

# Rules and Regulations

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## DEPARTMENT OF AGRICULTURE

### Rural Utilities Service

#### 7 CFR Part 1710

#### Exemptions of RUS Operational Controls under Section 306E of the Rural Electrification Act; Timing of Notification to Borrowers

**AGENCY:** Rural Utilities Service, USDA.

**ACTION:** Final rule.

**SUMMARY:** Section 306E of the Rural Electrification Act of 1936, as amended, directs The Rural Utilities Service (RUS) to minimize approval rights, requirements and prohibitions imposed on the operations of electric borrowers whose net worth exceeds 110 percent of the outstanding loans made or guaranteed to the borrower by RUS. Prior to today's amendment, RUS regulations implementing this provision included a requirement that RUS notify borrowers no later than May 1 of each year whether they meet the 110 percent test in order to qualify for the exemptions listed in the rule. Most of the information needed to determine a borrower's exemption status is contained in Financial and Statistical Reports that each borrower submits to RUS no later than March 1 each year. Because of the short time available to compile the data, RUS has had difficulty meeting the May 1 notification date. Today's rule pushes the date back to July 1. The rule makes no substantive changes to the "110 percent rule." RUS is simply changing the timing of the notification to borrowers. The July 1 date is the same date that RUS is required to notify borrowers of exemption from RUS approval of certain investments. RUS believes that informing borrowers of their exemption status under both rules at the same time will reduce administrative costs to borrowers and to the agency.

**DATES:** This rule is effective May 22, 1997.

**FOR FURTHER INFORMATION CONTACT:** Sue Arnold, Financial Analyst, U.S. Department of Agriculture, Rural Utilities Service, Room 4032-S, 1400 Independence Avenue, SW, STOP 1522, Washington, DC 20250-1500. Telephone: 202-690-1078. FAX: 202-720-4120. E-mail: sarnold@rus.usda.gov.

**SUPPLEMENTARY INFORMATION:** This regulatory action makes no substantive change to RUS regulations and, therefore, has not been reviewed by the Office of Management and Budget (OMB). The Administrator of RUS has determined that a rule relating to the RUS electric loan program is not a rule as defined in the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) for which RUS published a general notice of proposed rulemaking pursuant to 5 U.S.C. 553(b), or any other law. Therefore, the Regulatory Flexibility Act does not apply to this rule. The Administrator of RUS has determined that this rule will not significantly affect the quality of the human environment as defined by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*). Therefore, this action does not require an environmental impact statement or assessment. This rule is excluded from the scope of Executive Order 12372, Intergovernmental Consultation, which may require consultation with State and local officials. A Notice of Final Rule titled Department Programs and Activities Excluded from Executive Order 12372 (50 FR 47034) exempts RUS electric loans and loan guarantees from coverage under this Order. This rule has been reviewed under Executive Order 12988, Civil Justice Reform. RUS has determined that this rule meets the applicable standards provided in Sec. 3 of the Executive Order.

The program described by this rule is listed in the Catalog of Federal Domestic Assistance Programs under number 10.850 Rural Electrification Loans and Loan Guarantees. This catalog is available on a subscription basis from the Superintendent of Documents, the United States Government Printing Office, Washington, DC 20402-9325.

#### Information Collection and Recordkeeping Requirements

This rule contains no recordkeeping or reporting burdens requiring Office of

Management and Budget (OMB) approval under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 31, as amended).

#### Background

Section 306E of the Rural Electrification Act of 1936, as amended, (7 U.S.C. 936e) directs RUS to minimize approval rights, requirements and prohibitions imposed on the operations of electric borrowers whose net worth exceeds 110 percent of the outstanding loans made or guaranteed to the borrower by RUS. Prior to today's amendment, RUS regulations required RUS to notify borrowers no later than May 1 of each year whether they meet the 110 percent test in order to qualify for the exemptions listed in the rule. See 7 CFR 1710.7(b)(3). The 110 percent rule was last revised December 29, 1995, at 60 FR 67401, but the date of the notification was not changed at that time.

Most of the information required to prepare the notification is in the Financial and Statistical Report that each borrower submits annually to RUS (RUS Form 7 for distribution borrowers, or Form 12 for power supply borrowers). This report is not due to RUS until March 1. The short time period for compiling the data has stressed agency resources, and RUS has had difficulty meeting the May 1 notification date. Today's rule pushes the notification date back to July 1. No changes are being made to the qualifications for the exemption or to the nature of the exemption itself. Borrowers who are notified that they are exempt will remain exempt until they are notified otherwise by RUS.

Another RUS rule, Investments, Loans, and Guarantees by Electric Borrowers, 7 CFR 1717 subpart N, provides in § 1717.656(e) that RUS will notify borrowers by July 1 of any change in their status with respect to exemption from RUS approval of certain investments. While the 110 percent rule and the investment rule deal with different exemptions, RUS believes that informing borrowers of their exemption status under both rules at the same time will reduce administrative costs to borrowers and to the government.

Because this rule makes no change to RUS rules other than a change in the notification date, RUS has determined that no period for public comment is

needed, and the change in date is in effect immediately.

#### List of Subjects in 7 CFR Part 1710

Electric power, Electric utilities, Loan programs—energy, Rural areas.

For the reasons set out in the preamble, and under the authority of 7 U.S.C. 901 *et seq.*, RUS amends 7 CFR part 1710 as follows:

#### PART 1710—GENERAL AND PRE-LOAN POLICIES AND PROCEDURES COMMON TO INSURED AND GUARANTEED ELECTRIC LOANS

1. The authority citation for part 1710 continues to read as follows:

**Authority:** 7 U.S.C. 901–950(b); Pub. L. 99–591, 100 Stat. 3341; Pub. L. 103–354, 108 Stat. 3178 (7 U.S.C. 6941 *et seq.*).

2. Section 1710.7 is amended by revising paragraph (b)(3) to read as follows:

#### § 1710.7 Exemptions of RUS operational controls under section 306E of the RE Act.

\* \* \* \* \*

(b) \* \* \*

(3) By no later than July 1 of each year, RUS will notify each borrower in writing of its exemption status. If the borrower's net worth to RUS debt ratio exceeds 110 percent based on the most recent year-end data, the borrower will be exempt from the operational controls exempted under paragraph (c) of this section until subsequently notified in writing by RUS that it is no longer exempt.

\* \* \* \* \*

Dated: May 15, 1997.

**Jill Long Thompson,**

*Under Secretary, Rural Development.*

[FR Doc. 97–13424 Filed 5–21–97; 8:45 am]

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#### DEPARTMENT OF AGRICULTURE

##### Animal and Plant Health Inspection Service

9 CFR Parts 51, 56, 71, 75, 76, 78, 80, and 85

[Docket No. 96–041–2]

##### Interstate Movement of Livestock; Approved Livestock Facilities, Hog Cholera Provisions, and Livestock Identification

**AGENCY:** Animal and Plant Health Inspection Service, USDA.

**ACTION:** Final rule.

**SUMMARY:** We are amending the regulations regarding the interstate movement of livestock by combining the

provisions for the approval of livestock markets for cattle and bison, horses, and swine into a single section. These changes are the result of a comprehensive review of the Animal and Plant Health Inspection Service's regulations, programs, and policies regarding livestock markets and stockyards. We are also removing the regulations that restrict the movement of swine and swine products from areas quarantined for hog cholera and that provide for the payment of compensation to the owners of swine destroyed because of hog cholera. We are removing the hog cholera regulations because the United States has been free of hog cholera since 1978 and import requirements have proven adequate to prevent the reintroduction of the disease into this country. These actions will eliminate unnecessary or duplicative regulations and remove the implication that hog cholera has not yet been eradicated in the United States.

**EFFECTIVE DATE:** June 23, 1997.

**FOR FURTHER INFORMATION CONTACT:** Dr. James P. Davis, Senior Staff Veterinarian, Surveillance and Animal Identification Team, National Animal Health Programs, VS, APHIS, 4700 River Road Unit 36, Riverdale, MD 20737–1231, (301) 734–5970; or E-mail: jdavis@aphis.usda.gov.

#### SUPPLEMENTARY INFORMATION:

##### Background

The regulations in subchapters B and C of chapter I, title 9, of the Code of Federal Regulations contain provisions designed to prevent the dissemination of animal diseases in the United States and facilitate their control and eradication. Subchapter B, "Cooperative Control and Eradication of Livestock or Poultry Diseases," comprises 9 CFR parts 49 through 56; subchapter C, "Interstate Transportation of Animals (Including Poultry) and Animal Products," is made up of 9 CFR parts 70 through 89.

In a proposed rule published in the **Federal Register** on October 31, 1996 (61 FR 56155–56165, Docket No. 96–041–1), we proposed to amend the regulations regarding the interstate movement of livestock by combining the provisions for the approval of livestock markets for cattle and bison, horses, and swine into a single section. In that same document, we also proposed to remove the regulations that restrict the movement of swine and swine products from areas quarantined for hog cholera and that provide for the payment of compensation to the owners of swine destroyed because of hog cholera.

We solicited comments concerning the proposed rule for 60 days ending December 30, 1996. We received five comments by that date. The comments we received were from a private veterinarian, three State animal health officials, and a livestock industry association. Two commenters generally supported the proposed rule but expressed reservations or offered suggestions on particular points. The remaining three commenters were opposed to specific aspects of the proposed rule and spoke only to those issues. The comments are discussed in detail below by subject.

#### Definitions

One commenter asked why sheep were not included in the proposed definition of *livestock* in § 71.1. When we prepared the proposed definition of *livestock*, our focus was on the term as it applied to the proposed new combined livestock facility agreement. Because that agreement contains no sheep-related provisions, we did not feel it was necessary to include sheep in the definition of *livestock*. However, the regulations in part 71 do refer numerous times to diseases of "livestock or poultry" or the interstate movement of "livestock or poultry;" in that context, it appears clear that sheep should be included in the definition of *livestock*. We have, therefore, added sheep to the definition of *livestock* in this final rule.

One commenter suggested that we add a definition for cull sows and boars to § 71.1 to differentiate such swine from breeder swine, feeder swine, and slaughter swine. The commenter stated that cull sows and boars, even though they are most often purchased for further feeding, would fall under the definition of *breeder swine* because they are sexually intact, and thus would be subject to more restrictions than other swine intended for further feeding, i.e. those covered under the definition of *feeder swine*. Breeder swine and feeder swine are subject to the same restrictions under the regulations in part 71 as amended by this document, so sexually intact cull sows and boars will not be subject to more restrictions than feeder swine as the commenter had anticipated. Because sexually intact cull sows and boars meet the definition of breeder swine—i.e., sexually intact swine over 6 months of age—and will not be handled in a manner different from breeder swine under the regulations, it is not necessary to define cull sows and boars apart from breeder swine.