

Proposed Rules

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

7 CFR Parts 1710 and 1721

RIN 0572-AB79

Extensions of Payments of Principal and Interest

AGENCY: Rural Utilities Service, USDA.

ACTION: Proposed rule.

SUMMARY: The Rural Utilities Service (RUS) is proposing to amend its regulation on extensions of payments of principal and interest, to include a maximum interest rate a RUS Borrower can charge on deferments for programs relating to consumer loans. The maximum interest rate will not be more than 300 basis points above the average interest rate on the note(s) being deferred. This limit would allow the Borrower to offset all or part of the administrative costs involved. In addition, this proposed rule sets forth the procedure for RUS Borrowers to request a Section 12(a) extension for distributed generation projects. These changes are intended to clarify the procedures Borrowers are to follow when requesting extensions of payments of principal and interest.

DATES: Written comments must be received by RUS or carry a postmark or equivalent no later than December 9, 2002.

ADDRESSES: Written comments should be addressed to Al Rodgers, Deputy Assistant Administrator, Electric Program, U.S. Department of Agriculture, Rural Utilities Service, Room 4037 South Building, Stop 1560, 1400 Independence Avenue, SW., Washington, DC 20250-1560. Telephone (202) 720-9547. RUS requires a signed original and three copies of all comments (7 CFR Part 1700). All comments received will be made available for inspection in room 4037 South Building during regular business hours.

FOR FURTHER INFORMATION CONTACT: Gail P. Salgado, Management Analyst, Rural Utilities Service, Electric Program, Room 4024, South Building, Stop 1560, 1400 Independence Avenue, SW., Washington, DC 20250-1560. Telephone (202) 205-3660.

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 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 appeals procedures, if any, 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 impact on a substantial number of small entities, as defined in the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). The RUS electric program provides loans and loan guarantees to Borrowers at interest rates and on terms that are more favorable than those generally available from the private sector. Small entities are not subjected to any requirements which are not applied equally to large entities. 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

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), RUS invites comments on this information collection for which RUS intends to request approval from

Federal Register

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the Office of Management and Budget (OMB).

Comments on this notice must be received by December 9, 2002.

Comments are invited on (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of burden including the validity of the methodology and assumption used; (c) ways to enhance the quality, utility and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Comments may be sent to F. Lamont Heppe, Jr., Director, Program Development and Regulatory Analysis, Rural Utilities Service, U.S. Department of Agriculture, 1400 Independence Ave., SW, Stop 1522, Room 4034 South Building, Washington, DC 20250-1522.

Title: Extensions of Payments of Principal and Interest.

OMB Control Number: 0572-0123.

Type of Request: Revision of a currently approved collection.

Abstract: 7 CFR 1721, subpart B, sets forth the procedures for Borrowers to follow when requesting extensions of principal and interest.

Estimate of Burden: Public reporting burden for this collection of information is estimated to average 4.34 hours per response.

Respondents: Not-for-profit institutions, business or other for-profit.

Estimated Number of Respondents: 94.

Estimated Number of Responses per Respondent: 2.

Estimated Total Annual Burden on Respondents: 816.

Copies of this information collection can be obtained from Michele Brooks, Program Development and Regulatory Analysis, at (202) 690-1078.

All responses to this information collection and recordkeeping notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

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.

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 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, telephone number (202) 512-1800.

Executive Order 12372

This rule is excluded from the scope of Executive Order 12372, Intergovernmental Consultation, which may require 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) advising that RUS loans and loan guarantees are not covered by Executive Order 12372.

Background

On January 9, 2001, at 66 FR 1604, the Rural Utilities Service (RUS) published a proposed rule, 7 CFR Part 1721—Extensions of Payments of Principal and Interest, which proposed adding procedures and conditions under which Borrowers may request extensions of the payment of principal and interest. RUS Bulletins 20-5:320-2 and 20-23, which previously addressed extensions of principal and interest, were rescinded with the publication of the subsequent final rule, which was published in the

Federal Register on January 4, 2002, at 67 FR 484. RUS received comments on the proposed rule from the National Rural Electric Cooperative Association (NRECA) recommending RUS consider allowing a Borrower to defer principal payments to finance properly coordinated distributed generation

projects. RUS advised in the final rule that RUS agrees with NRECA's recommendation but that the comment could not be considered for the regulation under consideration and that it would be deferred for a subsequent proposal. RUS now proposes to set forth procedures and conditions under which RUS Borrowers may request extensions of principal payments to finance distributed generation projects. As proposed, the project(s) must be owned by the RUS Borrower or the customer who borrows deferred RUS loan funds from the RUS Borrower.

RUS recognizes that distributed generation projects using either renewable or non-renewable energy sources properly coordinated and dispersed throughout rural electric utility service territories have the potential to enhance rural development through the creation of new jobs to install, operate, and maintain systems.

Distributed generation projects strategically dispersed throughout a rural electric utility service area, near specific customers or load centers, can also be a cost-effective means of providing reliable electric service to distribution consumers. However, randomly installed distributed generation projects have the potential to negatively impact the electric system and to increase overall system costs, especially on rural electric distribution systems. RUS proposes to minimize these potential negative impacts by limiting individual unit capacity of consumer owned distributed generation projects eligible for this program. Distributed generation projects to be owned by distribution Borrowers would not be limited as proposed because such projects are expected to receive a more coordinated planning effort to benefit the entire system membership.

The intent of RUS in promulgating this proposed regulation is to create a readily available source of locally controlled financing to develop distributed generation projects, that, like the already eligible renewable energy projects, are designed and administered to be in the best interest of the member of the distribution Borrower, the Borrower requesting the deferment, and the local community without impairing RUS loan feasibility and security at either the power supply or distribution level.

Renewable energy is considered a type of distributed generation. Additional eligibility purposes for renewable energy is included in 7 CFR 1721.104(c).

RUS also proposes to establish a maximum interest rate a RUS Borrower can charge on deferments for programs

relating to consumer loans. The maximum interest rate will not be more than 300 basis points above the average interest rate on the note(s) being deferred. This limit would be used to offset all or part of the Borrower's administrative costs.

7 CFR 1710 is being amended to add a new definition of "Distributed generation" and to remove and replace the definitions of "Off-grid renewable energy system," "On-grid renewable energy system," and "Renewable energy system."

List of Subjects

7 CFR Part 1710

Electric power, Electric utilities, Loan programs—energy, Reporting and recordkeeping requirements, Rural areas.

7 CFR Part 1721

Electric power, Loan programs—energy, Rural areas.

For the reasons set forth in the preamble, RUS proposes to amend 7 CFR chapter XVII 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:

Authority: 7 U.S.C. 901 *et seq.*; 1921 *et seq.*, and 6941 *et seq.*

Subpart A—General

2. Amend § 1710.2(a) by adding a new definition of "Distributed generation" in alphabetical order and by revising definitions of "Off-grid renewable energy system," "On-grid renewable energy system," and "Renewable energy system" as follows:

§ 1710.2 Definitions and rules of construction.

* * * * *

Distributed generation is the generation of electricity by a sufficiently small electric generating system as to allow interconnection of the electric generating system near the point of service at distribution voltages or customer voltages including points on the customer side of the meter. A distributed generating system may be operated in parallel or independent of the electric power system. A distributed generating system may be fueled by any source, including but not limited to renewable energy sources. A distributed generation project may include one or more distributed generation systems.

* * * * *

Off-grid renewable energy system is a renewable energy system not interconnected to an area electric power system.

On-grid renewable energy system is a renewable energy system interconnected to an area electric power system (EPS) through a normally open or normally closed device. It can be interconnected to the EPS on either side of a consumer's meter.

* * * * *

Renewable energy system is an energy conversion system fueled from any of the following energy sources: solar, wind, hydropower, biomass, or geothermal. Any of these energy sources may be converted to heat or electricity. Energy from bio-mass may be converted from any organic matter available on a renewable basis, including dedicated energy crops and trees, agricultural food and feed crops, agricultural crop wastes and residues, wood wastes and residues, aquatic plants, animal wastes, municipal wastes, and other waste materials.

* * * * *

PART 1721—POST LOAN POLICIES AND PROCEDURES FOR INSURED ELECTRIC LOANS

3. The authority citation for part 1721 continues to read:

Authority: 7 U.S.C. 901 *et seq.*; 1921 *et seq.*, and 6941 *et seq.*

Subpart B—Extensions of Payments of Principal and Interest

4. Amend § 1721.103 by adding paragraph (c) to read as follows:

§ 1721.103 Policy.

* * * * *

(c) The maximum interest rate a RUS Borrower can charge on deferments for programs relating to consumer loans, e.g., energy resource conservation (ERC) program, contribution-in-aid of construction (CIAC), etc., will not be more than 300 basis points above the average interest rate on the note(s) being deferred. For example, if the RUS Borrower's average interest rate on the note(s) being deferred is 5 percent, the RUS Borrower can charge a maximum interest rate of 8 percent.

5. Amend § 1721.104 by;

a. Revising paragraph (c)(1)(ii);
b. Redesignating paragraph (d) as (e); and

c. Adding a new paragraph (d).

This revision and addition are to read as follows:

§ 1721.104 Eligible purposes.

* * * * *

(c) * * *

(1) * * *
(ii) Electric power system interfaces;
* * * * *

(d) *Deferments for distributed generation projects.*

(1) A Borrower may request that RUS defer principal payments to enable the Borrower to finance distributed generation projects. Amounts deferred under this program can be used to cover costs to install all or part of a distributed generation system that:

- (i) The Borrower will own and operate, or
- (ii) The consumer owns, provided the system owned by the consumer does not exceed 5KW.

(2) A distributed generation project may include one or more individual systems.

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7. Amend § 1721.105 by redesignating paragraph (d) as (e) and by adding a new paragraph (d) to read as follows:

§ 1721.105 Application documents.

* * * * *

(d) *Deferments for distributed generation projects.* A Borrower requesting principal deferments for distributed generation projects must submit the following information and approval is also subject to any applicable terms and conditions of the Borrower's loan contract, mortgage, or indenture:

(1) A letter from the Borrower's General Manager requesting an extension of principal payments for the purpose of financing distributed generation projects and describing the details of the project, and

(2) A copy of the board resolution establishing the distributed generation projects program.

* * * * *

8. Amend § 1721.106 by revising the heading of paragraph (b) to read as follows:

§ 1721.106 Repayment of deferred payments.

* * * * *

(b) *Deferments relating to the ERC loan program, renewable energy project(s), distributed generation project(s), and the contribution(s)-in-aid of construction.*

* * * * *

Dated: September 10, 2002.

Hilda Gay Legg,

Administrator, Rural Utilities Service.

[FR Doc. 02-25209 Filed 10-7-02; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2001-NM-341-AD]

RIN 2120-AA64

Airworthiness Directives; Boeing Model 757-200 and 200PF Series Airplanes Equipped With Pratt and Whitney PW2000 Series Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes to revise an existing airworthiness directive (AD), applicable to certain Boeing Model 757 series airplanes, that currently requires inspections, adjustments, and functional checks of the engine thrust reverser system; and modification of the engine thrust reverser directional control valve. The existing AD also requires installation of an additional thrust reverser locking feature and periodic functional tests of the locking feature following installation. This action would reduce the applicability in the existing AD. The actions specified by this AD are intended to prevent deployment of a thrust reverser in flight and subsequent reduced controllability of the airplane.

DATES: Comments must be received by November 22, 2002.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 2001-NM-341-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-nprmcomment@faa.gov. Comments sent via fax or the Internet must contain "Docket No. 2001-NM-341-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 the proposed rule 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