

candidates, EPA encourages nominations of women and men of all racial and ethnic groups.

EPA's SAB Staff Office requests contact information about: The person making the nomination; contact information about the nominee; the disciplinary and specific areas of expertise of the nominee; the nominee's curriculum vitae; sources of recent grant and/or contract support; and a biographical sketch of the nominee indicating current position, educational background, research activities, and recent service on other national advisory committees or national professional organizations.

Persons having questions about the nomination procedures, or who are unable to submit nominations through the SAB Web site, should contact Dr. Stallworth, DFO, at the contact information provided above in this notice. Non-electronic submissions must follow the same format and contain the same information as the electronic.

The SAB Staff Office will acknowledge receipt of the nomination and inform nominees of the Subcommittee for which they have been nominated. From the nominees identified by respondents to this **Federal Register** notice and other sources, the SAB Staff Office will develop a list of candidates for more detailed consideration. The list of candidates will be posted on the SAB Web site at <http://www.epa.gov/casac> and will include, for each candidate, the nominee's name and biosketch. Public comments on the list of candidates will be accepted for 21 calendar days. During this comment period, the public will be requested to provide information, analysis, or other documentation on nominees that the SAB Staff Office should consider in evaluating candidates for the Committee.

For the SAB Staff Office, a balanced Committee is characterized by inclusion of candidates who possess the necessary domains of knowledge, the relevant scientific perspectives (which, among other factors, can be influenced by work history and affiliation) and the collective breadth of experience to adequately address the charge. Public responses to the list of candidates will be considered in the selection of the Committee, along with information provided by candidates and information gathered by SAB Staff independently concerning the background of each candidate (e.g., financial disclosure information and computer searches to evaluate a nominee's prior involvement with the topic under review). Specific criteria to be used in evaluation of an

individual Committee member include: (a) Scientific and/or technical expertise, knowledge, and experience (primary factors); (b) absence of financial conflicts of interest; (c) scientific credibility and impartiality; (d) availability and willingness to serve; (e) ability to work constructively and effectively in committees; and (f) for the Committee as a whole, diversity of scientific expertise and viewpoints.

Prospective candidates will be required to fill-out the "Confidential Financial Disclosure Form for Special Government Employees Serving on Federal Advisory Committees at the U.S. Environmental Protection Agency" (EPA Form 3110-48). This confidential form allows Government officials to determine whether there is a statutory conflict between that person's public responsibilities (which includes membership on an EPA Federal Advisory Committee) and private interests and activities, or the appearance of a lack of impartiality, as defined by Federal regulation. Ethics information, including EPA Form 3110-48, is available on the SAB Web site at <http://yosemite.epa.gov/sab/sabproduct.nsf/Web/ethics?OpenDocument>.

Dated: October 14, 2010.

**Vanessa T. Vu,**

*Director, EPA Science Advisory Board Staff Office.*

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## FARM CREDIT ADMINISTRATION

**RIN 3052-AC64**

### Joint and Several Liability Reallocation Agreement

**AGENCY:** Farm Credit Administration.

**ACTION:** Notice of approval of the draft joint and several liability reallocation agreement.

**SUMMARY:** The Farm Credit Administration (FCA or we) is announcing that it has given approval of a Joint and Several Liability Reallocation Agreement (Agreement) to be entered into by all of the banks (System Banks) of the Farm Credit System (Farm Credit or System) and the Federal Farm Credit Banks Funding Corporation (Funding Corporation). The Agreement is designed to establish a procedure for non-defaulting banks to pay maturing System-wide debt on behalf of defaulting banks prior to a statutory joint and several call by the FCA.

**FOR FURTHER INFORMATION CONTACT:** Chris Wilson, Financial Analyst, Office of Regulatory Policy, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4204, TTY (703) 883-4434, or Rebecca S. Orlich, Senior Counsel, Office of General Counsel, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4020, TTY (703) 883-4020.

**SUPPLEMENTARY INFORMATION:** The FCA published the draft Agreement in the **Federal Register** on August 18, 2010 (75 FR 51061) with a request for public comment. The draft Agreement had a 30-day comment period that ended on September 17, 2010. See 75 FR 51061 for the text of the entire Agreement, along with our preamble describing the background of the Agreement and providing other information. We received no public comments on the Agreement.

The Agreement is a voluntary agreement by the System Banks and the Funding Corporation that uses a debt-based formula to allocate payments of non-defaulting banks should a System bank default on a maturing insured consolidated or System-wide debt obligation and the amount of the default exceeds the amount available in the Farm Credit Insurance Fund to pay defaulted insured debt obligations. The parties to the draft Agreement submitted it to the FCA for approval under § 627.2750(h) of our regulations and also requested the Farm Credit System Insurance Corporation (FCSIC) to provide an expression of non-objection to the Agreement. The FCSIC insures consolidated and System-wide obligations using funds in the Farm Credit Insurance Fund. The Agreement will terminate if the FCA withdraws its approval, and the FCA retains full authority and responsibility to invoke statutory joint and several calls as prescribed under section 4.4(a)(2) and (d) of the Farm Credit Act of 1971, as amended (Act).<sup>1</sup> The FCA and the FCSIC are not parties to the Agreement.

The System Banks and Funding Corporation are also making conforming amendments to the Market Access Agreement (MAA) by adding three new sections to it. The conforming amendments are merely to ensure that provisions in the MAA do not prevent necessary payments under the Agreement. The FCA will publish the conforming MAA amendments in a separate **Federal Register** document.

The FCA believes that holders of System-wide debt obligations are unlikely to be harmed by this Agreement. The Agreement could create

<sup>1</sup> 12 U.S.C. 2155(a)(2) and (d).

the potential for building more capital at the bank level. After giving the public notice with the opportunity to comment and receiving no comments, the FCA Board has approved the draft Agreement in accordance with § 627.2750(h) of our regulations. The FCA's approval of the draft Agreement is conditioned on the board of directors of each bank and the Funding Corporation approving the Agreement and the FCSIC providing an expression of non-objection to the Agreement. The Agreement cannot be modified or amended without our approval.

Neither the Agreement (upon its effective date) nor our approval of it will in any way restrict or qualify the FCA's authority to exercise our powers, rights, and duties as a regulator or, as stated above, to invoke joint and several liability provisions under the Act. Furthermore, the Agreement does not provide any grounds or basis for challenging the FCA's or the FCSIC's actions with respect to the creation or conduct of conservatorships or receiverships. Finally, the FCA retains the right to modify or revoke its approval of the Agreement at any time.

Dated: October 14, 2010.

**Roland E. Smith,**

*Secretary, Farm Credit Administration Board.*

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**BILLING CODE 6705-01-P**

## FARM CREDIT ADMINISTRATION

[BM-14-OCT-10-02]

### Cooperative Operating Philosophy—Serving the Members of Farm Credit System Institutions

**AGENCY:** Farm Credit Administration.

**ACTION:** Policy statement.

**SUMMARY:** The Farm Credit Administration (FCA) Board recently adopted a policy statement that reaffirms the FCA's support of members' participation in their Farm Credit System (System) institution and identifies three business practices for operating the cooperative with a focus on serving the members. Those practices are engaging members as owners, communicating with members, and providing value-added benefits to members.

**DATES:** *Effective Date:* October 14, 2010.

**FOR FURTHER INFORMATION CONTACT:** Deborah Wilson, Senior Accountant, Office of Regulatory Policy, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4498, TTY (703) 883-4434, or Laura McFarland, Senior Counsel, Office of General Counsel,

Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4020, TTY (703) 883-4020.

**SUPPLEMENTARY INFORMATION:** The FCA Board adopted a policy statement reaffirming its support for the cooperative structure and operation of System institutions. The policy statement, in its entirety, follows:

*The FCA Board Hereby Adopts the Following Policy Statement:*

#### Cooperative Operating Philosophy—Serving the Member of Farm Credit System Institutions FCA-PS-80 [BM-14-OCT-10-02]

*Effective Date:* 14-OCT-10.

*Effect on Previous Actions:* None.

*Source of Authority:* Preamble and section 1.1 of the Farm Credit Act of 1971, as amended.

#### Cooperative Commitment

The Farm Credit Administration (FCA) is committed to the cooperative structure under which Farm Credit System (System) institutions are required to operate.<sup>1</sup> The FCA emphasizes cooperative principles by advancing regulatory proposals that encourage farmer, rancher, and cooperative borrowers to participate in the management, control, and ownership of their institutions.<sup>2</sup> The FCA also emphasizes cooperative principles in the examination function and Financial Institution Rating System (FIRS) used to categorize the safety and soundness of System institutions.<sup>3</sup>

The FCA supports cooperative values that encourage member participation in System institutions. Cooperatives are, by definition, entities with a "member focus." They are owned and controlled by their members, and the members benefit from doing business with their cooperatives. Cooperative entities that focus on serving and fulfilling the needs of their members often realize greater participation in their institutions. While System institutions have strong reputations as effective cooperatives, they should build on this tradition

<sup>1</sup> See § 615.5230, "Implementation of cooperative principles."

<sup>2</sup> See FCA Policy Statement "Regulatory Philosophy" (FCA-PS-59), dated June 8, 2005.

<sup>3</sup> Under FIRS, each institution is assigned composite and component ratings based on an evaluation of the adequacy of Capital, Assets, Management, Earnings, Liquidity, and Sensitivity to market risk (commonly referred to as "CAMELS"). Composite and component ratings are assigned based on a 1 to 5 numerical scale, with 1 being the highest rating indicating the strongest level of performance and risk management practices and the least degree of supervisory concern. Within the Management component, FCA qualitatively rates the use of cooperative principles in the conduct of business activities. Please visit [www.fca.gov](http://www.fca.gov) for further information on FIRS.

through a cooperative business culture that goes beyond that required by statute and regulation.

#### History

The System is a Government-sponsored enterprise of cooperative institutions owned and controlled by their member-borrowers.<sup>4</sup> Prior to establishment of the System, a political consensus had been forming in Congress on a need for an improved system of credit delivery to agriculture. When Congress established the System in 1916,<sup>5</sup> it determined that the cooperative structure was the best model for furnishing sound, adequate and constructive credit and closely related services to rural areas.<sup>6</sup> Subsequent Farm Credit legislation, including the Farm Credit Act of 1971, as amended, has reaffirmed the cooperative nature of the System.

#### Policy on Implementing a Cooperative Operating Philosophy—Serving the Members

The System, through its cooperative structure, makes competitive credit available to creditworthy farmers, ranchers, producers and harvesters of aquatic products, and their cooperatives. The FCA believes the following three core cooperative principles are the foundation of the System's structure:<sup>7</sup>

(1) The cooperative is owned by its members.<sup>8</sup>

(2) The cooperative is controlled by its members.

(3) The members benefit from doing business with, and participating in, the management, control, and ownership of their institution.

While business practices may change over time, these underlying cooperative

<sup>4</sup> The Preamble and section 1.1 of the Farm Credit Act of 1971, as amended (Act), Public Law 92-181, 85 Stat. 583.

<sup>5</sup> The Federal Farm Loan Act, Public Law 64-158, 39 Stat. 360.

<sup>6</sup> The cooperative structure of the System was viewed by Congress as providing greater safeguards than other structures under consideration at the time.

<sup>7</sup> The International Co-operative Alliance (ICA), an independent, non-governmental association, has issued a statement on cooperative identity in which they espouse seven principles as guidelines for cooperatives to put their values into practice. Those seven principles are voluntary and open membership, democratic member control, member economic participation, autonomy and independence, training and information, cooperation among cooperatives, and concern for community. The principles can be found on the ICA Web site, <http://www.ica.coop>.

<sup>8</sup> Under 4.3A of the Act, borrower-members of a System institution acquire voting stock at loan origination and hold allocated equities generated by patronage distributions from net earnings. Borrower-members' voting stock and allocated equities are at-risk investments.