

FEDERAL RESERVE BANK  
OF NEW YORK

Circular No. 8403  
August 14, 1978

**Amendment to Rules Regarding Delegation of Authority and  
Rules Regarding Public Observation of Meetings**

*To All Member Banks, Bank Holding Companies,  
and Others Concerned, in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has amended its Rules Regarding Delegation of Authority and its Rules Regarding Public Observation of Meetings to delegate, to any three members of the Board of Governors designated by the Chairman of the Board, the authority to act on certain matters in the absence of a quorum of the Board when delay would be inconsistent with the public interest .

Copies of the amendments, effective August 2, 1978, are enclosed.

PAUL A. VOLCKER,  
*President.*



**Board of Governors of the Federal Reserve System**  
**RULES REGARDING DELEGATION OF AUTHORITY**

AMENDMENT  
(effective August 2, 1978)

[Docket No. R-0174]

**PART 265—RULES REGARDING  
DELEGATION OF AUTHORITY**

**Action in Absence of Quorum**

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

**ACTION:** Final rule.

**SUMMARY:** In order to expedite and facilitate performance of certain of its functions, the Board of Governors has delegated to any three Board members designated by the Chairman authority to act on certain matters in the absence of a quorum of the Board where delay would be inconsistent with the public interest.

**EFFECTIVE DATE:** August 2, 1978.

**FOR FURTHER INFORMATION  
CONTACT:**

Robert E. Mannion, Associate General Counsel, 202-452-3274, or Julius L. Loeser, Senior Attorney, 202-452-3236, Legal Division, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

**SUPPLEMENTARY INFORMATION:** From time to time, the Board is required to act upon various matters where a delay in Board action would not be consistent with the public interest. In order to provide for those times that a quorum of the Board may not be available in person to act upon such a matter, the Board has delegated, by the instant amendment, authority in this regard to any three Board members designated by the Chairman. The delegation provides that the action of the three Board members must be by unanimous vote. The delegation con-

tains a "sunset" provision, which provides for its expiration on June 30, 1980.

The provisions of 5 U.S.C. 553 relating to notice and public participation and deferred effective date are not followed in connection with the adoption of this amendment because the change involved herein is procedural in nature and does not constitute a substantive rule subject to the requirements of such section. The amendment is effective immediately.

In order to accomplish this delegation, 12 CFR Part 265 is amended by adding new § 265.1a(c) to read as follows:

§ 265.1a Specific functions delegated to Board members.

\* \* \* \* \*

(c) Any three Board members designated from time to time by the Chairman (the "Action Committee") are authorized, upon certification by the Secretary of the Board of an absence of a quorum of the Board present in person, to act by unanimous vote on any matter that the Chairman of the Board has certified must be acted upon promptly in order to avoid delay that would be inconsistent with the public interest, other than (i) those relating to rulemaking, (ii) those pertaining principally to monetary and credit policies, and (iii) those for which a statute expressly requires the affirmative vote of more than three members of the Board. This delegation of authority shall terminate June 30, 1980.

Board of Governors of the Federal Reserve System, August 2, 1978.

THEODORE E. ALLISON,  
Secretary of the Board.

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For these Rules to be complete, retain:

- 1) Printed pamphlet, as amended September 1, 1977.
- 2) Amendments effective September 27, 1977, October 5, 1977, October 6, 1977, November 16, 1977, January 26, 1978, and May 17, 1978.
- 3) This slip sheet.

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## RULES REGARDING PUBLIC OBSERVATION OF MEETINGS

### AMENDMENT

(effective August 2, 1978)

[Docket No. R-0174]

#### **PART 261b—RULES REGARDING PUBLIC OBSERVATION OF MEETINGS**

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

**ACTION:** Final rule.

**SUMMARY:** In order to expedite and facilitate performance of certain of its functions, the Board of Governors has delegated to any three Board members designated by the Chairman authority to act on certain matters in the absence of a quorum of the Board where delay would be inconsistent with the public interest. This amendment prescribes for the treatment of certain meetings of the three member group under the Government in the Sunshine Act.

**EFFECTIVE DATE:** August 2, 1978.

**FOR FURTHER INFORMATION CONTACT:**

Robert E. Mannion, Associate General Counsel, 202-452-3274, or Julius L. Loeser, Senior Attorney, 202-452-3236, Legal Division, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

**SUPPLEMENTARY INFORMATION:** On March 7, 1977, the Board adopted final rules (42 FR 13297) to provide for the procedures under which the open meeting requirements of subsections (b) through (f) of the Government in the Sunshine Act (5 U.S.C. § 552b) would be implemented.

The objective of the Act is to provide the public with the fullest practicable information regarding the decisionmaking processes of defined agencies while at the same time protecting

the rights of individuals and the ability of the Government to carry out its responsibilities. Under the Act and the Board's regulations, members of the Board may not, after March 12, 1977, jointly conduct or dispose of official agencies business other than in accordance with the procedures specified. Generally, such procedures require that every portion of every Board meeting be open to public observation, except when a meeting or a portion of a meeting is closed because it relates to a matter exempt from such public observation under subsection (c) of the Act.

The Board, in adopting the regulations, determined that it qualified for the use of expedited procedures for closing of meetings under subsection (d)(4) of the Act because a majority of its meetings could properly be closed pursuant to paragraph (4), (8), (9A), or (10) of subsection (c) of the Act or any combination thereof. Accordingly, the regulations provide for the closing of meetings under expedited procedures as well as for the closing of meetings under regular procedures.

The Board has today amended its rules regarding delegation of authority to establish an action committee (the "Committee") consisting of any three members of the Board designated by the Chairman from time to time. The Committee is authorized to act on behalf of the Board to approve or disapprove or take other appropriate action on a variety of matters, including applications requiring Board approval under sections 3 and 4 of the Bank Holding Company Act, under sections 25 and 25(a) of the Federal Reserve Act, and under the Bank Merger Act, where timely action is re-

quired and a quorum of the full Board is not available.

The Board has determined that the Committee would qualify for the use of expedited procedures for closing of its meetings under subsection (d)(4) of the Act to the same extent as the Board because a majority of the Committee's meetings would be properly closed pursuant to paragraph (4), (8), (9A), or (10) of subsection (c) of the Act or any combination thereof.

As a result of this finding the Board amends Part 261b, Rules Regarding Public Observation of Meetings, as follows:

#### **§ 261b.2 [Amended]**

Section 261b.2 (Definitions) is amended by adding a new subsection (h), as follows:

(h) "Committee" means the Action Committee established pursuant to 12 CFR § 265.1a(c).

#### **§ 261b.7 [Amended]**

Section 261b.7 (Meetings closed to public observation under expedited procedures) is amended by inserting "and the Committee" after "Board."

The provisions of 5 U.S.C. 553 relating to notice and public participation and deferred effective date are not followed in connection with the adoption of this amendment because the change involved herein is procedural in nature and does not constitute a substantive rule subject to the requirements of such section. The amendment is effective immediate.

Board of Governors of the Federal Reserve System, August 2, 1978.

THEODORE E. ALLISON,  
*Secretary of the Board.*

For these Rules to be complete, retain:

- 1) Rules effective March 12, 1977.
- 2) This slip sheet.