foreign banks, Banking, Reporting and recordkeeping requirements.

For the reasons set out above, it is proposed that Part 330 of Title 12 of the Code of Federal Regulations be amended as set forth below.

PART 330—CLARIFICATION AND DEFINITION OF DEPOSIT INSURANCE COVERAGE

1. The authority citation for Part 330 is revised to read as follows:

Authority: 12 U.S.C. 1813, 1817, 1821, 1822, 1823.

2. It is proposed that § 330.1 be amended by revising paragraph (b)(2) to read as follows:

§ 330.1 General principles applicable in determining insurance of deposit accounts.

* * * * *

(b) * * *

(2) If the deposit account records of an insured bank disclose the existence of a relationship which may provide a basis for additional insurance, the details of the relationship and the interests of other parties in the account must be ascertainable either from the records of the bank or the records of the depositor maintained in good faith and in the regular course of business. Notwithstanding this general rule, no claim for insurance coverage based on an ownership interest in deposit accounts maintained by a "deposit broker" will be recognized unless the identities of the owners of such interests and the amount of those interests are disclosed on the records of the bank. For purposes of this section, "deposit broker" means any person engaged in business of: (i) placing or facilitating the placement of funds of third parties with insured banks, or (ii) placing funds with insured banks for the purpose of selling interests in the deposits to third parties. All funds placed or renewed by a deposit broker on or after [the effective date of this amendment] will be subject to this provision.

3. It is proposed that § 330.11 be amended by adding a new sentence at the conclusion thereof as follows:

§ 330.11 Deposits evidenced by negotiable instruments.

* * * Notwithstanding the provisions of this section, an owner with an interest in a deposit placed by a "deposit broker," as defined in section 330.1(b)(2), and which is evidenced by a negotiable instrument shall be subject to the recordkeeping requirements of § 330.1(b)(2) for all purposes of claim insured deposits.

By order of the Board of Directors this 29th day of July, 1985.

Margaret M. Olsen,

Deputy Executive Secretary.

[FR Doc. 85-18402 Filed 8-1-85; 8:45 am]

BILLING CODE 6714-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 85-AWA-25]

Proposed Alteration and Establishment of VOR Federal Airways; California

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This notice proposes to alter the descriptions of several Federal Airways located in the state of California by revoking some airway segments and renumbering others. This action supports the FAA's agreement with the International Civil Aviation Organization (ICAO) to eliminate all alternate airway designations from the National Airspace System.

DATES: Comments must be received on or before September 18, 1985.

ADDRESSES: Send comments on the proposal in triplicate to: Director, FAA, Western-Pacific Region, Attention: Manager, Air Traffic Division, Docket No. 85-AWA-25, Federal Aviation Administration, P.O. Box 92007, Worldway Postal Center, Los Angeles, CA 90009.

The official docket may be examined in the Rules Docket, weekdays, except Federal holidays, between 8:30 a.m. and 5:00 p.m. The FAA Rules Docket is located in the Office of the Chief Counsel, Room 916, 800 Independence Avenue, SW., Washington, D.C.

An informal docket may also be examined during normal business hours at the office of the Regional Air Traffic Division.

FOR FURTHER INFORMATION CONTACT: Lewis W. Still, Airspace and Air Traffic Rules Branch (ATO-230), Airspace-Rules and Aeronautical Information Division, Air Traffic Operations Service, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, D.C. 20591; telephone: (202) 426-8626.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposal. Communications should identify the airspace docket and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to Airspace Docket No. 85-AWA-25." The postcard will be date/time stamped and returned to the commenter. All communications received before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available for examination in the Rules Docket both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRM's

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, Office of Public Affairs, Attention: Public Information Center, APA-430, 800 Independence Avenue, SW., Washington, D.C. 20591, or by calling (202) 426-8058. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRM's should also request a copy of Advisory Circular No. 11-2 which describes the application procedure.

The Proposal

The FAA is considering an amendment to § 71.123 of Part 71 of the Federal Aviation Regulations (14 CFR Part 71) to alter the descriptions of several VOR Federal Airways located in the vicinity of Oakland, CA, by deleting all alternate route designations. In addition, some airway segments will be revoked and other segments will be renumbered. Section 71.123 of Part 71 of the Fedeal Aviation Regulations was republished in Handbook 7400.6A dated January 2, 1985.

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "major rule" under Executive Order 12291; (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.

List of Subjects in 14 CFR Part 71

Aviation safety, VOR Federal airways.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me, the Federal Aviation Administration proposes to amend Part 71 of the Federal Aviation Regulations (14 CFR Part 71) as follows:

1. The authority citation for Part 71 continues to read as follows:

Authority: 49 U.S.C. 1348(a), 1354(a), 1510; Executive Order 10854; 49 U.S.C. 106(g) (Revised Pub. L. 97-449, January 12, 1983); 14 CFR 11.69.

2. Section 71.123 is amended as follows:

V-6—[Amended]

By removing the words "Sacramento, including a south alternate via INT Oakland 077° and Sacramento 194° radials; Lake Tahoe, CA; Reno, NV, including a N alternate from Sacramento to Reno via Sacramento 038° and Reno 257° radials;" and substituting the words "Sacramento; Lake Tahoe, CA; Reno, NV;"

V-392—[New]

From Oakland, CA, via INT Oakland 077°T(060°M) and Sacramento, CA, 194°T(177°M) radials; Sacramento; INT Sacramento 038°T(021°M) and Reno, NV, 257°T(239°M) radials; to Reno.

V-8—[Amended]

By removing the words "Morman Mesa; including a N alternate from the INT of Seal Beach 073° and Pomona, CA, 202° radials, to Morman Mesa via Pomona, Daggett, CA, and Las Vega, NV;" and substituting the words "Morman Mesa;"

V-394—[New]

From Seal Beach, CA, via INT Seal Beach 073°T(058°M) and Pomona, CA, 202°T(187°M) radials; Pomona; Daggett, CA; Las Vegas, NV; to Morman Mesa, NV.