

purposes of this program, and foundations.

The Corporation especially invites applications from organizations with experience in, and commitment to, fostering service on Martin Luther King, Jr. day, including applicable State Martin Luther King, Jr. Commissions, local education agencies, faith-based partnerships, and volunteer centers.

Pursuant to the Lobbying Disclosure Act of 1995, an organization described in section 501(c)(4) of the Internal Revenue Code of 1986, 26 U.S.C. 501(c)(4), which engages in lobbying activities, is not eligible.

Overview of Application Requirements

The application shall be submitted in the required format, and shall contain the following:

1. A narrative section describing:
 - a. The planned activities being conducted in conjunction with Martin Luther King, Jr. Day, as well as the partnerships in the local community that are being engaged in support of the day and/or a description of sustained service activities over a period of time;
 - b. The organization's background and capacity to carry out this program;
 - c. The proposed staffing of the activity;
2. A budget in the prescribed format; and
3. Required certifications that the organization will comply with all conditions attendant to the receipt of federal funding.

The narrative portion of the application may be no longer than 15 single-sided pages double-spaced in 12-point font.

Review of Applications and Selection Criteria

The applications will be reviewed initially to confirm that the applicant is an eligible recipient and to ensure that the application contains the information required. The Corporation will assess applications based on their responsiveness to the objectives set forth in this announcement based on the following criteria listed below (in descending order of importance):

- (1) *Quality*. The proposal must demonstrate the applicant's ability to meet community needs through meaningful service activities, establish strong community partnerships, and fulfill the goals of Martin Luther King Jr.'s life and teaching;
- (2) *Organizational Capacity*. The application must demonstrate the organization's ability to carry out the activities described in the proposal, including the use of high quality staff;
- (3) *Cost*. The applicant must demonstrate how this grant will be

spent, including the sources and uses of matching support.

Dated: November 5, 1996.
Terry Russell,
Acting Executive Director, Corporation for National and Community Service.
[FR Doc. 96-28864 Filed 11-7-96; 8:45 am]
BILLING CODE 6050-28-P

DEPARTMENT OF DEFENSE

Office of the Secretary

Proposed Collection; Comment Request

AGENCY: Department of Defense, Office of the Deputy Under Secretary of Defense (International & Commercial Programs).

ACTION: Notice.

In compliance with Section 350(c)(2)(A) of the Paperwork Reduction Act of 1995, the Office of the Deputy Under Secretary of Defense (International & Commercial Programs) announces the proposed public information collection in order to implement the Defense Loan Guarantee Program and seeks public comment on the provisions thereof. Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the function of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed information collection; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

DATES: Consideration will be given to all comments received by January 7, 1997.

ADDRESSES: Written comments and recommendations on the proposed information collection should be sent to Office of the Deputy Under Secretary of Defense (International & Commercial Programs), 3070 Defense Pentagon, 3E1082, Washington, DC 20301-3070.

FOR FURTHER INFORMATION CONTACT: To request further information on this proposed information collection or to obtain a copy of the proposal and associated collection instruments, please write to the above address, or call Robert Hertzfeld, Esquire, (703) 697-0351.

Title, Associated Form, and OMB Number: DELG Program Application, DD Form 2747, 0704-0391.

Needs and Uses: The information collection requirement is necessary to review and process applications for loan guarantees issued under 10 U.S.C. 2540 for defense exports.

Affected Public: Businesses or other for profit, Small businesses or organizations.

Annual Burden Hours: 20.

Number of Respondents: 20.

Responses to Respondent: 1.

Average Burden per Response: 1 Hour.

Frequency: On occasion.

SUPPLEMENTARY INFORMATION:

Summary of Information Collection

Respondents are defense suppliers or exporters, lenders or nations, who are requesting a DoD guarantee of a private sector loan in support of the sale or loan terms lease, to certain eligible countries, of U.S. defense articles, services or design and construction services. The completed form will enable the department to determine whether the proposed transaction meets statutory guidance for program implementation.

Dated: November 4, 1996.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 96-28754 Filed 11-7-96; 8:45 am]

BILLING CODE 5000-04-M

Defense Export Loan Guarantee Program

AGENCY: Department of Defense.

ACTION: Notice of program announcement.

SUMMARY: The National Defense Authorization Act for FY96, directs the Secretary of Defense to implement an export loan guarantee program for private sector loans made to eligible sovereign nations for the sale or long-term lease of U.S. defense articles, services or design and construction services. The program is limited to \$15 billion in contingent liability and is available for NATO allies, major non-NATO allies, emerging democracies of Central Europe and non-communist members of APEC. The law requires that the program be implemented at no cost to the Department and operated through the collection of user fees and exposure fees to cover the cost of program implementation and the risk of loan default. This notice announces the Department of Defense's implementation of this law and describes the basic parameters of the program.

EFFECTIVE DATE: November 8, 1996.

FOR FURTHER INFORMATION CONTACT: The Office of the Deputy Under Secretary of Defense (International and Commercial Programs)—Defense Export Loan Guarantee Program, telephone 703-697-2685.

Introduction

Section 1321, the National Defense Authorization Act for Fiscal year 1996 (Pub. L. 104-106), codified at 10 U.S.C. 2540, directs the Secretary of Defense to establish a loan guarantee program. This notice describes the Defense Export Loan Guarantee (DELG) program established in accordance with the guidelines in the legislation.

Program Purpose

The purpose of the Department of Defense (DoD) Export Loan Guarantee program is to meet national security objectives by encouraging standardization and interoperability of defense systems with our allies, lowering purchase costs of defense items to DoD, preserving critical defense skills, and maintaining the stability of the industrial base by facilitating the export of American-made products.

Overview

The Deputy Under Secretary of Defense (International and Commercial Programs) will have oversight of the DELG program. The DELG program issues comprehensive guarantees to lenders against losses of principal or interest, or both, for loans extended to eligible countries. Guarantees are available for loans to certain sovereign nations for the sale or long-term lease of U.S. defense articles, services or design and construction services, as defined in the Arms Export Control Act, ((AECA)(22 U.S.C. 2751, et seq.)). Guarantees will only be issued if the products and services are approved for export under AECA procedures. The DELG Program will also provide loan guarantees for eligible sales under DoD's Foreign Military Sales program.

The DELG program will function much the same way as the Export Import Bank (Ex-Im Bank) functions. Under 10 U.S.C. 2540, the DELG program may not offer guarantees with terms and conditions more favorable than those offered by Ex-Im Bank. However, the DELG program procedures differ from the Ex-Im Bank procedures in several ways.

First, the DELG program must charge fees to cover all expected current and future program costs. Second, the DELG legislation requires the borrowing country (borrower) to pay an exposure fee to cover the risk associated with a potential default. That exposure fee

cannot be included in the amount guaranteed. Lastly, the definition of export for the DELG program is as defined in the AECA and its implementing regulations.

Like the Ex-Im Bank's program, the DELG comprehensive guarantee commits the full faith and credit of the U.S. Government and covers 100 percent of the risk of nonpayment of principal and interest. Likewise, the borrower must accept the loan as sovereign debt and make a cash payment to the supplier of at least 15 percent of the contract price. Notes guaranteed by DoD are fully and freely transferable but all claims must be submitted by the original lender or its paying agent, as discussed below.

All loans guaranteed by DoD must be denominated and payable in U.S. currency. Current authority limits the U.S. Government's contingent liability to \$15 billion under the DELG program. DoD reserves the right to limit the loan amount guaranteed for any one country.

Eligible Countries

10 U.S.C. 2540 (b) limits participation in the DELG program to countries meeting any of the following criteria.

(1) A member of the North Atlantic Treaty Organization (NATO).

(2) A country designated, as of March 31, 1995, as a major non-NATO ally pursuant to 10 U.S.C. 2350a(i)(3).

(3) A country in Central Europe that the Secretary of State has determined: (a) Has changed its form of national government from a non-democratic form to a democratic form since October 1, 1989, or (b) is in the process of changing its form of national government from a non-democratic form to a democratic form.

(4) A noncommunist country that was a member nation of the Asia Pacific Economic Cooperation (APEC) as of October 31, 1993.

Notwithstanding the above, DoD will not guarantee a loan to a country that is ineligible for guarantees from the Ex-Im Bank.

Eligible Exports

DoD will issue guarantees only for loans related to the sale or long-term lease of U.S. defense articles, services, or design and construction services as defined under the AECA. If the item to be exported contains foreign-made components, only the U.S. content as determined by DoD will be supported by a DELG guarantee. In order to qualify for a DELG guarantee, the U.S. portion of the production cost of the items exported must be greater than 50%.

Application Process

The DELG program offers both a letter of interest and a final commitment. The lender, borrower or suppliers/exporters may apply for a letter of interest. Only the lender or the borrower may apply for a final commitment. Applicants for a letter of interest will be charged a processing fee of \$1,250 and applicants for a final commitment will be charged a processing fee of \$25,000.

Applications will not be processed without the appropriate processing fee. A letter of interest is not a prerequisite for application for a final commitment.

Applicants for a DELG guarantee must comply with all applicable U.S. laws and regulations, including those related to the export of defense articles and services.

Letter of Interest

DoD issues a letter of interest to indicate that a proposed loan may be eligible for a DELG guarantee. The letter of interest is based upon a limited review of the proposed transaction for which a loan guarantee is sought, and provides an estimate of the guarantee terms and DELG program fees. Terms and fees stated in the letter of interest are subject to change. The letter of interest is valid for six months and may be renewed. The letter of interest does not obligate DoD to provide a guarantee.

A letter of interest may be sought before the details of the transaction are fully defined. Accordingly, it is acceptable for the applicant to provide estimates on its application. However, the accuracy of the DELG program fee estimates depends on the accuracy of the information provided by the applicant.

Final Commitment

The final commitment is a firm indication that DoD will guarantee the loan for a particular sale or lease, subject to satisfaction of all conditions specified in the commitment letter. A final commitment is issued upon extensive review of the application and the documentation that must accompany it. Prior to issuance of a final commitment, DoD must receive a copy of a valid export license or other evidence of compliance with the AECA. Additionally, DoD must receive written notice from the appropriate authority of the borrower that it will accept the loan as sovereign debt.

Eligible Lenders

Lenders qualified for loan guarantees under the procedures of the Ex-Im Bank will become eligible to participate in the DELG program upon execution of the DELG Master Guarantee Agreement

(MGA). (See discussion of the Master Guarantee Agreement below.) Lenders not currently qualified must first seek qualification from Ex-Im Bank. DoD reserves the right to disallow a lender for a particular transaction, even if that lender is otherwise qualified and has signed a DELG MGA.

Master Guarantee Agreement

The MGA is an agreement between DoD and a lender. The MGA provides the general terms and conditions applicable to DELG guarantees. The MGA facilitates the guarantee process.

For each specific loan transaction, a credit agreement must be executed by the lender, the borrower and DoD. A standard credit agreement has been developed for use in these transactions. A promissory note must also be executed by the borrower for the benefit of the lender to further evidence the credit.

Fees

DoD is required to fund all program costs through the assessment of fees. As described below, several types of fees are assessed at various stages of the process to cover these costs. Fees are subject to change without notice.

Processing Fees

The processing fee for a letter of interest is \$1,250. A fee of \$500 will be charged to renew or update a letter of interest. The processing fee for a final commitment is \$25,000.

Exposure Fee

The exposure fee covers the expected future cost to the U.S. government of a potential default by the borrower. The exposure fee is paid proportionately as the guaranteed loan is disbursed. The exposure fee must be paid by the borrower and shall not be included in the guaranteed loan amount.

DoD will calculate the exposure fee based upon the loan's repayment term (up to 12 years), its disbursement schedule (up to 5 years), the country's risk ratings (1 to 8, with 1 representing the least risk), and the guaranteed loan's interest rate. The country risk ratings are determined by schedules and agreements set by the Interagency Country Risk Assessment System (ICRAS). The Office of Management and Budget (OMB) requires that all U.S. credit agencies use the same country risk factors and methodology to calculate the subsidy (in this case, the exposure fee) inherent in a sovereign credit transaction.

These fees change periodically based upon changes in the ICRAS ratings and other factors. The exposure fee schedule

for different risk ratings is available from the DELG program or the DELG internet site at www.acq.osd.mil/icp.

Administrative Fee

The administrative fee covers the cost of servicing the guarantee during the disbursement and repayment period. The administrative fee shall be paid at loan closing and shall be three-eighths of one percent ($\frac{3}{8}\%$) of the guaranteed amount. The parties to the transaction must decide who will pay the administrative fee and notify DELG at the time of application.

Commitment Fee

The lender or borrower shall pay a commitment fee of one-eighth of one percent ($\frac{1}{8}\%$) per annum on the undisbursed balance of a guaranteed loan. Commitment fees begin to accrue 60 days after DoD issues the final commitment letter, and will be computed on a 360-day year basis.

Other Reimbursable Costs

Parties to the transaction will reimburse DoD for any legal fees and for any other transaction costs required for loan closing and issuance of the guarantee. These fees must be paid at loan closing.

Financing Terms

Cash Payment

The borrower must make a cash payment to the supplier/exporter equal to at least 15 percent of the contract price. The payment may be paid in a lump sum prior to disbursement of the guaranteed loan, or it may be paid in installments equal to at least 15 percent of the value of each payment under the contract or lease for which the loan is being disbursed.

Coverage

Principal. DoD's maximum guarantee will be the lesser of 85 percent of the contract price or 100 percent of the U.S. content.

Interest. A DELG guarantee is available for fixed or floating-rate loans and covers 100 percent of the interest on the guaranteed amount.

Disbursement Methods

The loan disbursement period shall not extend beyond the receipt of operational capability or completion of services, and in no case shall it extend beyond five years. The DELG program recognizes two disbursement methods: the reimbursement method and the letter of credit (L/C) method. Under either method of disbursement, interest will accrue on the outstanding balance

of the loan during the disbursement period.

Reimbursement method. The borrower pays the supplier in accordance with the terms of the contract and then requests that the lender disburse the loan to reimburse the borrower.

L/C method. The borrower arranges for a letter of credit to be issued by the lender, or a bank acceptable to the lender and to DoD, in favor of the supplier. The supplier then draws on the letter of credit in accordance with the contract or lease.

Repayment Term

The repayment term on a transaction supported by a loan guaranteed by DoD can be no more than 12 years. The DoD will determine the repayment period based on the contract value, the useful life of the item, and the purchasing country. Major defense equipment generally will be allowed a maximum repayment term of 12 years and all other defense end items generally will be allowed a maximum repayment term of 10 years. The term of the loan shall never exceed the expected useful life of the item, as determined by DoD.

Repayment of principal must commence within six months of the end of the disbursement period as defined above.

Conditions of the Guarantee

Supplier's Certificate

DoD requires a certification from the supplier/exporter stating that the goods and services meet the foreign content criteria and disclosing any commissions or fees other than those paid in the ordinary course of business.

Transportation

When the supplier is responsible for shipping, exports financed under a DELG guaranteed loan that are transported by ocean vessel must be shipped in vessels of U.S. registry, unless the foreign buyer obtains a waiver of this requirement from the U.S. Maritime Administration. Borrowers should address waiver requests to: Director, Officer of Market Development, Maritime Administration, U.S. Department of Transportation, 400 7th Street SW., Washington, DC 20590.

Insurance

The borrower shall obtain insurance against marine and transit hazards on all shipments guaranteed under the DELG program, or shall accept, in writing, the risk of loss of the items due to such hazards. U.S. insurers should be given a nondiscriminatory opportunity to bid for such insurance business. Premiums

for hazard insurance payable to U.S. insurance companies are eligible for DELG financing.

Conditions Precedent to Disbursement

Before any disbursements can be made under a guaranteed loan, parties to the transaction will be required to satisfy all conditions precedent set out in the underlying loan documents, including payment of all fees due and any other applicable transaction closing costs and expenses.

When the conditions precedent to disbursement have been met to the satisfaction of DoD, and upon the written request of the lender, the DoD will affix a guarantee legend to the appropriate instrument in accordance with the term of the MGA.

Transferability

The DELG guarantee is freely transferable (by endorsing the note over to the new holder) without prior approval of DoD. This facilitates loan participation and loan syndication as well as straight sale of obligations.

To provide for the transfer of notes covered by a DELG guarantee, DoD requires the use of a paying agent/ registrar if the lender intends to transfer the notes. The lender may be the paying agent/registrar.

Although the obligation may be transferred, the responsibilities of the lender/paying agent are not transferred with the obligation. The original lender/paying agent is required to keep records of the transfer and the new holder of the note must work through the original lender/paying agent to make a claim against DoD.

Claims

Procedure

Only the original lender/paying agent may make a claim. Under DELG guarantees, a claim may be filed when a borrower fails to pay for any reason, including a failure to pay resulting from official debt relief accorded by the U.S. Government.

The lender/paying agent, on behalf of the note holder if other than the original lender/paying agent, may demand payment from DoD if a note is in default for an installment of either principal and/or interest for at least 30 calendar days, and if at least 15 days have elapsed since a written demand for payment was made on the borrower. The written demand to DoD must be made not later than 150 calendar days from the due date of the installment in default. If a claim is not made within 150 days of default, the DELG guarantee terminates for that installment.

The guaranteed amount includes the unpaid principal amount of the installment and any accrued unpaid interest. Before payment by DoD, any payments made by or on behalf of the borrower shall be applied to amounts due in accordance with the priorities set forth in the credit agreement or note(s).

Payment by DoD

DoD will pay the lender/paying agent the guaranteed amount of the installment after timely receipt of the lender/paying agent's fully documented claim including a written demand for payment to DoD and the note(s) endorsed to DoD. The lender/paying agent is responsible for paying the note holders.

DoD shall not accelerate any guaranteed loan or increment, or make any payments other than in accordance with the original terms of the loan.

After DoD makes the first payment under its guarantee for either principal and/or interest, DoD acquires all right, title, and interest in and to the note(s), the credit agreement, and any security. DoD, in its sole discretion, will pursue collection of all amounts due or to become due for its own account. The lender/paying agent shall be entitled only to payments from DoD under the original terms of the loan.

Additional Information

For additional information on any of the topics covered in the program description, please contact: DELG Program, Office of the Deputy Under Secretary of Defense (International and Commercial Programs), 3070 Defense Pentagon, Room 3E1082, Washington, D.C. 20301-3070. Telephone: 703-697-2685. Fax: 703-695-5343.

Dated: November 4, 1996.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 96-28755 Filed 11-7-96; 8:45 am]

BILLING CODE 5000-04-M

Department of the Navy

Notice of Public Hearing for the Draft Environmental Impact Statement (DEIS) for Reuse of Naval Station Puget Sound, Sand Point, Seattle, WA

SUMMARY: Pursuant to Section 102(2)(c) of the National Environmental Policy Act (NEPA) of 1969 as implemented by the Council on Environmental Quality regulations (40 CFR Parts 1500-1508), the Department of the Navy, has prepared and filed with the U.S. Environmental Protection Agency a Draft Environmental Impact Statement

(DEIS) for proposed reuse of the former Naval Station Puget Sound, Sand Point property and structures in Seattle, Washington. The Draft EIS has been prepared in compliance with the 1991 Base Realignment and Closure (BRAC) directive from Congress to close Naval Station Puget Sound, Sand Point. The property will be disposed of in accordance with the provisions of the Defense Base Closure and Realignment Act (Public Law 101-510) of 1990 as amended, and applicable federal property disposal regulations. Naval Station Puget Sound, Sand Point closed on September 30, 1995.

The DEIS assesses the potential environmental impacts associated with reuse of Naval Station Puget Sound, Sand Point. Three action alternatives are under consideration in this DEIS: the City of Seattle Community Reuse Plan for Sand Point (City Plan); the City Plan with Option; and the Muckleshoot Indian Tribe Reuse Plan for the Naval Station Puget Sound, Sand Point (Muckleshoot Plan). The "No Action" alternative is also being evaluated.

The preferred alternative, the City Plan, proposes the following land uses to be located within five functionally distinct subareas: arts/cultural activities, open space/ recreation, education/ community activities, residential, and institutional. The Muckleshoot Plan proposes the following land uses: recreation, education, administration, recreational/commercial, warehousing, light industrial, and institutional. Under the "No Action" alternative, the Navy would continue to be caretaker of the base, with no defined productive reuse. Although both reuse plans have the potential for significant impacts, appropriate mitigation measures implemented by the acquiring entity would minimize the impacts.

On September 30, 1995, the Navy closed the Naval Station Puget Sound, Sand Point and placed it in caretaker status. The City Plan continues to be refined and possible changes to the City Plan under consideration are analyzed in the DEIS under the headings: Options to the City Plan and Ballard High School Option.

This DEIS evaluates the following elements of the environment: land use, historic and cultural resources, socioeconomics, recreation, transportation, noise, public services and utilities, public health and safety, biological resources/endangered species, water, and air quality.

The Draft EIS is available for review at the following public libraries: Seattle Public Library, 1000 4th Ave., Seattle; Northeast Branch Library, 6801 35th