

**Appendix A to Subpart B to Part 1718—
Model Form of Mortgage for Electric
Distribution Borrowers**

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Article II—Additional Notes

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Section 2.01 * * *

(a) * * *

(1) * * *

(i) The Mortgagor shall have achieved for each of the two calendar years immediately preceding the issuance of such Additional Notes, a TIER of not less than 1.25 and a DSC of not less than 1.25;

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Article III—Particular Covenants of the Mortgagor

* * * * *

Section 3.10 * * *

(6) * * *

(B) having a pro forma TIER of not less than 1.25 and a pro forma DSC of not less than 1.25 for each of the two preceding calendar years, and

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**Subpart C—Loan Contracts With
Distribution Borrowers**

10. The definition of “Coverage Ratios” in Article I, Definitions, and Article V, section 5.4(b) of Appendix A to subpart C to part 1718, are revised to read as follows:

**Appendix A to Subpart C to Part 1718—
Model Form of Loan Contract for
Electric Distribution Borrowers**

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Article I—Definitions

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“Coverage Ratios” shall mean, collectively, the following financial ratios: (i) TIER of 1.25; (ii) Operating TIER of 1.1; (iii) DSC of 1.25; and Operating DSC of 1.1.

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Article V—Affirmative Covenants

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Section 5.4 * * *

(b) The average Coverage Ratios achieved by the Borrower in the 2 best years out of the 3 most recent calendar years must be not less than any of the following:

TIER=1.25

DSC=1.25

OTIER=1.1

ODSC=1.1

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Dated: August 17, 2000.

Jill Long Thompson,

Under Secretary, Rural Development.

[FR Doc. 00-21772 Filed 8-24-00; 8:45 am]

BILLING CODE 3410-15-P

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

7 CFR Part 1755

RIN 0572-AB35

**RUS Form 397, Special Equipment
Contract (Including Installation)**

AGENCY: Rural Utilities Service, USDA.

ACTION: Final rule.

SUMMARY: The Rural Utilities Service (RUS) is amending its regulation on RUS Telecommunications Standards and Specifications for Material, Equipment and Construction to revise RUS Form 397, Special Equipment Contract (including installation). This contract incorporates amendments currently attached to the RUS Form 397, Special Equipment Contract, and updates contract terms and format.

EFFECTIVE DATE: September 25, 2000.

FOR FURTHER INFORMATION CONTACT: John J. Schell, Chief, Inside Plant Branch, Telecommunications Standards Division, Rural Utilities Service, U.S. Department of Agriculture, STOP 1598, 1400 Independence Ave., SW, Washington, DC 20250-1598, telephone number (202) 720-0671.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This final rule has been determined to be not significant for purposes of Executive Order 12866 and therefore has not been reviewed by the Office of Management and Budget (OMB).

Executive Order 12372

This final rule is excluded from the scope of Executive Order 12372, Intergovernmental Consultation, which may require a consultation with State and local officials. See the final rule related notice entitled, “Department Programs and Activities Excluded from Executive Order 12372” (50 FR 47034).

Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. RUS has determined that this rule meets the applicable standards provided in section 3 of the Executive Order. In accordance with the Executive Order and the rule: (1) All state and local laws and regulations that are in conflict with this rule will be

preempted; (2) no retroactive effort will be given to this rule; and, (3) in accordance with § 212(c) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6912(c)), administrative appeal procedures, if any, must be exhausted prior to initiating litigation against the Department or its agencies.

Regulatory Flexibility Act Certification

RUS has determined that this final rule will not have a significant economic impact on a substantial number of small entities, as defined by the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). The RUS telecommunications program provides loans to borrowers at interest rates and terms that are more favorable than those generally available from the private sector. RUS borrowers, as a result of obtaining federal financing, receive economic benefits that exceed any direct economic costs associated with complying with RUS regulations and requirements.

**Information Collection and
Recordkeeping Requirements**

This rule contains no new reporting or recordkeeping burdens under OMB control number 0572-0059 that would require approval under the Paperwork Reduction Act of 1995 (44 U.S.C., Chapter 35).

**National Environmental Policy Act
Certification**

RUS has determined that this final 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.

Catalog of Federal Domestic Assistance

The program described by this proposed rule is listed in the Catalog of Federal Domestic Assistance programs under number 10.851, Rural Telephone Loans and Loan Guarantees, and number 10.852, Rural Telephone Bank Loans. This catalog is available on a subscription basis from the Superintendent of Documents, the United States Government Printing Office, Washington, DC 20402. Telephone: (202) 512-1800.

Unfunded Mandates

This rule contains no Federal mandates (under the regulatory provisions of Title II of the Unfunded Mandates Reform Act of 1995) for State, local, and tribal governments for the private sector. Thus, this rule is not

subject to the requirements of section 202 and 205 of the Unfunded Mandates Reform Act of 1995.

Background

The last revision to the RUS Form 397 was December 1967. Since that date, divestiture, competition, legislation and regulation have changed business practices in the telecommunications industry. Contract terms and obligations in RUS Form 397 have been modified and updated to reflect present business practices as well as changes in technology, services and equipment. Notable advances in fiber optics, digital subscriber line (DSL) and radio technology have made many new services available. Consequently, significant changes have been made in the way business is conducted in the telecommunications industry.

The RUS Form 397 incorporates those changes into the Special Equipment Contract. The main changes to the contract include but are not limited to the following: (1) Format for listing bid prices and alternatives; (2) delivery and installation requirements; (3) payments and releases of lien requirements; (4) particular undertakings of the bidder requirements; (5) Equal Employment requirements; (6) payments to the contractor; (7) insurance; (8) liquidated damages; and (9) completion of the project. The above actions will make it possible for RUS telecommunications borrowers to continue to provide their subscribers with the most modern and efficient telecommunications service.

A proposed rule was issued in the **Federal Register** on February 20, 1998, at 63 FR 8582, requesting comments on these changes. The comment period closed April 21, 1998. Public comments were received from Hart Engineers, Martin and Associates, Hicks & Ragland Engineering Company and Associated Communications & Research Services. The comments with responses are presented as follows:

Although not a requirement in the current RUS Form 397, Special Equipment Contract, competitive bidding procedures with sealed bid requirements were added to the proposed contract. All four commenters stated the competitive bidding process would increase the time and costs associated with the purchase of transmission equipment. As part of RUS efforts in governmental streamlining and empowering the recipients of RUS loans, RUS will place more responsibility with the borrowers to ensure a more cost effective review process while maintaining the required loan security. Hence, the procurement of special equipment will follow the

procedures outlined in 7 CFR Part 1753, Telecommunication Systems Construction Policies and Procedures, § 1753.68, giving the borrower the option to use the full competitive bidding process.

The proposed contract added the requirement that a contract amendment needed to be prepared and approved by RUS to revise delivery or completion of project scheduled dates. A commenter stated this change would increase the time and engineering costs associated with granting the manufacturer a time extension. RUS will remove the added requirement and continue using the procedure whereby the owner can grant a time extension by letter to the vendor without issuing a contract amendment.

List of Subjects in 7 CFR Part 1755

Loan programs-communications, Reporting and recordkeeping requirements, Rural areas, Telephone.

For the reasons set forth in the preamble, Chapter XVII of Title 7 of the Code of Federal Regulations is amended as follows:

PART 1755—TELECOMMUNICATIONS STANDARDS AND SPECIFICATIONS FOR MATERIALS, EQUIPMENT AND CONSTRUCTION

1. The authority citation for part 1755 continues to read as follows:

Authority: 7 U.S.C. 901 *et seq.*, 1921 *et seq.*, 7941 *et seq.*

2. Section 1755.30(c)(27) is revised to read as follows:

§ 1755.30 List of telecommunications standard contract forms.

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(c) * * *

(27) RUS Form 397, issued September 25, 2000, Special Equipment Contract (Including Installation).

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Dated: August 17, 2000.

Jill Long Thompson,

Under Secretary, Rural Development.

[FR Doc. 00-21774 Filed 8-24-00; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2000-NM-288-AD; Amendment 39-11878; AD 2000-17-04]

RIN 2120-AA64

Airworthiness Directives; Boeing Model 737-100, -200, and -200C Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This amendment adopts a new airworthiness directive (AD) that is applicable to certain Boeing Model 737-100, -200, and -200C series airplanes. This action requires repetitive inspections to detect discrepancies in the upper and lower skins of the fuselage lap joint, and repair, if necessary. This action is necessary to detect and correct such discrepancies, which could result in sudden fracture and failure of a lap joint and rapid decompression of the airplane fuselage.

DATES: Effective September 11, 2000.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of September 11, 2000.

Comments for inclusion in the Rules Docket must be received on or before October 24, 2000.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 2000-NM-288-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056. Comments may be inspected at this location between 9:00 a.m. and 3:00 p.m., Monday through Friday, except Federal holidays. Comments may be submitted via fax to (425) 227-1232. Comments may also be sent via the Internet using the following address: 9-anm-iarcomment@faa.gov. Comments sent via fax or the Internet must contain "Docket No. 2000-NM-288-AD" in the subject line and need not be submitted in triplicate. Comments sent via the Internet as attached electronic files must be formatted in Microsoft Word 97 for Windows or ASCII text.

The service information referenced in this AD may be obtained from Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124-2207. This information may be examined at the FAA, Transport Airplane