§ 25.405  Revocation of designation.

(a) Basis for revocation. The Secretary may revoke the designation of a rural area as an Empowerment Zone or Enterprise Community, or withdraw status as a Champion Community, if the Secretary determines, on the basis of the periodic monitoring and assessments described in §25.402, that the applicant, lead managing entity, or the States or local governments in which the rural area is located have:

(1) Modified the boundaries of the area without written approval from USDA;
(2) Failed to make progress in implementing the strategic plan; or
(3) Not complied substantially with the strategic plan (which may include failing to apply funds as contained in the strategic plan without advance written approval from USDA).

(b) Letter of Warning. Before revoking the designation of a rural area as an Empowerment Zone or Enterprise Community, the Secretary will issue a letter of warning to the applicant, the lead managing entity (if different from the applicant) and the nominating States and local governments, with a copy to all affected Federal agencies of which USDA is aware:

(1) Advising that the Secretary has determined that the applicant and/or lead managing entity and/or the nominating local governments and State:
   (i) Have modified the boundaries of the area without written approval from USDA; or
   (ii) Are not complying substantially with, or have failed to make satisfactory progress in implementing the strategic plan; and
(2) Requesting a reply from all involved parties within 90 days of the receipt of this letter of warning.

(c) Notice of revocation. To revoke the designation, the Secretary must issue a final notice of revocation of the designation of the rural area as an Empowerment Zone or Enterprise Community, after:

(1) Allowing 90 days from the date of receipt of the letter of warning for response; and
(2) Making a determination pursuant to paragraph (a) of this section.

(d) Notice to affected Federal agencies. USDA will notify all affected Federal agencies of which it is aware of its determination to revoke any designation pursuant to this section or to modify a designation pursuant to §25.404(b).

(e) Effective date. The final notice of revocation of designation will be published in the Federal Register, and the revocation will be effective on the date of publication.

§§ 25.406–25.499 [Reserved]