

in which the purchase of a qualifying volume is made, treat that purchase as the acquisition of one alternative fueled vehicle the fleet or covered person is required to acquire under titles III and V of the Energy Policy Act of 1992.

(b) Except as provided in paragraph (c) of this section, credits allocated under this subpart may not be used to satisfy more than 50 percent of the alternative fueled vehicle requirements of a fleet or covered person under titles III and V of the Energy Policy Act of 1992.

\* \* \* \* \*

(d) A fleet or covered person may not trade or bank biodiesel fuel credits.

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## FEDERAL RESERVE SYSTEM

### 12 CFR Part 201

#### [Regulation A]

#### Extensions of Credit by Federal Reserve Banks; Change in Discount Rate

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors has amended its Regulation A on Extensions of Credit by Federal Reserve Banks to reflect its approval of a decrease in the basic discount rate at each Federal Reserve Bank. The Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks.

**DATES:** The amendments to part 201 (Regulation A) were effective January 4, 2001. The rate changes for adjustment credit were effective on the dates specified in 12 CFR 201.51.

**FOR FURTHER INFORMATION CONTACT:** Jennifer J. Johnson, Secretary of the Board, at (202) 452-3259; for users of Telecommunications Device for the Deaf (TDD), contact Janice Simms, at (202) 872-4984, Board of Governors of the Federal Reserve System, 20th and C Streets NW., Washington, DC 20551.

**SUPPLEMENTARY INFORMATION:** Pursuant to the authority of sections 10(b), 13, 14, 19, *et al.*, of the Federal Reserve Act, the Board has amended its Regulation A (12 CFR part 201) to incorporate changes in discount rates on Federal Reserve Bank extensions of credit. The discount rates are the interest rates charged to depository institutions when they borrow from their district Reserve Banks.

The "basic discount rate" is a fixed rate charged by Reserve Banks for adjustment credit and, at the Reserve Banks' discretion, for extended credit for up to 30 days. In decreasing the basic discount rate from 6.0 percent to 5.5 percent, the Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks. The new rate of 5.5 percent was effective for all twelve Reserve Banks on the dates specified below. (Seven of the twelve Reserve Banks reduced the basic discount rate in two steps, from 6.0 percent to 5.75 percent, then from 5.75 percent to 5.5 percent, as specified in the footnote to § 201.51 of revised Regulation A.) The 50-basis-point decrease in the discount rate was associated with a 50-basis-point decrease in the federal funds rate approved by the Federal Open Market Committee.

These actions were taken in light of further weakening of sales and production, and in the context of lower consumer confidence, tight conditions in some segments of financial markets, and high energy prices sapping household and business purchasing power. Moreover, inflation pressures remain contained. Nonetheless, to date there is little evidence to suggest that longer-term advances in technology and associated gains in productivity are abating.

#### Regulatory Flexibility Act Certification

Pursuant to section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 605(b)), the Board certifies that the change in the basic discount rate will not have a significant adverse economic impact on a substantial number of small entities. The rule does not impose any additional requirements on entities affected by the regulation.

#### Administrative Procedure Act

The provisions of 5 U.S.C. 553(b) relating to notice and public participation were not followed in connection with the adoption of the amendment because the Board for good cause finds that delaying the change in the basic discount rate in order to allow notice and public comment on the change is impracticable, unnecessary, and contrary to the public interest in fostering price stability and sustainable economic growth.

The provisions of 5 U.S.C. 553(d) that prescribe 30 days prior notice of the effective date of a rule have not been followed because section 553(d) provides that such prior notice is not necessary whenever there is good cause for finding that such notice is contrary to the public interest. As previously

stated, the Board determined that delaying the changes in the basic discount rate is contrary to the public interest.

#### List of Subjects in 12 CFR Part 201

Banks, banking, Credit, Federal Reserve System.

For the reasons set out in the preamble, 12 CFR part 201 is amended as set forth below:

#### PART 201—EXTENSIONS OF CREDIT BY FEDERAL RESERVE BANKS (REGULATION A)

1. The authority citation for 12 CFR part 201 continues to read as follows:

**Authority:** 12 U.S.C. 343 *et seq.*, 347a, 347b, 347c, 347d, 348 *et seq.*, 357, 374, 374a and 461.

2. Section 201.51 is revised to read as follows:

#### § 201.51 Adjustment credit for depository institutions.

The rates for adjustment credit provided to depository institutions under § 201.3(a) are:

Federal Reserve Bank	Rate	Effective <sup>1</sup>
Boston .....	5.5	January 4, 2001
New York .....	5.5	January 4, 2001
Philadelphia .....	5.5	January 4, 2001
Cleveland .....	5.5	January 4, 2001
Richmond .....	5.5	January 4, 2001
Atlanta .....	5.5	January 4, 2001
Chicago .....	5.5	January 4, 2001
St. Louis .....	5.5	January 5, 2001
Minneapolis .....	5.5	January 4, 2001
Kansas City .....	5.5	January 4, 2001
Dallas .....	5.5	January 4, 2001
San Francisco .....	5.5	January 4, 2001

<sup>1</sup>On January 3, 2001, the rate for adjustment credit was 5.75 percent for the following Federal Reserve Banks: New York, Cleveland, Atlanta, Kansas City, Dallas, and San Francisco. On January 4, the rate for adjustment credit was 5.75 percent for the Federal Reserve Bank of St. Louis.

By order of the Board of Governors of the Federal Reserve System, January 5, 2001.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

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