

elect coverage that will remain unreduced after age 65.

Due to an inadvertent error, the supplementary information for the interim regulation contained an incorrect effective date for open enrollment changes of April 24, 2000. The correct date is the first day of the pay period on or after April 23, 2000.

#### **Executive Order 12866, Regulatory Review**

This rule has been reviewed by the Office of Management and Budget in accordance with Executive Order 12866.

#### **Regulatory Flexibility Act**

I certify that these regulations will not have a significant economic impact on a substantial number of small entities because they affect Federal employees and annuitants only.

#### **List of Subjects in 5 CFR Part 870**

Administrative practice and procedure, Government employees, Hostages, Iraq, Kuwait, Lebanon, Life insurance, Retirement.

Accordingly, under the authority of 5 U.S.C. 8716, OPM is adopting its interim regulations under 5 CFR part 870 as published on April 27, 1999 [64 FR 22543], as a final rule without change.

Office of Personnel Management.

**Janice R. Lachance,**  
*Director.*

[FR Doc. 99-33366 Filed 12-22-99; 8:45 am]

**BILLING CODE 6325-01-U**

## **DEPARTMENT OF AGRICULTURE**

### **Rural Business-Cooperative Service**

#### **7 CFR Part 4284**

**RIN 0570-AA05**

#### **Rural Business Opportunity Grants**

**AGENCY:** Rural Business-Cooperative Service, USDA.

**ACTION:** Final rule.

**SUMMARY:** The Rural Business-Cooperative Service (RBS) is issuing new regulations for the Rural Business Opportunity Grant (RBOG) Program. This action is needed to implement a new program authorized by section 741 of the Federal Agriculture Improvement and Reform Act of 1996 to assist economic development in rural areas. The intended effect of this action is to implement the RBOG program.

**EFFECTIVE DATE:** January 24, 2000.

**FOR FURTHER INFORMATION CONTACT:** M. Wayne Stansbery, Loan Specialist,

Specialty Lenders Division, Rural Business-Cooperative Service, U.S. Department of Agriculture, STOP 3225, 1400 Independence Ave. SW, Washington, DC 20250, Telephone (202) 720-6819. The TTD number is (800) 877-8339 or (202) 708-9300.

#### **SUPPLEMENTARY INFORMATION:**

##### **Classification**

This rule has been determined to be significant and has been reviewed by the Office of Management and Budget under Executive Order 12866.

##### **Programs Affected**

The Catalog of Federal Domestic Assistance number for the program impacted by this action is 10.773, Rural Business Opportunity Grants.

##### **Paperwork Reduction Act**

The information collection requirements contained in this regulation have been approved by the Office of Management and Budget (OMB) under the provisions of 44 U.S.C. chapter 35 and have been assigned OMB control number 0570-0024 in accordance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*). This rule does not revise or impose any new information collection or recordkeeping requirements.

##### **Intergovernmental Review**

Rural Business Opportunity Grants are subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and Local officials. RBS will conduct intergovernmental consultation in the manner delineated in RD Instruction 1940-J, "Intergovernmental Review of Farmers Home Administration Programs and Activities," and in 7 CFR 3015, subpart V.

##### **Civil Justice Reform**

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. In accordance with this rule: (1) All State and local laws and regulations that are in conflict with this rule will be preempted; (2) no retroactive effect will be given this rule; and (3) administrative proceedings in accordance with the regulations of the Agency at 7 CFR part 11 must be exhausted before bringing suit in court challenging action taken under this rule unless those regulations specifically allow bringing suit at an earlier time.

##### **Environmental Impact Statement**

This document has been reviewed in accordance with 7 CFR part 1940, subpart G, "Environmental Program."

RBS has determined that this proposed action does not constitute a major Federal action significantly affecting the quality of the human environment, and in accordance with the National Environmental Policy Act of 1969, 42 U.S.C. 4321 *et seq.*, an Environmental Impact Statement is not required.

##### **Unfunded Mandates**

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), 2 U.S.C. chapters 17A and 25, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. Under section 202 of the UMRA, RBS must prepare a written statement, including a cost-benefit analysis, for proposed and final rules with "Federal mandates" that may result in expenditures to State, local or tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any one year. When such a statement is needed for a rule, section 205 of UMRA generally requires RBS to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, more cost effective or least burdensome alternative that achieves the objectives of the rule.

This rule contains no Federal mandates (under the regulatory provisions of title II of the UMRA) for State, local, and tribal governments or the private sector. Thus this rule is not subject to the requirements of sections 202 and 205 of UMRA.

##### **Background**

RBS is implementing a grant program to fund technical assistance and planning activities in rural areas for the purpose of improving economic conditions in the areas. This action is necessary to comply with section 741 of the Federal Agriculture Improvement and Reform Act of 1996. Grants will be available to public bodies, nonprofit corporations, Indian tribes, and cooperatives. Grants may be used for technical assistance for business development and economic development planning; identifying and analyzing business opportunities that will use local rural materials or human resources, including opportunities in export markets as well as feasibility and business plan studies; identifying, training, and providing technical assistance to existing or prospective rural entrepreneurs and managers; establishing business support centers and otherwise assisting in the creation of new rural businesses; conducting local community or multi-county economic development planning;

establishing centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies to develop international trade opportunities and markets; and conducting leadership development training of existing or prospective rural entrepreneurs and managers.

#### Discussion of Comments

This rule was published in the **Federal Register** as a proposed rule on February 3, 1998 (60 FR 5474). Six comment letters were received, most of which contained comments on several issues. A summary of the comments follows.

Two respondents commented on the definition of rural and rural area. Both thought the 10,000 population limit proposed was too low. This limit is statutory and cannot be changed.

A respondent was concerned that a provision stating that grant funds may not be used to duplicate, replace, or substitute for current services might exclude organizations seeking to expand. We have added language to clarify that this restriction is not intended to prevent assistance for expanding the level of effort or services when the current level is insufficient.

Respondents suggested that the terms sustainability and sustainable development should be defined. We agree, and have provided a definition consistent with Secretary's Memorandum 9500-6, "Sustainable Development," dated September 13, 1996.

A respondent objected to limiting grants to one or two years funding. The respondent believes two years is too short for capacity building projects. We are also concerned that there may be needed projects that cannot be completed in two years. However, we expect the appropriations for this program to be small and we do not want to commit limited funds to projects that cannot be expected to be completed within two years. Longer term projects may be funded, but funds will only be committed for one year at a time. Such projects will have to compete again for additional funds from future years appropriations. This provision of the rule is unchanged.

We received three comments about the priority scoring criteria. One respondent stated that the RBOG should not be used as a disaster relief program and objected to giving priority points based on natural disasters. One of the goals of the Rural Development mission area is to target assistance to communities of greatest need, including

communities that are experiencing trauma due to a major natural disaster. This criterion is not changed.

The respondent also questioned the awarding of priority points to communities that have remained consistently poor for 60 years or more. The respondent felt data may not be reliable and the 60-year standard would penalize communities in the West, where communities are younger. Communities that have been persistently poor over a long term have also been identified as target communities for Rural Development and 60 years has been used before as a rule-of-thumb. However, we agree that 60 years is an excessive standard. For two other factors, population decline and job deterioration, the proposed rule only required the condition be "long-term." In the final rule, we have also adopted the term "long-term" instead of "60 years" for the condition of consistently poor. We have defined "long-term," to be the period of time covered by the three most recent decennial censuses to the present.

Another respondent requested priority points for communities that have been adversely affected by changes in transportation. Although this is a concern in some rural areas, we do not believe it warrants special priority. The suggestion was not adopted.

A respondent asked for "business incubator" to be added to the definition of Business Support Centers. Although some business incubators perform many of the services of a business support center, we believe including the term as suggested would imply that grant funds could be used to provide building space. That is not the intent of the RBOG program. The suggestion is not adopted.

A respondent suggested "National nonprofit organizations" be included as eligible. We see no need to change the language that was used in the proposed rule. Nonprofit corporations were already listed as eligible, without regard to whether they are National, regional, or local.

A respondent was concerned because the proposed rule did not require a detailed budget as part of the application. The application form required is Standard Form 424, "Application for Federal Assistance (For Non-Construction)." The form contains a budget format which we believe is adequate. No change is made in this regard from the proposed rule.

A respondent was concerned because there is no reference to a grant agreement document. We believe a grant agreement document is unnecessary and have made no change as a result of the comment. Grant projects will be defined

by the Scope of Work and Letter of Conditions. Grantees will be required to sign a Request for Obligation of Funds form containing a certification that the grantee will comply with all applicable regulations, including 7 CFR parts 3015, 3016, 3017, 3018, 3019, and 3052. Most of the material that might be put in a grant agreement document is contained in those regulations.

A respondent suggested clarifying whether grants can support indirect costs. Allowable costs are set out in 7 CFR parts 3015, 3016, and 3019 and in applicable OMB circulars referenced in 7 CFR parts 3015, 3016, and 3019. We have purposely avoided restating material from those regulations to avoid repetition, the possibility of misstating requirements, and the need to amend this regulation if 7 CFR parts 3015, 3016, or 3019 is amended. Therefore, we have not adopted the suggestion. Generally, indirect costs are allowable.

A respondent correctly pointed out that the proposed rule made references to 7 CFR part 3051, "Audits of Institutions of Higher Education and other Nonprofit Institutions," which has been replaced by 7 CFR part 3052, "Audits of States, Local Governments, and Non-profit Organizations." We have made the appropriate corrections.

In addition to responding to public comments, we have removed a provision that would have prevented material developed with grant funds from being copyrighted because it conflicted with 7 CFR 3016 and 3019.

#### Implementation

It is the policy of this Department that rules relating to public property, loans, grants, benefits, or contracts shall comply with 5 U.S.C. 553, notwithstanding the exemption of that section with respect to such rules. Accordingly, this rule has previously been published as a proposed rule, on February 3, 1998 (63 FR 5474), for public comment, and will be effective 30 days after publication of this final rule in the **Federal Register**.

#### List of Subjects in 7 CFR Part 4284

Business and industry, Economic development, Grant programs—Housing and community development, Rural areas.

Therefore, chapter XLII, title 7, Code of Federal Regulations, is amended as follows:

#### PART 4284—GRANTS

1. The authority citation for part 4284 is amended to read as follows:

**Authority:** 5 U.S.C. 301 and 7 U.S.C. 1989.

2. Subpart G of part 4284, consisting of §§ 4284.601 through 4284.700, is added to read as follows:

## PART 4284—GRANTS

### Subpart G—Rural Business Opportunity Grants

Sec.

- 4284.601 Purpose.
- 4284.602 Policy.
- 4284.603 Definitions.
- 4284.604–4284.619 [Reserved]
- 4284.620 Applicant eligibility.
- 4284.621 Eligible grant purposes.
- 4284.622–4284.628 [Reserved]
- 4284.629 Ineligible grant purposes.
- 4284.630 Other considerations.
- 4284.631–4284.637 [Reserved]
- 4284.638 Application processing.
- 4284.639 Grant selection criteria.
- 4284.640 Appeals.
- 4284.641–4284.646 [Reserved]
- 4284.647 Grant approval and obligation of funds.
- 4284.648 Fund disbursement.
- 4284.649–4284.655 [Reserved]
- 4284.656 Reporting.
- 4284.657 Audit requirements.
- 4284.658–4284.666 [Reserved]
- 4284.667 Grant servicing.
- 4284.668 Programmatic changes.
- 4284.669–4284.683 [Reserved]
- 4284.684 Exception authority.
- 4284.685–4284.698 [Reserved]
- 4284.699 Member delegate clause.
- 4284.700 OMB control number.

### Subpart G—Rural Business Opportunity Grants

#### § 4284.601 Purpose.

This subpart outlines Agency policies and authorizations and sets forth procedures for making grants to provide technical assistance for business development and conduct economic development planning in rural areas. The purpose of this program is to promote sustainable economic development in rural communities with exceptional needs by:

(a) Promoting economic development that is sustainable over the long term through local effort without subsidies or external support and that leads to improvements in quality as well as the quantity of economic activity in the community;

(b) Catalyzing economic development projects by providing critical investments that enable effective development projects to be undertaken by rural communities that, with the Rural Business Opportunity Grants (RBOG) assistance, will be able to identify their needs and take full advantage of available resources and opportunities;

(c) Focusing assistance on priority communities (defined in § 4284.603); and

(d) Sponsoring economic development activities with significant potential to serve as examples of “best practices” that merit implementation in rural communities in similar circumstances.

#### § 4284.602 Policy.

(a) The grant program will be used to assist in the economic development of rural areas.

(b) Funds allocated for use in accordance with this subpart are also to be considered for use by Indian tribes within the State regardless of whether State development strategies include Indian reservations within the State’s boundaries. Indians residing on such reservations must have equal opportunity, along with other rural residents, to participate in the benefits of these programs.

#### § 4284.603 Definitions.

*Agency.* The Federal agency within the United States Department of Agriculture (USDA) with responsibility assigned by the Secretary of Agriculture to administer the RBOG Program. At the time of publication, that agency is the Rural Business-Cooperative Service.

*Best practice project.* An action that has potential applicability in other rural communities and which potentially has instructional value when shared with those communities.

*Business support centers.* Centers established to provide assistance to businesses in such areas as counseling, business planning, training, management assistance, marketing information, and locating financing for business operations. The centers need not be located in a rural area, but must provide assistance to businesses located in rural areas.

*Economic development.* The industrial, business and financial augmentation of an area as evidenced by increases in total income, employment opportunities, value of production, duration of employment, or diversification of industry, reduced outmigration, higher labor force participation rates or wage levels, or gains in other measurements of economic activity, such as land values.

*Long-term.* The period of time covered by the three most recent decennial censuses of the United States to the present.

*Planning.* A process to coordinate economic development activities, develop guides for action, or otherwise assist local community leaders in the economic development of rural areas.

*Priority communities.* Communities targeted for Agency assistance as determined by the USDA Under

Secretary for Rural Development. Priority communities are those that are experiencing trauma due to natural disasters or are undertaking or completing fundamental structural changes, have remained persistently poor, or have experienced long-term population decline or job deterioration.

*Project.* The result of the use of grant funds provided under this subpart through technical assistance or planning relating to the economic development of a rural area.

*Rural and rural area.* Any area of a State that is not within the boundaries of a city with a population in excess of 10,000 inhabitants, according to the latest decennial census of the United States.

*State.* Any of the 50 States, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands.

*Sustainable development.* Development planned and designed to consider and balance environmental quality, economic needs, and social concerns.

*Technical assistance.* A nonconstruction, problem solving activity performed for the benefit of a business or community to assist in the economic development of a rural area. The Agency will determine whether a specific activity qualifies as technical assistance.

*United States.* The 50 States of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands.

#### §§ 4287.604–4287.619 [Reserved]

#### § 4284.620 Applicant eligibility.

(a) Grants may be made to public bodies, nonprofit corporations, Indian tribes on Federal or State reservations and other Federally recognized tribal groups, and cooperatives with members that are primarily rural residents and that conduct activities for the mutual benefit of the members.

(b) Applicants must have sufficient financial strength and expertise in activities proposed in the application to ensure accomplishment of the described activities and objectives.

(1) Financial strength will be analyzed by the Agency based on financial data provided in the application. The

analysis will consider the applicant's tangible net worth, which must be positive, and whether the applicant has dependable sources of revenue or a successful history of raising revenue sufficient to meet cash requirements.

(2) Expertise will be analyzed by the Agency based on the applicant staff's training and experience in activities similar to those proposed in the application and, if consultants will be used, on the staff's experience in choosing and supervising consultants.

(c) Any delinquent debt to the Federal Government shall cause the applicant to be ineligible to receive any RBOG funds until the debt has been paid.

#### **§ 4284.621 Eligible grant purposes.**

(a) Grant funds may be used to assist in the economic development of rural areas by providing technical assistance for business development and economic development planning. Grant funds may be used for, but are not limited to, the following purposes:

(1) Identify and analyze business opportunities that will use local rural materials or human resources. This includes opportunities in export markets, as well as feasibility and business plan studies.

(2) Identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;

(3) Establish business support centers and otherwise assist in the creation of new rural businesses;

(4) Conduct local community or multi-county economic development planning;

(5) Establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies to develop international trade opportunities and markets;

(6) Conduct leadership development training of existing or prospective rural entrepreneurs and managers; or

(7) Pay reasonable fees and charges for professional services necessary to conduct the technical assistance, training, or planning functions.

(b) Grants may be made only when there is a reasonable prospect that the project will result in the economic development of a rural area.

(c) Grants may be made only when the proposal includes a basis for determining the success or failure of the project and individual major elements of the project and outlines procedures that will be taken to assess the project's impact at its conclusion.

(d) Grants may be made only when the proposed project is consistent with

local and area-wide strategic plans for community and economic development, coordinated with other economic development activities in the project area and consistent with any USDA Rural Development State Strategic Plan.

(e) A grant may be considered for the amount needed to assist with the completion of a proposed project, provided that the project can reasonably be expected to be completed within 2 full years after it is begun. If grant funds are requested to establish or assist with an activity of more than 2 years duration, the amount of a grant approved in any fiscal year will be limited to the amount needed to assist with no more than 1 full year of operation. Subsequent grant requests may be considered in subsequent years, if needed to continue the operation, but funding for 1 year provides no assurance of additional funding in subsequent years.

#### **§§ 4284.622–4287.628 [Reserved]**

#### **§ 4284.629 Ineligible grant purposes.**

Grant funds may not be used to:

(a) Duplicate current services or replace or substitute support previously provided. If the current service is inadequate, however, grant funds may be used to expand the level of effort or services beyond what is currently being provided;

(b) Pay costs of preparing the application package for funding under this program;

(c) Pay costs of the project incurred prior to the effective date of the grant made under this subpart;

(d) Fund political activities;

(e) Pay for assistance to any private business enterprise which does not have at least 51 percent ownership by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence;

(f) Pay any judgment or debt owed to the United States; or

(g) Pay costs of real estate acquisition or development or building construction.

#### **§ 4284.630 Other considerations.**

(a) *Civil rights compliance requirements.* All grants made under this subpart are subject to title VI of the Civil Rights Act of 1964 and part 1901, subpart E of this title.

(b) *Environmental review.* All grants made under this subpart are subject to the requirements of subpart G of part 1940 of this title. Applications for technical assistance or planning projects are generally excluded from the environmental review process by

§ 1940.333 of this title provided the assistance is not related to the development of a specific site. Applicants for grant funds must consider and document within their plans the important environmental factors within the planning area and the potential environmental impacts of the plan on the planning area, as well as the alternative planning strategies that were reviewed.

(c) *Other USDA regulations.* This program is subject to the provisions of the following regulations, as applicable;

(1) 7 CFR part 3015, Uniform Federal Assistance Regulations;

(2) 7 CFR part 3016, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;

(3) 7 CFR part 3017, Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants);

(4) 7 CFR part 3018, New Restrictions on Lobbying;

(5) 7 CFR part 3019, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; and

(6) 7 CFR part 3052, Audits of States, Local Governments, and Non-profit Organizations.

#### **§§ 4284.631–4284.637 [Reserved]**

#### **§ 4284.638 Application processing.**

(a) *Applications.*

(1) Applicants will file an original and one copy of "Application For Federal Assistance (For Nonconstruction)," with the Agency State Office (available in any Agency office).

(2) All applications shall be accompanied by:

(i) Copies of applicant's organizational documents showing the applicant's legal existence and authority to perform the activities under the grant;

(ii) A proposed scope of work, including a description of the proposed project, details of the proposed activities to be accomplished and timeframes for completion of each task, the number of months duration of the project, and the estimated time it will take from grant approval to beginning of project implementation;

(iii) A written narrative which includes, at a minimum, the following items:

(A) An explanation of why the project is needed, the benefits of the proposed project, and how the project meets the grant selection criteria;

(B) Area to be served, identifying each governmental unit, i.e., town, county, etc., to be affected by the project;

(C) Description of how the project will coordinate economic development activities with other economic development activities within the project area;

(D) Business to be assisted, if appropriate; economic development to be accomplished;

(E) An explanation of how the proposed project will result in increased or saved jobs in the area and the number of projected new and saved jobs;

(F) Description of the applicant's demonstrated capability and experience in providing the proposed project assistance or similar economic development activities, including experience of key staff members and persons who will be providing the proposed project activities and managing the project;

(G) Method and rationale used to select the areas and businesses that will receive the service;

(H) Brief description of how the work will be performed including whether organizational staff or consultants or contractors will be used; and

(I) Other information the Agency may request to assist it in making a grant award determination.

(iv) The latest financial information to show the organization's financial capacity to carry out the proposed work. At a minimum, the information should include the most recent balance sheet and an income statement. A current audited report is required if available;

(v) An evaluation method to be used by the applicant to determine if objectives of the proposed activity are being accomplished; and

(vi) Intergovernmental review comments from the State Single Point of Contact, or evidence that the State has elected not to review the program under Executive Order 12372.

(b) *Letter of conditions.* The Agency will notify the approved applicant in writing, setting out the conditions under which the grant will be made.

(c) *Applicant's intent to meet conditions.* Upon reviewing the conditions and requirements in the letter of conditions, the applicant must complete, sign and return a "Letter of Intent to Meet Conditions," to the Agency; or if certain conditions cannot be met, the applicant may propose alternate conditions to the Agency. The Agency must concur with any changes proposed to the letter of conditions by the applicant before the application will be further processed.

#### **§ 4284.639 Grant selection criteria.**

Agency officials will select projects to receive assistance under this program according to the following criteria:

(a) A score of 0 to 10 points will be awarded based on the Agency assessment of the extent to which economic development resulting from the proposed project will be sustainable over the long term by local efforts, without the need for continued subsidies by governments or other organizations outside the community.

(b) A score of 0 to 10 points will be awarded based on the Agency assessment of the extent to which the project should lead to improvements in the quality of economic activity within the community, such as higher wages, improved benefits, greater career potential, and the use of higher levels of skills than currently are typical within the economy.

(c) If the grant will fund a critical element of a larger program of economic development, without which the overall program either could not proceed or would be far less effective, or if the program to be assisted by the grant will also be partially funded from other sources, points will be awarded as follows based on the percentage of the cost of the overall program that will be funded by the grant.

(1) Less than 20 percent—30 points;

(2) 20 but less than 50 percent—20 points;

(3) 50 but less than 75 percent—10 points; or

(4) More than 75 percent—0 points.

(d) Points will be awarded for each of the following criteria met by the community or communities that will receive the primary benefit of the grant. However, regardless of the mathematical total of points indicated by paragraphs (d)(1) through (d)(5) of this section, total points awarded under paragraph (d) must not exceed 40.

(1) Experiencing trauma due to a major natural disaster that occurred not more than 3 years prior to the filing of the application for RBOG assistance—15 points;

(2) Undergoing fundamental structural change in the local economy, such as that caused by the closing or major downsizing of a military facility or other major employer not more than 3 years prior to the filing of the application for RBOG assistance—15 points;

(3) Has experienced long-term poverty—10 points;

(4) Has experienced long-term population decline—10 points; and

(5) Has experienced long-term job deterioration—10 points.

(e) A score of 0 to 10 points will be awarded based on the Agency determination of the extent of the project's usefulness as a new best practice as defined in § 4284.603.

(f) The State Director may assign up to 15 discretionary points to an application. If allocation of funds under National Office control is being considered, the Agency Administrator may assign up to 20 additional discretionary points. Assignment of discretionary points by either the State Director or the Agency Administrator must include a written justification. Permissible justifications are geographic distribution of funds, special importance for implementation of a strategic plan in partnership with other organizations, or extraordinary potential for success due to superior project plans or qualifications of the grantee.

#### **§ 4284.640 Appeals.**

Any appealable adverse decision made by the Agency may be appealed in accordance with USDA appeal regulations found at 7 CFR part 11. If the Agency makes a determination that a decision is not appealable, a request for a determination of appealability may be made to the National Appeals Staff.

#### **§§ 4284.641–4287.646 [Reserved]**

#### **§ 4284.647 Grant approval and obligation of funds.**

(a) The following statement will be entered in the comment section of the Request For Obligation of Funds, which must be signed by the grantee:

The grantee certifies that it is in compliance with and will continue to comply with all applicable laws; regulations; Executive Orders; and other generally applicable requirements, including those contained in 7 CFR part 4284, subpart G, and 7 CFR parts 3015, 3016, 3017, 3018, 3019, and 3052 in effect on the date of grant approval; and the approved Letter of Conditions.

#### **§ 4284.648 Fund disbursement.**

The Agency will determine, based on 7 CFR parts 3015, 3016, and 3019, as applicable, whether disbursement of a grant will be by advance or reimbursement. A Request for Advance or Reimbursement, (available in any Agency office) must be completed by the grantee and submitted to the Agency no more often than monthly to request either advance or reimbursement of funds.

#### **§§ 4284.649–4284.655 [Reserved]**

#### **§ 4284.656 Reporting.**

(a) A Financial Status Report (available in any Agency office) and a project performance activity report will

be required of all grantees on a quarterly basis. The grantee will cause said program to be completed within the total sums available to it, including the grant, in accordance with the scope of work and any necessary modifications thereof prepared by grantee and approved by the Agency. A final project performance report will be required with the final Financial Status Report. The final report may serve as the last quarterly report. The final report must provide complete information regarding the jobs created and saved as a result of the grant. Grantees shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, and other performance objectives are being achieved. Grantees are to submit an original of each report to the Agency. The project performance reports shall include, but not be limited to, the following:

(1) A comparison of actual accomplishments to the objectives established for that period;

(2) Problems, delays, or adverse conditions, if any, which have affected or will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established time periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation; and

(3) Objectives and timetable established for the next reporting period.

(b) Within 1 year after the conclusion of the project, the grantee will provide a project evaluation report based on criteria developed in accordance with §§ 4284.621(c) and 4284.638(a)(2)(v).

(c) The Agency may also require grantees to prepare a report suitable for public distribution describing the accomplishments made through the use of the grant and, in the case where the grant funded the development or application of a "best practice," to describe that "best practice."

(d) The grantee will provide for Financial Management Systems which will include:

(1) Accurate, current, and complete disclosure of the financial result of each grant.

(2) Records which identify adequately the source and application of funds for grant-supporting activities, together with documentation to support the records. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

(3) Effective control over and accountability for all funds. Grantee shall adequately safeguard all such assets and shall assure that funds are used solely for authorized purposes.

(e) The grantee will retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least 3 years after grant closing except that the records shall be retained beyond the 3-year period if audit findings have not been resolved or if directed by the United States. Microfilm copies may be substituted in lieu of original records. The Agency and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the grantee which are pertinent to the specific grant program for the purpose of making audit, examination, excerpts, and transcripts.

#### § 4284.657 Audit requirements.

Grantees must provide an annual audit in accordance with 7 CFR part 3052. The audit requirements apply to the years in which grant funds are received and years in which work is accomplished that will be paid for with grant funds.

#### §§ 4284.658–4284.666 [Reserved]

#### § 4284.667 Grant servicing.

Grants will be serviced in accordance with part 1951, subparts E and O, of this title. Grantees will permit periodic inspection of the program operations by a representative of the Agency. All non-confidential information resulting from the Grantee's activities shall be made available to the general public on an equal basis.

#### § 4284.668 Programmatic changes.

The Grantee shall obtain prior approval for any change to the scope or objectives of the approved project. Failure to obtain prior approval of changes to the scope of work or budget may result in suspension, termination, and recovery of grant funds.

#### §§ 4284.669–4284.683 [Reserved]

#### § 4284.684 Exception authority.

The Administrator may, in individual cases, grant an exception to any requirement or provision of this subpart provided the Administrator determines that application of the requirement or provision would adversely affect USDA's interest.

#### §§ 4284.685–4284.698 [Reserved]

#### § 4284.699 Member delegate clause.

No member of Congress shall be admitted to any share or part of this grant or any benefit that may arise therefrom; but this provision shall not be construed to bar as a contractor under the grant a publicly held corporation whose ownership might include a member of Congress.

#### § 4284.700 OMB control number.

The reporting and recordkeeping requirements contained in this regulation have been approved by the Office of Management and Budget under the provisions of 44 U.S.C. chapter 35 and have been assigned OMB control number 0570–0024 in accordance with the Paperwork Reduction Act of 1995. You are not required to respond to this collection of information unless it displays a valid OMB control number.

Dated: December 13, 1999.

Jill Long Thompson,

*Under Secretary, Rural Development.*

[FR Doc. 99–33203 Filed 12–22–99; 8:45 am]

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## DEPARTMENT OF AGRICULTURE

### Food Safety and Inspection Service

#### 9 CFR Parts 317 and 381

[Docket No. 99–016F]

#### Scale Requirements for Accurate Weights, Repairs, Adjustments, and Replacement After Inspection

**AGENCY:** Food Safety and Inspection Service, USDA.

**ACTION:** Affirmation of effective date for direct final rule.

**SUMMARY:** On October 1, 1999, the Food Safety and Inspection Service (FSIS) published a direct final rule, "Scale Requirements for Accurate Weights, Repairs, Adjustments, and Replacement After Inspection." This direct final rule notified the public of FSIS's intention to amend the Federal meat and poultry products inspection regulations to update references to the National Institute of Standards and Technology (NIST) Handbook 44, "Specifications, Tolerances, and Other Technical Requirements for Weighing and Measuring Devices." The 1999 edition of NIST Handbook 44 was published in November 1998 and is the most current edition of the handbook. FSIS is amending the provisions in its regulations that reference NIST Handbook 44 to reflect this most recent edition. Because FSIS did not receive