to perform the work. Poultry and rabbit products graded under temporary grading service are eligible to be identified with the official grademarks only when they are processed and graded under the supervision of a grader.

21. Amend §70.70 by revising paragraphs (a) and (b) to read as follows:

§ 70.70 Payment of fees and charges.

(a) Fees and charges for any grading service shall be paid by the interested party making the application for such grading service, in accordance with the applicable provisions of this section and §§ 70.71 through 70.78, inclusive.

(b) Fees and charges for any grading service shall, unless otherwise required pursuant to paragraph (c) of this section, be paid by check, electronic funds transfer, draft, or money order made payable to the National Finance Center. Payment for the service must be made in accordance with directions on the billing statement, and such fees and charges must be paid in advance if required by the official grader or other authorized official.

22. Amend §70.71 by revising the section heading, introductory text, and paragraph (c) to read as follows:

§ 70.71 Charges for services on an unscheduled basis.

Unless otherwise provided in this part, the fees to be charged and collected for any service performed, in accordance with this part, on an unscheduled basis shall be based on the applicable formulas specified in this section.

(c) Fees for unscheduled grading services will be based on the time required to perform the services. The hourly charges will include the time actually required to perform the grading, waiting time, travel time, and any clerical costs involved in issuing a certificate. Charges to plants are as follows:

1. The regular hourly rate will be charged for the first 8 hours worked per grader per day for all days except observed legal holidays.

2. The overtime rate will be charged for hours worked in excess of 8 hours per grader per day for all days except observed legal holidays.

3. The holiday hourly rate will be charged for hours worked on observed legal holidays.

23. Revise §70.72 to read as follows:

§ 70.72 Fees for appeal grading or review of a grader’s decision.

The costs of an appeal grading or review of a grader’s decision, shall be borne by the applicant on an unscheduled basis at rates set forth in §70.71, plus any travel and additional expenses. If the appeal grading or review of a grader’s decision discloses that a material error was made in the original determination, no fee or expenses will be charged.

§ 70.76 [Removed and Reserved]

24. Remove and reserve §70.76.

25. Amend §70.77 by revising the section heading, introductory text, and paragraph (a) to read as follows:

§ 70.77 Charges for services on a scheduled basis.

Fees to be charged and collected for any grading service, other than for an appeal grading, on a scheduled grading basis, will be determined based on the formulas in this part. The fees to be charged for any appeal grading will be as provided in §70.71.

(a) Charges. The charges for the grading of poultry and rabbits and edible products thereof must be paid by the applicant for the service and will include items listed in this section as are applicable. Payment for the full cost of the grading service rendered to the applicant shall be made by the applicant to the National Finance Center. Such full costs shall comprise such of the items listed in this section as are due and included in the bill or bills covering the period or periods during which the grading service was rendered. Bills are payable upon receipt.

1. When a signed application for service has been received, the State supervisor or his designee will complete a plant survey pursuant to §70.34. The costs for completing the plant survey will be borne by the applicant on an unscheduled basis as described in §70.71. No charges will be assessed when the application is required because of a change in name or ownership. If service is not installed within 6 months from the date the application is filed, or if service is inactive due to an approved request for removal of a grader or graders for a period of 6 months, the application will be considered terminated. A new application may be filed at any time. In addition, there will be a charge of $300 if the application is terminated at the request of the applicant for reasons other than for a change in location within 12 months from the date of the inauguration of service.

2. Charges for the cost of each grader assigned to a plant will be calculated as described in §70.71. Minimum fees for service performed under a scheduled agreement will be based on the hours of the regular tour of duty. The Agency reserves the right to use any grader assigned to the plant under a scheduled agreement to perform service for other applicants and no charge will be assessed to the scheduled applicant for the number of hours charged to the other applicant. Charges to plants are as follows:

(i) The regular hourly rate will be charged for hours worked in accordance with the approved tour of duty on the application for service between the hours of 6 a.m. and 6 p.m.

(ii) The overtime rate will be charged for hours worked in excess of the approved tour of duty on the application for service.

(iii) The holiday hourly rate will be charged for hours worked on observed legal holidays.

(iv) The night differential rate (for regular or overtime hours) will be charged for hours worked between 6 p.m. and 6 a.m.

(v) The Sunday differential rate (for regular or overtime hours) will be charged for hours worked on a Sunday.

(vi) For all hours of work performed in a plant without an approved tour of duty, the charge will be one of the applicable hourly rates in §70.71 plus actual travel expenses incurred by AMS.

(3) A charge at the hourly rates specified in §70.71, plus actual travel expenses incurred by AMS for intermediate surveys to firms without grading service in effect.

*Dated: September 12, 2019.*

Bruce Summers,

Administrator.

[FR Doc. 2019–20123 Filed 9–20–19; 8:45 am]

BILLING CODE 3410–02–P
(RBS), Rural Housing Service (RHS), and Rural Utilities Service (RUS), hereafter referred to as the Agency, is issuing a final rule to update the Agency’s Environmental Policies and Procedures regulation (7 CFR 1970) to allow the Agency Administrators limited flexibility to obligate federal funds for infrastructure projects prior to completion of the environmental review while ensuring full compliance with National Environmental Policy Act (NEPA) procedures, prior to project construction and disbursement of any RD funding. This change will allow RD to more fully meet the Administration’s goals to speed the initiation of infrastructure projects and encourage planned community economic development without additional cost to taxpayers or change to environmental review requirements.


FOR FURTHER INFORMATION CONTACT:

SUPPLEMENTARY INFORMATION:

Executive Order 12866, Regulatory Planning and Review

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

Congressional Rulemaking Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 et seq.), the Office of Information and Regulatory Affairs designated this rule as not a major rule, as defined by 5 U.S.C. 804(2).

Executive Order 12372, Intergovernmental Review of Federal Programs

The Programs listed in the Catalog of Federal Domestic Assistance under the following numbers are subject to the provisions of Executive Order 12372 which requires Intergovernmental Consultation with state and local officials:

10.750—ReConnect Program.
10.752—Rural Broadband Access Loan and Loan Guarantee Program.
10.754—Highway and Transit grants.
10.755—Rural Electric Utilities grants.
10.756—Rural Utilities Service grants (Section 306C).

Executive Order 12988, Civil Justice Reform

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. RUS has determined that this final 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 Sec 212(e) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6912(e)), if any, must be exhausted before an action against the Department or its agencies may be initiated.

Executive Order 13132, Federalism

The policies contained in this final rule do not have any substantial direct effect on states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. Nor does this final rule impose substantial direct compliance costs on state and local governments. Therefore, consultation with states is not required.

Regulatory Flexibility Certification

The Agency has determined that this final 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.), given that the amendment is only an administrative, procedural change on the government’s part with respect to obligation of funds.

National Environmental Policy Act

In this final rule, the Agency proposes to create limited flexibility for the timing of obligation of funds relative to the completion of environmental review. The Council on Environmental Quality (CEQ) does not direct agencies to prepare a NEPA analysis before establishing agency procedures that supplement the CEQ regulations for implementing NEPA. The requirements for establishing agency NEPA procedures are set forth at 40 CFR 1505.1 and 1507.3. The determination that establishing agency NEPA procedures does not require NEPA analysis and documentation has been upheld in Heartwood, Inc. v. U.S. Forest Service, 73 F. Supp. 2d 962, 972–73 (S.D. Ill. 1999), aff’d, 230 F.3d 947, 954–55 (7th Cir. 2000).

Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance (CFDA) numbers assigned to the RD Programs affected by this rulemaking are as follows:

10.750—Rural Broadband Access Loan and Loan Guarantee Program.
10.752—Highway and Transit grants.
10.754—Highway and Transit grants.
10.755—Rural Electric Utilities grants.
10.756—Rural Utilities Service grants (Section 306C).

Unfunded Mandates

This final rule contains no Federal mandates (under the regulatory
provision of Title II of the Unfunded Mandates Reform Act of 1995) for State, local, and tribal governments or the private sector. Therefore, this final rule is not subject to the requirements of sections 202 and 205 of the Unfunded Mandates Reform Act of 1995.

Information Collection and Recordkeeping Requirements

This final rule contains no new reporting or recordkeeping burdens under OMB control number 0572–0127 that would require approval under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

Background

The United States Department of Agriculture (USDA) Rural Development (RD) programs provide loans, grants and loan guarantees to support investment in rural infrastructure to spur rural economic development, create jobs, improve the quality of life, and address the health and safety needs of rural residents. Infrastructure investment is an important national policy priority. As directed by E.O. 13807, Establishing Discipline and Accountability in the Environmental Review and Permitting Process for Infrastructure Projects, in 2017, USDA as a member of the Federal Permitting Improvement Steering Council has reviewed its NEPA implementing regulations and policies to identify impediments to efficient and effective environmental reviews and authorizations for infrastructure projects. This final rule is part of that effort to improve the efficiency and effectiveness of RD’s environmental reviews and authorizations for infrastructure projects in rural America. On April 25, 2017, the President created the Interagency Task Force on Agriculture and Rural Prosperity (Task Force) through E.O. 13790 and appointed the Secretary of Agriculture as the Task Force’s Chair. Among the purposes and functions of the Task Force was to “ . . . identify legislative, regulatory, and policy changes to promote in rural America agriculture, economic development, job growth, infrastructure improvements, technological innovation, energy security, and quality of life, including changes that remove barriers to economic prosperity and quality of life in rural America.” The Task Force Report issued on October 21, 2017, included calls to action on achieving e-Connectivity for Rural America, improving rural quality of life, harnessing technological innovation and developing the rural economy. On November 28, 2018 the Agency concurrently published a proposed and final rule as a direct final rule without prior proposal because the Agency viewed this change as a non-controversial action and anticipated no adverse comments. The purpose of the proposed and direct final rule was to update the Agency’s Environmental Policies and Procedures regulation (7 CFR 1970) to allow the Agency Administrators limited flexibility to obligate federal funds for infrastructure projects prior to completion of the environmental review while ensuring full compliance with National Environmental Policy Act (NEPA) procedures prior to project construction and disbursement of any RD funding. The public comment period for the rule change ended on December 24, 2018. The rule was to be effective January 7, 2019, without further action, unless the Agency received significant adverse comments or, an intent to submit a significant adverse comment, by December 24, 2018. The Agency proposed to publish a timely Federal Register document withdrawing the rule if significant adverse comments were received. Due to the lapse in funding that occurred from December 23, 2018 through January 25, 2019, the Agency was unable to publish a Federal Register notice withdrawing the rule by January 7, 2019. However, the Agency has not placed the rule into effect, nor taken any final actions with respect to the rule and is responding to public comments in this final rule. The Agency received four (4) comments in support of the rule from Drancy Spatz, Dave Anderson, Bly Community Action Team, and National Rural Electric Cooperative Association. The Agency also received a total of six letters with adverse comments from the following fifteen (15) organizations and three (3) individuals: Robert Ukeiley, Dinah Bear, Patricia Gerrodette, Center for Biological Diversity (2 separate commenters), Earth Justice, Environmental Law and Policy Center, Environmental Information Protection Center, Grand Canyon Trust, House/Citizens for Environmental Justice, International Fund for Animal Welfare, Klamath Forest Alliance, Natural Resources Defense Council (2 separate commenters), San Juan Citizens Alliance, Save EPA, Sierra Club, Southern Environmental Law Center, Western Environmental Law Center, Western Watersheds.

Purpose of the Regulatory Action

This rulemaking fulfills the mandate of E.O. 13807 as well as the goals of the President’s Interagency Task Force on Agriculture and Rural Prosperity by identifying regulatory changes that promote economic development and improve the quality of life in rural America. The RD infrastructure projects impacted by this rule are often critical to the health and safety and quality of life in rural communities. In some cases, funding decisions made by Rural Development are the first step upon which a much larger process of community economic development depends. This amendment to existing regulation will allow the Agency to obligate funding conditioned upon the full and satisfactory completion of environmental review for infrastructure projects. This change will give applicants, and often the distressed communities they represent, some comfort to proceed with an economic development strategy, including the planning process associated with NEPA, without fear that funds may be rescinded before the NEPA process is completed. With this change in place, RD can more fully meet the government’s goals of speeding up the initiation of infrastructure projects, encouraging planned community economic development, and leveraging investment without additional cost to taxpayers or any change in environmental review requirements. Infrastructure projects covered by this final rule include those, such as broadband, telecommunications, electric, energy efficiency, smart grid, water, sewer, transportation, and energy capital investments in physical plant and equipment.

Changes to the Current Regulation.

This final rule adopts the changes to 7 CFR 1970 from the proposed and direct final rules concurrently published in the Federal Register on November 23, 2018. It revises 7 CFR 1970.11(b) to change the point at which the environmental review must be completed prior to obligation in all cases. The rule change requires the environmental review process to be completed prior to obligation except in cases where the Administrator deems it necessary to allow for the environmental review to occur after obligation, contingent upon the conclusion of the environmental review process prior to any action that would have an adverse effect on the environment or limit the choices of any reasonable alternatives. In instances where the environmental review is not completed by the end of the fiscal year after the funds were obligated or when findings of the environmental review do not support the decision to proceed with a proposed action, the Agency will rescind funds and reverse the decision to proceed. Nothing in this final rule
reduces RD’s obligation to complete the NEPA planning process prior to foreclosing reasonable alternatives to the federal action.

Comments

Issue 1: Two individuals and two organizations expressed support for the proposed rule citing that the ability to obligate funds prior to completion of the NEPA process will allow borrowers to more easily secure financing for projects. They also commented that the rule change to expedite the timeframe for completing the NEPA process will provide an ability to more quickly initiate projects.

RUS Response: The Agency agrees that allowing obligation of funds prior to completion of the NEPA process will allow greater certainty for borrowers in securing funding for the projects. In reviewing the final regulation, to ensure conformity with NEPA regulations, the Agency wants to be clear what it means by providing “certainty” or “comfort” to a loan applicant. Due to the Departmental financial processes, even funds that are “available until expended” are swept at the end of the fiscal year and sometimes not returned to the programs for use for several months. That situation creates a period of time where projects cannot move forward even if the environmental review is completed because funds are not available to be obligated to a project. What the Agency means by “comfort” is that the funds will be available for the project once the environmental review is completed. The purpose of the change is not to extend the NEPA time frame but to allow obligation prior to completing all requirements of NEPA.

Issue 2: Three individuals and fifteen organizations commented that the application of the direct to final rule in this instance is inconsistent with the Administrative Procedures Act because the changes to the regulations are major and substantive.

RUS Response: This rule was published concurrently with Proposed Rule 83 FR 59318 (November 23, 2018). Because adverse comments were received on the rule, RD did not allow the final rule with comment to go into effect. It has, instead, considered all comments received during the comment period and is addressing these in this notice in accordance with the Administrative Procedures Act. Unfortunately, due to the lapse in government funding in January 2019, the Agency was unable to notify the public that the final rule did not go into effect.

Issue 3: Two individuals and fifteen organizations commented that the Agency did not provide support and documentation to its decision to allow completion of environmental reviews after the decision to obligate funds to a project, and that the preamble of the proposed rule is notably silent on examples of how the process that has existed since 1970 is problematic for either applicants or agencies. They state that there is no record showing the problem this rule is trying to address and no data or record of the scope of the issue.

RUS Response: The Agency has been hearing about the effect of the timing of NEPA reviews and the inability of potential applicants to secure additional financing for a very long time. Despite this public perception, the agency has no data to support this contention. To the contrary, the agency has no evidence that its environmental reviews impede projects or the attainment of outside funding. Because the agency believes there were needed rural development projects that were never submitted for application because of the perceived delay in processing, the agency has undertaken to change the rule. As stated in the final rule with comment, and the proposed rule, the agency is attempting to give applicants “comfort” with the extended timing. It does not anticipate environmental reviews to change in any manner. In reviewing the final regulation, to ensure conformity with NEPA regulations, the Agency wants to be clear what it means by providing “certainty” or “comfort” to a loan applicant. Due to the Departmental financial processes, even funds that are “available until expended” are swept at the end of the fiscal year and sometimes not returned to the programs for use for several months. That situation creates a period of time where projects cannot move forward even if the environmental review is completed because funds are not available to be obligated to a project. What the Agency means by “comfort” is that the funds will be available for the project once the environmental review is completed. The purpose of the change is not to extend the NEPA time frame but to allow obligation prior to completing all requirements of NEPA. The agency notes that four individuals responded to the proposed rule supporting the change on this basis.

Issue 4: Fifteen organizations commented that allowing an agency to proceed with a decision prior to completing the required environmental review under NEPA disregards the agency’s responsibility to inform the public and meaningfully consider public input and participation. They contend that deferring public input to a late, post-decisional stage of the decision-making process undermines the meaningfulness of public input and, as a result, will have a chilling effect on the willingness of the public to weigh in on decisions impacting their communities.

RUS Response: The Agency will continue to provide the same opportunity for public notice and comment and anticipates that the public input on proposed projects will not be significantly altered, if at all. Over 93 percent of all required reviews are already performed within 10 days. As stated above, public perception of this process and the actual time for reviews are not in sync. As a result, the Agency does not believe that the public’s input into agency decision-making will be impacted.

Issue 5: Three individuals and fifteen organizations stated that the Agency’s plan to allow post-decisional completion of the environmental review does not fulfill its responsibility to incorporate environmental impacts into the decision-making process. Because, they argue, evaluation of alternatives would take place after the decision to proceed, the proposal would prejudice the selection of the reasonable alternatives. The NEPA statute does not permit an agency to act first and comply later, nor does it permit an agency to condition performance of its obligation of a showing of irreparable harm. Furthermore, the courts have held that “it is far easier to influence an initial choice that to change a mind already made up.” One commenter noted that the proposed rule would upend guidance issued in 2017 and revised in 2018 that instructs RD agencies that environmental review must be completed and issued prior to agency issuance of any conditional commitment.

RUS Response: The Agency believes that completing the NEPA process post-obligation will continue to allow consideration of alternatives because it will rescind funds should the outcome of the NEPA process require any significant changes to the project. As a result, the public will have the same due consideration and public notice and comment requirements will not change.

Issue 6: One organization stated that the proposed rule conflicts with Council on Environmental Quality (CEQ) regulations of 40 CFR 1501 which require that environmental analysis be completed at the earliest possible time. Section 1501.2 of those regulations, aptly named “Apply NEPA early in the process,” this section provides that
agencies shall integrate the NEPA process “at the earliest possible time to ensure that planning and decisions reflect environmental values, to avoid delays later in the process, and to head off potential conflicts.”

**RUS Response:** The Agency believes that the proposed timing of the environmental process is still early enough in the planning stage to ensure decisions will reflect environmental values. Furthermore, the Agency believes that this process will result in fewer project delays, and will in fact, expedite the review process.

**Issue 7:** Three individuals and fifteen organizations commented that allowing rescission of funds if the results of an environmental review do not ultimately support to the Agency’s decision to obligate, does not undo the harm, error, or fatal bias that has already been introduced and tainted the process. Allowing agencies to reconsider and rescind a decision to obligate funds after review in no way corrects otherwise clearly unlawful application of NEPA. They argue that this approach would also leave the responsible agency official in the position of either taking away funding from an outside entity or pressuring the environmental review staff to expedite the process. The most likely, they argue, is shortchanging the environmental review process. The public commenting on such reviews will understand the initial decision has already been made, that bias has irrevocably attached, and that they are essentially asking the agency to “re-decide” the decision to obligate funds. Making a commitment prematurely may also cause harm to the applicant because the commitment may not be met, pending the outcome of the NEPA process.

**RUS Response:** The Agency believes that it will continue to make unbiased decisions on its environmental reviews, and that since 93 percent of reviews are finished before 10 days, the agency’s decision-making process will not be influenced.

**Issue 8:** Fifteen organizations commented that the arbitrary time limit for completion of the environmental review prior to the end of following fiscal year after obligation, conflicts with CEQ regulations that state that prescribed universal time limit for entire NEPA process is too inflexible and should be appropriate to individual actions. Therefore, they argue, the proposed time limits would result in rushed reviews to avoid rescinding funds.

**RUS Response:** The Agency does not believe that the completion deadline for the environmental review is arbitrary. As mentioned earlier, it was selected as a time that would give applicants confidence in going forward with projects. In addition, the agency would not rush reviews to avoid rescinding, as its current rate of processing is already extremely efficient. Those projects that would require more time, are already the result of reviews outside of the Agency.

**List of Subjects in 7 CFR Part 1970**

Administrative practice and procedure, Buildings and facilities, Environmental impact statements, Environmental Protection, Grant programs, Housing, Loan programs, Natural resources, Utilities.

Accordingly, for reasons set forth in the preamble, part 1970, title 7, Code of Federal Regulations is amended as follows:

**PART 1970—ENVIRONMENTAL POLICIES AND PROCEDURES**

1. The authority citation for part 1970 continues to read as follows:


2. In §1970.11, revise paragraph (b) to read as follows:

   §1970.11 Timing of the environmental review process.

   (b) The environmental review process must be concluded before the obligation of funds; except for infrastructure projects where the assurance that funds will be available for community health, safety, or economic development has been determined as necessary by the Agency Administrator. At the discretion of the Agency Administrator, funds may be obligated contingent upon the conclusion of the environmental review process prior to any action that would have an adverse effect on the environment or limit the choices of any reasonable alternatives. Funds so obligated shall be rescinded if the Agency cannot conclude the environmental review process before the end of the fiscal year after the year in which the funds were obligated, or if the Agency determines that it cannot proceed with approval based on findings in the environmental review process. For the purposes of this section, infrastructure projects shall include projects such as broadband, telecommunications, electric, energy efficiency, smart grid, water, sewer, transportation, and energy capital investments in physical plant and equipment, but not investments authorized in the Housing Act of 1949.

   Dated: September 16, 2019.

   Misty Giles,
   Chief of Staff, Rural Development.

   Bill Northey,
   Under Secretary, Farm Production and Conservation.

   [FR Doc. 2019–20342 Filed 9–20–19; 8:45 am]

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 23**

[Docket No. FAA–2019–0745; Special Conditions No. 23–297–SC]

**Special Conditions: Diamond Aircraft Industries of Canada Model DA–62 Airplanes; Electronic Engine Control System Installation**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final special conditions; request for comments.

**SUMMARY:** These special conditions are issued for the Diamond Aircraft Industries of Canada (DAI Canada) Model DA–62 airplane. This airplane will have a novel or unusual design feature associated with installation of an engine that includes an electronic engine control system. The applicable airworthiness regulations do not contain adequate or appropriate safety standards for this design feature. These special conditions contain the additional safety standards that the Administrator considers necessary to establish a level of safety equivalent to that established by the existing airworthiness standards.

**DATES:** The effective date of these special conditions is September 23, 2019. The FAA must receive your comments by October 23, 2019.

**ADDRESSES:** Send comments identified by docket number FAA–2019–0745 using any of the following methods:

- **Federal eRegulations Portal:** Go to http://www.regulations.gov and follow the online instructions for sending your comments electronically.

- **Mail:** Send comments to Docket Operations, M–30, U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE, Room W12–140, West Building, Ground Floor, Washington, DC 20590–0001.

- **Hand Delivery of Courier:** Take comments to Docket Operations in Room W12–140 of the West Building,