

## FEDERAL DEPOSIT INSURANCE CORPORATION

### Agency Information Collection Activities: Proposed Collection; Comment Request Re: Information Collection for Innovation Pilot Programs (NEW)

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

**ACTION:** Notice and request for comment.

**SUMMARY:** The FDIC seeks to continue its engagement and collaboration with innovators in the financial, non-financial, and technology sectors to, among other things, identify, develop and promote technology-driven innovations among community and other banks in a manner that ensures the safety and soundness of FDIC-supervised and insured institutions. An innovation pilot program framework can provide a regulatory environment in which the FDIC, in conjunction with individual proposals collected from innovators, including banks, will provide tailored regulatory and supervisory assistance, when appropriate, to facilitate the testing of innovative and advanced technologies, products, services, systems, or activities. The FDIC invites the general public, including persons who may have an interest in participating in innovation pilot programs and other Federal agencies, to comment on the agency's collection of pilot program proposals by innovators, as required by the Paperwork Reduction Act of 1995. At the end of the comment period, any comments and recommendations received will be reviewed to determine the extent to which the collection of proposals should be modified prior to the submission to the Office of Management and Budget (OMB) for review and approval.

**DATES:** Comments must be submitted on or before January 6, 2020.

**ADDRESSES:** Interested parties are invited to submit written comments to the FDIC by any of the following methods:

- <https://www.FDIC.gov/regulations/laws/federal/notices.html>.
- <https://www.regulations.gov>.
- **Email:** [comments@fdic.gov](mailto:comments@fdic.gov). Include the name of the collection in the subject line of the message.
- **Mail:** Jennifer Jones, Counsel, MB-3105, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.
- **Hand Delivery:** Comments may be hand-delivered to the guard station at the rear of the above address located on

F Street NW, on business days between 7:00 a.m. and 5:00 p.m., EST.

All comments should reference "Information Collection for Innovation Pilot Programs." A copy of the comments may also be submitted to the OMB desk officer for the FDIC: Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** Jennifer Jones, Counsel, at the FDIC mailing address above or by phone at 202-898-6768.

#### SUPPLEMENTARY INFORMATION:

#### Proposal for the Following New Collection of Information

1. **Title:** Information Collection for Innovation Pilot Programs.

**OMB Number:** 3064-NEW.

**Form Number:** None.

**Affected Public:** FDIC-supervised institutions (state-chartered banks and savings institutions that are not members of the Federal Reserve System) and innovative companies that partner or plan to partner, or provide services to such institutions.

**Estimated Number of Respondents:** 50.

**Estimated Total Annual Burden:** 3,000 hours.

**General Description of Collection:** The FDIC seeks to engage and collaborate with innovators in the financial, non-financial, and technology sectors to, among other things, identify, develop and promote technology-driven innovations among community and other banks in a manner that ensures the safety and soundness of FDIC-supervised and insured institutions. An innovation pilot program framework will provide a regulatory environment in which the FDIC, in conjunction with individual proposals collected from innovators, including banks, will provide tailored regulatory and supervisory assistance, when appropriate, to facilitate the testing of innovative and advanced technologies, products, services, systems, or activities.

While greater detail and the parameters of a planned innovation pilot program framework will be separately announced at a later date, innovators (banks and firms in partnership with banks) will be invited to voluntarily propose time-limited pilot programs, which will be collected and considered by the FDIC on a case-by-case basis. Innovators may request to participate by submitting proposals during a set time period for submissions. Applicants will propose the design and parameters of the pilot

program tests, as well as any tailored regulatory and supervisory assistance needed from the FDIC. Collected proposals will be assessed, prioritized and identified for testing, either on their own or as part of a subject-area focused grouping of pilot programs.

The FDIC anticipates that proposals will involve cutting-edge innovations and novel approaches or applications involving a banking product, service, system, or activity that benefits and can lead to better outcomes for consumers through, for example, an increased range of products and services, reduced costs, or improved access to financial services, or that decreases operational, risk management, or compliance costs for insured depository institutions.

Accepted pilot programs may be conducted and monitored concurrently with a number of pilot programs selected in a given cohort with limited participants. Subject-area groupings could include pilot programs that match a general theme or product area of great promise or particular interest to the banking sector or the FDIC. This may be announced in advance of the collection or afterwards if multiple pilot programs proposals are found to share key attributes or defining characteristics (e.g., similar product concept; banks of certain size; like customer focus).

Proposals will be collected from FDIC-supervised institutions (state-chartered banks and savings institutions that are not members of the Federal Reserve System), who may submit a pilot program proposal individually or together with companies that provide or aim to provide technologically driven products, services, or systems through direct contractual arrangements, partnerships, or joint ventures (this includes third-party service providers). Proposals may also be collected from innovators that are not themselves FDIC-supervised institutions and do not have a partnering institution but who may submit a pilot program proposal; however, the nonbank will be eligible to receive only a preliminary non-objection to its proposal conditioned on later submission (and collection) of the proposal in partnership with an FDIC-supervised institution.

The collection will be limited by eligibility for consideration. FDIC-supervised institutions that wish to participate in a pilot program must: (1) Have a demonstrated record of engaging in appropriate risk management; (2) be well-capitalized; (3) be well-rated for compliance and safety and soundness; and (4) not have significant pending supervisory or enforcement actions (or significant regulatory investigations). Other firms seeking to participate in a

pilot program must: (1) Be a U.S. domicile; (2) conduct all pilot program banking activity (products and services) through an FDIC-supervised institution partner; and (3) not involve persons who have been convicted of any criminal offense involving dishonesty, breach of trust, or money laundering.

#### Request for Comment

Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the FDIC's functions, including whether the information has practical utility; (b) the accuracy of the estimate of the burden of the information collection, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. All comments will become a matter of public record.

Federal Deposit Insurance Corporation.

**Annamarie H. Boyd,**

*Assistant Executive Secretary.*

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## FEDERAL MARITIME COMMISSION

[DOCKET NO. 19-08]

### Possible Revocation of Passenger Vessel Operator Performance Certificate No. P1397 Great Northern & Southern Navigation Co., LLC dba French America Line; Order Granting Hearing and Directing Great Northern & Southern Navigation Co. LLC dba French America Line To Show Cause

Pursuant to 46 CFR 540.8(c) the Federal Maritime Commission grants a hearing and directs respondent Great Northern & Southern Navigation Co., LLC DBA French America Line, a certified passenger vessel operator, to show cause why its Performance Certificate should not be revoked for cause.

Based on information provided to it, the Commission's Bureau of Enforcement makes the following allegations:

#### Statement of Facts Constituting Basis for Commission Action

1. Great Northern & Southern Navigation Co., LLC dba French America Line (French America Line or FAL) is a Louisiana Limited Liability Company.

2. According to records submitted to the Commission's Bureau of Certification and Licensing (BCL), French America Line is said to maintain its principal offices at 700 Churchill Parkway, Avondale, LA 70094.

3. BCL records identify the principal of French America Line as Christopher Kyte, Chairman, and Manager Duane Kendall Grigsby (Ken Grigsby) as Chief Operating Officer.

4. Christopher Kyte has provided BCL with his address as 883 Island Drive, Suite 214, Alameda, CA 94502.

5. BCL records identify David Christopher Tidmore as Registered Agent for service of process for FAL.

6. Louisiana Secretary of State records also identify David Christopher Tidmore as Registered Agent for service of process for FAL, located at 3104 Roberta St. Metairie, LA 70003.

7. On October 4, 2016, FAL entered into an Escrow Agreement with KeyBank, N.A. for the purposes of providing proof of Financial Responsibility for Indemnification of Passengers in the Event of Nonperformance.

8. Upon receipt of the escrow agreement, BCL issued Performance Certificate No. P-1397 effective October 5, 2016.

9. French America Line is a Certificat operating as a passenger vessel operator (PVO) pursuant to Certificate (Performance) No. P-1397 since October 2016.

10. On October 26, 2016, FAL's sole vessel, the LOUISIANE, suffered a sanitary system failure, requiring FAL to cancel multiple sailings.

11. The escrow agreement requires FAL to submit weekly recomputations of unearned passenger revenue and refunds, and are used to adjust the amount in the escrow account accordingly.

12. The escrow agreement requires FAL submit audit reports that attest to the veracity of unearned passenger revenue recomputations on a quarterly basis.

13. The 2016 4th Quarter Independent Audit for October, November, and December was not received on or before the due date of February 14, 2017.

14. The 2017 1st, 2nd, and 3rd Quarter Independent Audits were not received on or before the due dates of May 15, 2017, August 14, 2017, and November 14, 2017, respectively.

15. The Louisiana Secretary of State web page indicates that, on September 21, 2017, FAL changed its name to "Great Northern & Southern Navigation Co LLC French America Line" from "Great Northern & Southern Navigation

Co., LLC". FAL failed to notify the Commission of this change.

16. By email correspondence dated December 22, 2017 to Tajuanda Singletary, Ken Grigsby requested information about the audit process and what FAL needed to provide.

17. Tajuanda Singletary responded to Ken Grigsby by email January 3, 2018 with paragraph 8 of the escrow agreement which detailed the requirements for the independent audit.

18. By correspondence emailed January 25, 2018 to FAL, BCL sent a notification letter to FAL of the Commission's intent to conduct a review of Unearned Passenger Revenue pursuant to 46 CFR part 540.

19. In the January 25, 2018 letter to FAL, BCL requested various financial documents to be submitted by February 1, 2018.

20. By correspondence emailed January 29, 2018 to BCL, Christopher Kyte requested a two-week extension to provide the documents. BCL granted extension to February 9, 2018.

21. The documents requested in the notice of review letter were not received by February 9, 2018. On February 12, 2018 BCL emailed Christopher Kyte, again requesting the documents.

22. The 2017 4th Quarter Independent Audit for October, November, and December was not received on or before the due date of February 14, 2018.

23. By correspondence emailed February 21, 2018 to FAL, BCL again requested the documentation named in the January 25, 2018 notice of review letter that was not submitted by the February 9, 2018 extended deadline.

24. The 2018 1st Quarter Independent Audit for January, February, and March was not received on or before the due date of May 15, 2018.

25. By correspondence emailed May 18, 2018 to FAL, BCL notified FAL that it was not in compliance with the escrow agreement and gave a deadline of June 1, 2018 to come into compliance with the escrow agreement and provide BCL with the required reports, weekly recomputation certificates, statement of good standing with the state of Louisiana, and provide the current operating address of FAL.

26. By correspondence emailed May 31, 2018 to BCL, FAL responded to the May 18, 2018 notification stating that FAL remained at the same operating address of 700 Churchill Parkway, Avondale, LA 70094. FAL also requested an extension to submit the requested documents.

27. On June 6, 2018, BCL granted FAL's request for a deadline extension until June 30, 2018.