

not incurred by you. If the insured crop is swathed but not harvested, the amount of indemnity payable under section 10(b)(4) will be reduced by 15 percent to reflect those costs not incurred by you.

11. Late Planting.

In lieu of the provisions contained in section 16(a) of the Basic Provisions, the production guarantee for each acre planted to the insured crop during the late planting period, unless otherwise specified in the Special Provisions, will be reduced by:

- (a) One percent for the first through the tenth day; and
- (b) Three percent for the eleventh through the twentieth day.

12. Prevented Planting.

Your prevented planting coverage will be 60 percent of your production guarantee for timely planted acreage. If you have an additional coverage level, as specified in 7 CFR part 400, subpart T, and pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.

Signed in Washington, DC, on January 16, 2002.

Phyllis W. Honor,

Acting Manager, Federal Crop Insurance Corporation.

[FR Doc. 02-1619 Filed 1-22-02; 8:45 am]

BILLING CODE 3410-08-P

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

7 CFR Part 1703

RIN 0572-AB70

Distance Learning and Telemedicine Loan and Grant Program

AGENCY: Rural Utilities Service, USDA.

ACTION: Direct final rule.

SUMMARY: The Rural Utilities Service (RUS) is amending its regulations for the Distance Learning and Telemedicine (DLT) Loan and Grant Program. This direct final rule addresses the amendments affecting the grant program. These amendments will clarify eligibility; change the grant minimum matching contribution; clarify that only loan funds will be used to finance transmission facilities; modify financial information requirements; adjust the leveraging of resources scoring criterion; revise financial information to be submitted; and make other minor changes and corrections.

DATES: This rule will become effective March 11, 2002, unless we receive written adverse comments or a written notice of intent to submit adverse comments on or before February 22, 2002. If we receive such comments or notice, we will publish a timely document in the **Federal Register**

withdrawing the rule. Comments received will be considered under the proposed rule published in this edition of the **Federal Register** in the proposed rule section. A second public comment period will not be held.

Written comments must be received by RUS via facsimile transmission or carry a postmark or equivalent no later than February 22, 2002.

ADDRESSES: Submit adverse comments or notice of intent to submit adverse comments to Roberta D. Purcell, Assistant Administrator, Telecommunications Program, Rural Utilities Service, U.S. Department of Agriculture, 1400 Independence Ave., SW., STOP 1590, Room 4056, South Building, Washington, DC 20250-1590 or via facsimile transmission to (202) 720-0810. RUS requests a signed original and three copies of all comments (7 CFR 1700.4). All comments received will be made available for public inspection at room 4056, South Building, Washington, DC, between 8 a.m. and 4 p.m. (7 CFR part 1.27(b)).

FOR FURTHER INFORMATION CONTACT:

Marilyn J. Morgan, Chief, DLT Branch, Advanced Services Division, Rural Utilities Service, U.S. Department of Agriculture, 1400 Independence Ave., SW., STOP 1550, Washington, DC 20250-1550. Telephone: 202-720-0413; e-mail at mmorgan@rus.usda.gov; or, Fax: 202-720-1051.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

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

Executive Order 12372

This program is subject to the provisions of Executive Order 12372, Intergovernmental Review of Federal Programs, which requires intergovernmental consultation with State and local officials.

Executive Order 12988

This 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 addition, all State and local laws and regulations that are in conflict with this rule will be preempted; no retroactive effect will be given to this rule; and, in accordance with section 212(e) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6912(e)) administrative appeal

procedures, if any are required, must be exhausted before an action against the Department or its agencies may be initiated.

Regulatory Flexibility Act Certification

The Administrator of RUS has determined that this rule will not have a significant economic adverse impact on a substantial number of small entities, as defined in the Regulatory Flexibility Act (5 U.S.C. 601). The RUS DLT loan and grant program provides recipients with grants and loans at interest rates and on terms that are more favorable than those generally available from the private sector. Recipients, as a result of obtaining federal financing, receive economic benefits that exceed any direct cost associated with complying with the RUS regulations and requirements.

National Environmental Policy Act Certification

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.

Catalog of Federal Domestic Assistance

The program described by this rule is listed in the Catalog of Federal Domestic Assistance programs under No. 10.855 Distance Learning and Telemedicine Loans and Grants. This catalog is available on a subscription basis from the Superintendent of Documents, the United States Government Printing Office, Washington, DC 20402-9325, telephone number (202) 512-1800.

Information Collection and Recordkeeping Requirements

The reporting and recordkeeping requirements contained in this rule have been approved by the Office of Management and Budget (OMB) under OMB Control Number 0572-0096, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C chapter 35).

Unfunded Mandates

This rule contains no Federal mandates (under the regulatory provisions of title II of the Unfunded Mandates Reform Act) 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 the Unfunded Mandates Reform Act.

Background

RUS is amending 7 CFR 1703, subparts D, E, F and G of its regulations for the Distance Learning and Telemedicine (DLT) Loan and Grant Program. The current regulations implement the provision of the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) (7 U.S.C. 950aaa *et seq.*) to encourage and improve telemedicine services and distance learning services in rural areas.

Subpart D is being amended to clarify eligibility for various types of financial assistance. Section 1703.103 is revised to clarify eligibility criterion for applicants in conformance with paragraphs (c)(1) and (2) of section 2333 of the 1996 Act (7 U.S.C. 950aaa-a(1) and (2)). Sections 1703.131(h) and 1703.141(h) are revised to clarify that transmission facilities may be financed only with a loan and in connection with a distance learning or telemedicine project. Funding of transmission facilities is further clarified under section 1703.101. Additionally the word “eligible” was removed from the first sentence of the consortium definition and the definition of “eligible organization” was deleted under the definition section. Eligibility criteria are set forth in § 1703.103.

This rule also amends the method of calculation for the minimum matching contribution of a grant in subpart E. This rule also readjusts the award of points for the leveraging of resources scoring criterion.

Subpart E clarifies the circumstances under which the grant program will fund telecommunications facilities.

This rule makes an additional modification to subpart E regarding required financial information. This will streamline the application process for applicants.

List of Subjects in Part 1703

Community development; Grant programs—housing and community development; Loan programs—housing and community development, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, RUS amends 7 CFR chapter XVII as follows:

PART 1703—RURAL DEVELOPMENT

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

Authority: 7 U.S.C. 950aaa *et seq.*

Subpart D—Distance Learning and Telemedicine Loan and Grant Program—General

2. Amend § 1703.102 by removing the definition of “Eligible organization” and revising the definitions of “Consortium” and “Rural Community Facilities” to read as follows:

§ 1703.102 Definitions.

* * * * *

Consortium means a combination or group of entities formed to undertake the purposes for which the distance learning and telemedicine financial assistance is provided. At least one of the entities in a consortium must meet the requirements of § 1703.103.

* * * * *

Rural community facility means a facility such as a school, library, learning center, training facility, hospital, or medical facility that provides educational or health care benefits primarily to residents of rural areas.

* * * * *

3. Revise § 1703.103 to read as follows:

§ 1703.103 Applicant eligibility and allocation of funds.

(a) To be eligible to receive a grant, loan and grant combination, or loan under this subpart:

(1) The applicant must be legally organized as an incorporated organization or partnership, an Indian tribe or tribal organization, as defined in 25 U.S.C. 450b (b) and (c), a state or local unit of government, a consortium, as defined in § 1703.102, or other legal entity, including a private corporation organized on a for profit or not-for profit basis. Each applicant must provide written evidence of its legal capacity to contract with RUS to obtain the grant, loan and grant combination, or the loan, and comply with all applicable requirements. If a consortium lacks the legal capacity to contract, each individual entity must contract with RUS in its own behalf.

(2) The applicant proposes to utilize the financing to:

(i) Operate a rural community facility, or

(ii) Deliver distance learning or telemedicine services to entities that operate a rural community facility or to residents of rural areas at rates calculated to ensure that the benefit of the financial assistance is passed through to such entities or to residents of rural areas.

(b) Electric or telecommunications borrowers are not eligible for grants.

Subpart E—Distance Learning and Telemedicine Grant Program

4. Remove and reserve § 1703.120
5. Amend § 1703.121 by revising the introductory text to read as follows:

§ 1703.121 Approved purposes for grants.

For distance learning and telemedicine projects, grants shall finance only the costs for approved purposes. Grants shall be expended only for the costs associated with the initial capital assets associated with the project. The following are approved grant purposes:

* * * * *

6. Amend § 1703.122 by revising paragraph (a) and adding paragraph (e) to read as follows:

§ 1703.122 Matching contributions.

(a) The grant applicant’s minimum matching contribution must equal 15 percent of the grant amount requested and shall be used for approved purposes for grants listed in § 1703.121. Matching contributions generally must be in the form of cash. However, in-kind contributions solely for the purposes listed in § 1703.121 may be substituted for cash.

* * * * *

(e) Any financial assistance from Federal sources will not be considered as matching contributions under this subpart unless there is a Federal statutory exception specifically authorizing the Federal financial assistance to be considered as a matching contribution.

7. Amend § 1703.123 by revising paragraph (a)(1) to read as follows:

§ 1703.123 Nonapproved purposes for grants.

(a) * * *

(1) To cover the costs of acquiring, installing or constructing telecommunications transmission facilities;

* * * * *

8. Amend § 1703.125 by removing the words “purchases or leases of” from the first sentence of (h)(2) and by revising paragraph (e) to read as follows:

§ 1703.125 Completed application.

* * * * *

(e) *Financial information and sustainability.* The applicant must provide a narrative description demonstrating: feasibility of the project, including having sufficient resources and expertise necessary to undertake and complete the project; and, how the project will be sustained following completion of the project.

* * * * *

9. Amend § 1703.126 by revising paragraph (a)(4) to read as follows:

§ 1703.126 Criteria for scoring grant applications.

(a) * * *

(4) The ability of the applicant to leverage financial resources—Up to 35 points. This criterion will be used to evaluate the ability of the applicant to provide a matching contribution for the project using other non-Federal financial assistance. Documentation submitted in support of the application should reflect any additional financial support for the project from non-Federal sources above the applicant's minimum matching contribution of 15 percent as required by § 1703.122. The applicant must include evidence, from authorized representatives of the sources, of a commitment that the funds are available and will be used for the project. The applicant will receive points as follows:

(i) Matching contribution for approved purposes greater than 15 percent, but less than or equal to 30 percent of the grant requested—0 points.

(ii) Matching contribution for approved purposes greater than 30 percent, but less than or equal to 50 percent of the grant requested—15 points.

(iii) Matching contribution for approved purposes greater than 50 percent, but less than or equal to 75 percent of the grant requested—25 points.

(iv) Matching contribution for approved purposes greater than 75 percent, but less than or equal to 100 percent of the grant requested—30 points.

(v) Matching contribution for a grant for approved purposes greater than 100 percent of the grant requested—35 points.

* * * * *

Dated: December 28, 2001.

Roberta D. Purcell,

Acting Administrator, Rural Utilities Service.

[FR Doc. 02-1537 Filed 1-22-02; 8:45 am]

BILLING CODE 3410-15-P

SMALL BUSINESS ADMINISTRATION

13 CFR Part 121

RIN 3245-AE56

**Small Business Size Standards;
Inflation Adjustment to Size Standards**

AGENCY: Small Business Administration.
ACTION: Interim final rule.

SUMMARY: The Small Business Administration (SBA) is adjusting its

monetary-based size standards, (e.g., receipts, net income, net worth, and assets) for the effect of inflation. This action is intended to maintain the value of size standards in inflation-adjusted terms. From 1994 to the third quarter of 2001 the general level of prices in the United States increased approximately 15.8% as measured by the chain-type price index for gross domestic product. This change will restore eligibility to firms that may have lost small business status solely due to the effect of inflation.

SBA is adding a provision in its regulations that will require, at least once every five years, an assessment of the inflationary impact on monetary-based size standards. This periodic review will generally ensure that monetary-based standards are current with inflationary factors, as appropriate, and that firms will not lose small business status due solely to the effect of inflation.

DATES: Effective Date: This regulation becomes effective on February 22, 2002.

Applicability Dates: For the purposes of Federal procurements, this rule applies to solicitations, except for noncompetitive Section 8(a) contracts, issued on or after February 22, 2002. For the purpose of noncompetitive Section 8(a) contracting actions, the new size standards are applicable to offers of requirements that are accepted by SBA on or after February 22, 2002. For purposes of eligibility for economic injury disaster loan assistance to small business concerns located in disaster areas declared as a result of the terrorist attacks on the World Trade Center, New York, New York and the Pentagon, the applicability date is September 11, 2001.

Comment Period: Comments must be received on or before February 22, 2002. Upon request, SBA will make all public comments available to any person or entity.

ADDRESSES: Send comments to Gary M. Jackson, Assistant Administrator for Size Standards, U.S. Small Business Administration, 409 Third St., SW., Mail Code 6530, Washington, DC 20416; or, via e-mail to SIZESTANDARDS@sba.gov.

FOR FURTHER INFORMATION CONTACT:
Diane Heal, Office of Size Standards, (202) 205-6618.

SUPPLEMENTARY INFORMATION:

Inflationary Review

SBA is adding a provision to its size standards regulations requiring that at least once every five years it will assess the impact of inflation on its monetary-based size standards. These are size

standards based on receipts, net income, or other monetary measures. Although the provision does not mandate that SBA adjust size standards for inflation, it does provide assurances to the public that SBA is monitoring inflation and is making a decision whether or not to adjust size standards within a reasonable period of time since its last inflation adjustment. If SBA decides not to make an inflation adjustment after a review, it will continue to monitor inflation on an annual basis until such time an adjustment is made. Afterwards, SBA will review inflation on a periodic basis, but at least once within five years.

As described in § 121.102(a), SBA examines a number of economic characteristics in developing size standards. Inflation is one of many considerations in this process. SBA does not believe it is appropriate to automatically adjust size standards for inflation since other factors influence the setting of size standards. For example, changes in industry characteristics or in SBA's policies may render an inflation adjustment unnecessary or inappropriate. Under this provision, if a significant amount of inflation occurs in the economy within a five-year period, SBA will consider an inflation adjustment on a more frequent basis. SBA invites the public to comment on this policy and to suggest alternative procedures.

Inflationary Adjustment

SBA is adjusting the monetary-based size standards for the effect of inflation in order to restore eligibility to firms that may have lost small business status due solely to the effect of inflation. While these adjustments are not done on a fixed schedule, prior adjustments occurred in 1994 (59 FR 16513, dated April 7, 1994), 1984 (49 FR 5024, dated February 9, 1984), and 1975 (40 FR 32824, as corrected by 40 FR 36310, dated August 5, 1975). The current adjustment is being made at this time because inflation has increased by 15.8% since 1994, which is sufficient to warrant an increase, and because SBA believes that adjustments should be made more frequently than once every ten years, as was the case with the last inflationary adjustment.

Small business size standards are based on the six-digit industry codes of the North American Industry Classification System (NAICS). In addition, SBA has several programs that have their own size standards (e.g., Surety Bond Guaranteed Assistance, Sale of Government Property, etc.). The size standards that SBA is changing are those that are receipts based and those based upon other monetary measures.