of Part B of the contract. If the actual cost of the work exceeds the agreed-on GMP, the CM shall be required to complete the work at no additional cost to the Government. The GMP is the sum of the following:

(a) The estimated cost for all work to be performed by subcontractors awarded contracts by the CM;

(b) The estimated cost for all reimbursable services and costs identified in the contract (see 1-4.1601 (f));

(c) The fee for CM services associated with Part B of the CM contract; and

(d) Any agreed upon contingencies as they comply with FPR § 1-15.205-7.

§ 1-4.1606-2 Final cost to the Government for work under Part B.

The final cost to the Government for work under the construction phase shall be either the sum of the actual costs for the items listed in § 1-4.1606-1 as approved by the contracting officer, or the GMP, whichever is less.

§ 1-4.1606-3 Adjustments in the construction manager's fee under CM/GMP.

(a) A change in the fee for CM services (see 1-4.1601(d)) may be negotiated when the Government's action changes the scope and cost of any of the services considered in establishing the CM's fee for a CM contract or the CM portion of a CM/GMP contract.

(b) A change to a GMP may be negotiated when the Government's action causes a change in the cost of any of the elements of the GMP listed in 1-4.1606-1, exclusive of the fee established for the CM services associated with Part B of the CM/GMP contract.

(c) The fee for CM services will not be changed when the CM's actions result in a reduction in the cost or time of performance of the project.

§ 1-14.1606-4 Reserve fund.

As the prime contractor in the construction phase of a CM/GMP contract, the CM is required to solicit competitive bids and award subcontracts for the bid packages (line items) set forth in the GMP. The contract may provide that as each subcontract is bid and awarded, any excess funds over the estimated line item amount of the bid package shall be placed in a separate line item identified as the Reserve Fund. This fund may be used by the CM to cover bids exceeding the line item amount set forth in the GMP for any of the line items. Reserve funds shall not be used to cover change orders or claims arising after award of subcontracts. Any excess remaining in the Reserve Fund after all line items have been bid shall be released by the CM to the contracting officer.

Dated: December 9, 1983.

Ray Kline,

Acting Administrator of General Services.

[FR Doc. 83-33467 Filed 12-15-83; 8:45 am]

BILLING CODE 6120-61-M

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

49 CFR Part 396

[Docket No. MC-48-1; Amdt. No. 81-14]

Inspection, Repair, and Maintenance

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Final rule.

SUMMARY: The FHWA is amending Part 396 of the Federal Motor Carrier Safety Regulations (FMCSR) to: (1) Exempt lightweight vehicles from the paperwork requirements of this part, (2) eliminate the special inspection required for vehicles leased less than 30 days, and (3) eliminate the requirement for drivers to sign a vehicle inspection report, showing no defects, following its review. The primary purpose of these rule changes is to reduce the paperwork burden imposed upon the motor carrier industry and its drivers, without compromising highway safety.

EFFECTIVE DATE: December 16, 1983.

FOR FURTHER INFORMATION CONTACT: Mr. Neill L. Thomas, Bureau of Motor Carrier Safety, (202) 426-9767; or Mrs. Kathleen S. Markman, Office of the Chief Counsel, (202) 426-0346, Federal Highway Administration, Department of Transportation, 400 7th St., SW., Washington, D.C. 20590. Office hours are from 7:45 a.m. to 4:15 p.m. e.t., Monday through Friday.

SUPPLEMENTARY INFORMATION: On June 17, 1982, the FHWA issued a notice of proposed rulemaking (NPRM) (Docket No. MC-48-1; Notice No. 82-5, 47 FR 26172, June 17, 1982) seeking comments on a proposal to: (1) Exempt lightweight vehicles from the paperwork requirements of § 396.3(b); (2) eliminate the special inspection and recordkeeping requirements for vehicles leased less than 30 days (§ 396.3(c)); and (3) eliminate the requirement for drivers to sign a vehicle inspection report, showing no defects, following its review (§ 396.13(c)). Comments were due by August 16, 1982.

Regulatory Background

Part 396, Inspection, Repair, and Maintenance, of the FMCSR requires every motor carrier conducting operations in interstate or foreign commerce to systematically inspect, repair, and maintain or cause to be systematically inspected, repaired, and maintained, all motor vehicles subject to its control.

Part 396 was initially issued as part of the FMCSR in 1940 by the Interstate Commerce Commission (ICC) pursuant to Section 204 of Part II of the Interstate Commerce Act. This Act authorized the ICC to prescribe regulations with respect to qualifications and maximum hours of service of employees, and safety of operation and equipment of motor carriers engaged in interstate or foreign commerce. In 1967, the Bureau of Motor Carrier Safety (BMCS) was transferred from the ICC to the FHWA, and the FMCSR, including Part 396, became the responsibility of the FHWA.

In response to increasing evidence from several sources (i.e., results of roadside vehicle inspections, accident investigation reports, and complaints by truck and bus drivers) suggesting that inadequate motor carrier maintenance practices were becoming a serious problem, the BMCS, in 1973, published an advance notice of proposed rulemaking (ANPRM) (38 FR 7127). The ANPRM invited comments on: (1) A petition for rulemaking to amend Part 396 which was received from the Professional Driver Safety and Health Organization (PROD); and (2) a number of specific questions on the merits of modifying the inspection and maintenance regulations. In 1977, the FHWA issued a NPRM to amend Part 396 (42 FR 18103). The NPRM was based on the comments received from the ANPRM and from the results of a study conducted in 1974-1975 for the FHWA by the Highway Safety Research Institute of the University of Michigan which concluded, among other things, that proper inspection and maintenance would reduce the incidence of mechanical defect-related truck accidents.[1] The BMCS, in 1979, analyzed all the comments received in response to the ANPRM and the NPRM, and considered the historical trend in terms of the increasing roadside vehicle inspection out-of-service rate (30% out-of-service rate in 1974 to 41% out-of-

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[1] A copy of the report, "Effect of Commercial Vehicle Systematic Preventive Maintenance on Specific Causes of Accidents," PB-248379, is available from the National Technical Information Service, 5285 Port Royal Road, Springfield, Virginia 22161, telephone (703) 487-4650, at a cost of $12.50.

service rate in 1979). As a result of the analysis, the FHWA issued a final rule which amended Part 396 by, among other things: (1) Reducing the retention period of certain inspection, repair, and maintenance records; (2) requiring the motor carrier to certify that the items listed on the daily driver vehicle inspection report that would likely affect the safety of operation of the vehicle had been repaired; and (3) requiring that the last driver vehicle inspection report or a copy thereof be carried on the power unit.

In response to a petition for a rule change, the FHWA issued a NPRM in October 1980 (45 FR 70289) proposing to amend Part 396 by exempting vehicles controlled by a motor carrier for less than 30 days from the required vehicle inspection if both carriers involved in the lease are commonly controlled an jointly administer a uniform safety program. Elements of the 1980 NPRM were incorporated in the June 17, NPRM.

Comments to June 17, 1982 NPRM

The FHWA received 34 comments in response to its NPRM of June 17, 1982, representing the views of the following groups:

1. Union representatives;
2. Trucking associations;
3. Drivers;
4. Motor Carriers;
5. Insurance companies; and
6. Other interested parties.

A number of commenters, in their discussion of the proposal to exempt lightweight vehicles from the paperwork requirements of § 396.3, made reference to a study entitled "Fatal Occupational Injuries [2]" which was conducted by Johns Hopkins University.

While the study does make small mention of lightweight class vehicles, the reference is limited to the increase in risk to drivers due to lack of crash protection. The study stated that there was increased driver risk due to the growth in the purchase of smaller vehicles by employers. This study does not suggest that lightweight vehicle maintenance in general or the group of lightweight vehicles subject to the FHWA's jurisdiction specifically, is creating an increased risk to drivers and highway safety.

It should not be forgotten that the proposal was merely to eliminate a paperwork requirement determined not to be necessary from the standpoint of highway safety. The requirement that motor carriers maintain their vehicles in safe operating condition continues to be applicable for all commercial motor carriers subject to Part 396, including operators of lightweight vehicles. Consequently, FHWA personnel will continue to have the authority to inspect motor vehicles operated by carriers subject to the FHWA's jurisdiction. In addition, motor carriers will continue to be required to report accidents involving lightweight vehicles. These accident reports will assist FHWA personnel in determining a motor carrier's compliance with the maintenance requirements of Part 396.

As stated in the "Summary" section of this rulemaking action, the primary purpose of these rule changes is to reduce the paperwork burden imposed upon the motor carrier industry and its drivers, without compromising highway safety.

The FHWA currently believes that lightweight vehicles do not represent any unusual safety hazard. Generally, lightweight vehicle records are not given priority review during safety management audits conducted by FHWA personnel at the motor carrier's place of business. While the lightweight vehicles must currently meet the recordkeeping requirements of Part 396, the FHWA currently places little emphasis in this area. However, in another rulemaking action (48 FR 14413), the FHWA has announced the initiation of a general review of all lightweight vehicle exemptions. Until that review is completed, there are no substantive reasons or evidence for subjecting lightweight vehicles to the paperwork requirements of § 396.3(b). Further, the exemption is not expected to adversely effect safety of operations.

Section 396.13 of the FMCSR requires a driver, following the review of the last vehicle inspection report (VIR) required to be carried on the power unit, to sign the report. The signature is to acknowledge that the driver has reviewed the report and that there is, on that report, a certification that the required repairs have been performed.

A number of commenters made reference to the FHWA's interpretations of Part 396, which were printed in the **Federal Register** on July 10, 1980 (45 FR 46425). They, the commenters, pointed out that by interpretation, the FHWA eliminated the requirement that VIR's showing no defects be signed by the reviewing driver.

The FHWA is fully aware of the 1980 interpretation. By this rulemaking action, however, the FHWA is codifying what had previously been an interpretation with limited circulation.

Other commenters suggested that the restructuring of the signature requirement as proposed in the June 17 NPRM would lead to a reduction on overall vehicle maintenance and raised the spector of employer abuses.

We have no data nor was data provided in response to the NPRM which would support the suggestion that the signature requirement interpretation described in the July 10, 1980 **Federal Register** has resulted in reduced compliance with the maintenance requirements of the FMCSR or in abuses by motor carriers of the vehicular safety intent of Part 396.

The FHWA wishes to reemphasize the fact that this modification of the reviewing driver's signature requirement does not change the regulations requiring the preparation of the VIR (§ 396.11(a)) and that corrective action must be taken by motor carriers on reported defects (§ 396.11(c)). This rule change merely eliminates the requirement that VIR's showing no defects be signed by the driver following review.

The special inspection and recordkeeping requirements for vehicles leased less than 30 days, as required by § 396.3(c), are being eliminated. The BMCS believes that requiring special paperwork for vehicles leased less than 30 days, in addition to the pretrip inspection requirement of § 396.13, is not necessary. As stated in the NPRM issued June 17, 1982 (47 FR 26174), "these leased vehicles must meet every other inspection, repair, and maintenance requirement imposed by Part 396," including the pretrip inspection which will continue as a requirement under § 396.13. It was also stated that "there is neither evidence nor reason to believe that these leased vehicles are likely to be operated under conditions that necessitate further assurances of their safe condition." No data has been submitted or is known to have become available which would contradict these statements. Further, most vehicles leased less than 30 days involve motor carriers who do not have appropriate operating authority to operate over a certain portion of the haul. Since those vehicles are usually owned by carriers that are already subject to the inspection, repair and maintenance regulations, eliminating the requirements of the current § 396.3(c) will negate the need to inspect the same vehicle more than once on a single trip.

The trip lease mode of motor carrier operation involves the following three situations:

(1) A for-hire, certificated or permitted, motor carrier leases a vehicle from another for-hire, certificated or permitted, motor carrier.

[2] Susan P. Baker, "Fatal Occupational Injuries", *Journal of American Medical Association*, 13 August 1982, p. 692.

(2) A for-hire motor carrier leases a vehicle from a leasing company.

(3) A for-hire, certificated or permitted, motor carrier leases a vehicle from a for-hire exempt (economically exempt) motor carrier.

With respect to motor carrier safety of operations under situation (1), no special concern arises because the motor carrier lessor is required to comply with the FMCSR and maintain the prescribed records and documentation, and the driver (motor carrier lessee) must perform a pretrip inspection under § 396.13.

Situation (2) presents a set of circumstances which at first glance could indicate a void in the safety system concerned. However, where motor carriers lease vehicles from leasing companies (who ordinarily are not subject to the FMCSR), the driver (motor carrier lessee) must perform the required pretrip vehicle inspection under § 396.13 prior to accepting the vehicle for service. Furthermore, as a sound business practice, leasing companies usually prepare and retain complete maintenance records for vehicles.

The third situation generally involves owner-operators who, on the outbound leg of their trip, transport economically exempt commodities and on the return leg of their trip, lease their vehicles to certificated or permitted for-hire motor carriers. On the surface, this situation seems to be the most tenuous of the three situations presented. However, safety of operations safeguards do exist and are present at the time the lease is initiated. The driver (motor carrier lessee) is required by the FMCSR to perform a pretrip vehicle inspection under § 396.13 before accepting the vehicle for service. If discrepancies are found during the pretrip vehicle inspection, those discrepancies must be corrected before the motor carrier may accept the vehicle for service in its operation.

In any event, all vehicles leased for less than 30 days will continue to be subject to 49 CFR 396 for the duration of the lease arrangement. The driver of the vehicle must prepare a vehicle inspection report at the end of each day and any discrepancies noted must be corrected or repaired before operating the vehicle again.

The FHWA will be able to monitor overall compliance with the inspection, repair, and maintenance requirements as a result of unannounced roadside vehicle inspections, the evaluation of a motor carrier's maintenance program during the course of management safety audits, and the review of a motor carrier's accident records.

A number of commenters, namely Agway, The American Bus Association, The American Trucking Associations, Inc. (ATA), the Common Carrier Conference—Irregular Route of ATA, the National Association of Wholesale Distributors and the United Parcel Service suggested that the FHWA pursue additional areas of rulemaking. Due to the fact that the additional areas of rulemaking proposed by these commenters are beyond the scope of this proceeding, the FHWA finds it necessary to defer any consideration of the additional proposals until a later date.

A regulatory evaluation/regulatory flexibility analysis has been prepared and is available for review in the public docket. A copy may be obtained by contacting Mr. Neill L. Thomas at the address provided above under the heading "For further information contact." The FHWA has determined that this action will not have a significant economic impact on a substantial number of small entities based upon the evaluation prepared.

The FHWA has determined that this document does not contain a major rule under Executive Order 12291 or a significant regulation under the regulatory policies and procedures of the Department of Transportation. In a continuing effort to reduce costs imposed upon the motor carrier industry, the FHWA is eliminating certain paperwork requirements associated with Part 396. Although certain paperwork requirements have been eliminated, a high level of care in the area of vehicle inspection, repair, and maintenance remains.

The information collection requirements contained in this regulation have been approved by the Office of Management and Budget under the provisions of the Paperwork Reduction Act of 1980 (Pub. L. 96-511) and have been assigned OMB control number, 2125-0037.

List of Subjects in 49 CFR Part 396

Motor carriers, Motor vehicle safety, Motor vehicle maintenance, Reporting and recordkeeping requirements.

PART 396—[AMENDED]

In consideration of the foregoing and under the authority of 49 U.S.C. 304, 49 U.S.C. 1655, 49 CFR 1.48, and 49 CFR 301.60, the requirement contained in 49 CFR 396.3 and 396.13 are amended as follows:

1. Section 396.3 is amended by revising paragraph (c) to read as follows:

§ 396.3 Inspection, repair, and maintenance.

* * * * *

(c) *Exemption.* The recordkeeping requirements contained in paragraph (b) of this section do not apply to lightweight motor vehicles, as defined in § 390.17 of this subchapter.

* * * * *

2. Section 396.13(c) is revised to read as follows:

§ 396.13 Driver inspection.

* * * * *

(c) Sign the report, only if defects or deficiencies were noted by the driver who prepared the report, to acknowledge that the driver has reviewed it and that there is a certification that the required repairs have been performed. The signature requirement does not apply to listed defects on a towed unit which is no longer part of the vehicle combination.

(49 U.S.C. 304; 49 U.S.C. 1655; 49 CFR 1.48 and 301.60)

(Catalog of Federal Domestic Assistance Program Number 20.217, Motor Carrier Safety)

Issued: December 9, 1983.

Kenneth L. Pierson,

Director, Bureau of Motor Carrier Safety.

[FR Doc. 83-33484 Filed 12-15-83; 8:45 am]

BILLING CODE 4910-22-M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Parts 654 and 658

[Docket No. 31202-232]

Stone Crab Fishery and Shrimp Fishery of the Gulf of Mexico

Correction

In FR Doc. 83-32589 beginning on page 54821 in the issue of Wednesday, December 7, 1983, make the following corrections:

On pages 54822 and 54823 in the tables to § 654.23(b)(1)(i), § 658.23(b)(1)(i) and (b)(1)(ii), the last two columns now labeled "Loran chain X" and "7980 Y" should have been labeled as follows:

Loran chain 7980	
X	Y

BILLING CODE 1505-01-M

Proposed Rules

Federal Register
Vol. 48, No. 243
Friday, December 16, 1983

DEPARTMENT OF AGRICULTURE

Rural Electrification Administration

7 CFR Part 1711

Electric Loans; Advance of Funds

AGENCY: Rural Electrification Administration, USDA.

ACTION: Proposed rule.

SUMMARY: The Rural Electrification Administration (REA) proposes to add a new part that sets forth agency policies, procedures and requirements concerning the advance of electric loan funds. This proposed rule restricts advances of loan funds for facilities to those included in an REA-approved Borrower work plan and for which insured loan funds have been approved, or are included in REA-approved amendments to such work plan. It implements provisions of the loan contract.

DATE: Public comments must be received by REA no later than February 14, 1984.

ADDRESS: Submit written comments to Charles R. Weaver, Director, Electric Borrowers Management Division, Rural Electrification Administration, Room 3342, South Building, U.S. Department of Agriculture, Washington D.C. 20250.

FOR FURTHER INFORMATION CONTACT: Mr. Charles R. Weaver, Director, Electric Borrowers Management Division, above address, telephone number (202) 382-1900. The Draft Impact Analysis describing the options considered in developing this proposed rule and the impact of implementing each option is available on request from the above address.

SUPPLEMENTARY INFORMATION: REA proposes to amend the Rural Electrification regulations by adding a new part and a new section concerning advance of electric loan funds. This proposed action has been reviewed in accordance with Executive Order 12291, Federal Regulation. The action will not (1) have an annual effect on the economy of $100 million or more; (2) result in a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies or geographic regions; or (3) result in significant adverse effects on competition, employment, investment or productivity, and therefore has been determined to be "not major." This action does not fall within the scope of the Regulatory Flexibility Act. This program is listed in the Catalog of Federal Domestic Assistance as 10.850, Rural Electrification Loans and Loan Guarantees.

Background

Borrowers have obtained some loan funds for facilities not specifically included in an approved work plan and approved loan or approved amendment to such work plan. This proposed action would provide a procedure whereby Borrowers certify and REA verifies that loan funds are ultimately provided only for previously approved facilities. The proposed action would accomplish this with little burden on Borrowers.

The proposed action would implement provisions of the standard form REA loan contract which provides, in part, that the Borrower shall submit requisitions which shall be accompanied by a statement in such form and detail as the Administrator shall prescribe setting forth the purposes for which the requested advance will be used. The proposed action would change the requirements for advance of funds, set forth in REA Bulletin 26-1,[1] "Budgetary Control and Advance of Electric Loan Funds." In addition, interested parties should refer to REA Bulletin 20-2,[1] "Electric Loan Policies and Application Procedures," which requires loan applications to be based upon an approved 2 year work plan, and REA Bulletin 60-10,[1] "Construction Work Plans, Electric Distribution Systems," which sets forth requirements and procedures with respect to work plans.

The proposed rule would establish a procedure that:

1. Requires Borrowers to certify, with each request for funds to be approved for advance, that such funds are for purposes and facilities included in the Borrowers' REA-approved work plans or REA-approved amendment and for which loan funds have been approved and that the amount for each purpose is no more than 110 percent of the loan amount approved;

2. Requires Borrowers also to provide with each request for funds to be approved for advance the following (readily availble) information for each item for which funds are requested:

(a) A contract or work order number (where applicable), and

(b) A work plan cross-reference identification to the purpose and facility; and

3. Requires Borrowers to immediately return any funds advanced that exceed 110% of the loan amount approved for each purpose. The amount advanced and returned may be subsequently requested by the Borrowers for REA-approved construction items.

REA would permit advances in an amount not to exceed 110 percent of the cost of the item as set forth on the Borrower's most recent form 740c,[1] "Cost Estimates on Loan Budget for Electric Borrowers," approved by REA. Experience has demonstrated that the 110 percent factor is appropriate since the constructed costs of items will frequently vary from the estimated costs by 10 percent due to uncertainties in cost factors and construction conditions. This flexibility in the permissible amount of advance should prove beneficial to the Borrowers.

In addition to returning amounts improperly advanced, Borrowers would be required to send to REA an amount to reimburse the Rural Electric and Telephone Revolving Fund for costs incurred as a result of the improper advances. The amount to be sent would be determined by applying to the amount of the advance and for the period it was outstanding, the difference between the REA loan interest rate and the most recent rate at which REA sold Certificates of Beneficiary Ownership (CBO's). The formula set forth was selected as a reasonable measure of such costs to the Government.

List of Subjects in 7 CFR Part 1711

Administrative practice and procedure, Electric utilities, Loan programs—energy.

Therefore, REA proposes to add Part 1711 to 7 CFR Chapter XVII to read as follows:

[1] A copy of these forms and publications may be obtained by writing the Rural Electrification Administration, Washington, D.C. 20250.

PART 1711—ELECTRIC LOANS—ADVANCE OF FUNDS

§ 1711.1 Advances.

(a) *Purpose and amount.* Loan funds will be advanced only for construction items which are included in an approved work plan or approved amendment thereto evidenced by an approved form 740c,[1] "Cost Estimates and Loan Budget For Electric Borrowers," or an approved amendment thereto. Loan fund advances may be requested in an amount representing actual costs incurred but not to exceed 110 percent of the item estimate shown on the approved form 740c, as amended, provided that total advances requested shall not exceed the total loan amount.

(b) *Certification.* Pursuant to the applicable provisions of the REA loan contract, Borrowes shall certify with each request for funds to be approved for advance that such funds are for facilities in compliance with this section and shall also provide for each item a contract or work order number (where applicable) and a work plan cross-reference identification.

(c) *Noncompliance.* Where loan funds are found to have been advanced in noncompliance with this rule, Borrowers will be required to return the appropriate amount of the advance together with any accrued and unpaid interest to REA. The Administrator will require Borrowers, in order to remedy such noncompliance, to pay an additional amount equal to the interest on the funds advanced for the period such funds were outstanding, calculated at a rate equal to the differential between the REA loan interest rate and the most recent rate at which REA sold Certificates of Beneficial Ownership (CBO's). While REA will generally permit the amount of advance returned to be requested subsequently by the borrower for REA-approved construction items, nothing herein contained shall be construed to preclude the Government from exercising any rights or remedies which REA may have pursuant to the loan contract.

Dated: November 29, 1983.

Harold V. Hunter,

Administrator.

[FR Doc. 83-33421 Filed 12-15-83; 8:45 am]

BILLING CODE 3410-15-M

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7 CFR Part 1729

Electric System Planning and Design

AGENCY: Rural Electrification Administration, USDA.

ACTION: Proposed rule.

SUMMARY: The Rural Electrification Administration (REA) proposes to revise 7 CFR Chapter XVII, REA Regulations, by adding Subchapter F, Electric System Design and Construction, containing Part 1729, Electric System Planning and Design. Sections 1729.6, Compliance with National Electrical Safety Code, and 1729.10, Permitted Deviations from REA Construction Standards, are covered by this proposed action.

This proposed action is part of REA's ongoing effort to codify all of the agency's regulations into the Code of Federal Regulations. This action is intended to consolidate REA's rules on electric system planning and design into a single, more usable document. This action also is intended to reduce the paperwork burden on REA borrowers and consulting engineering firms. This would be accomplished by eliminating the requirement for REA to grant specific approval for deviations by borrower from REA construction standards, under two specific circumstances.

DATE: Public comment must be received by REA no later than February 14, 1984.

ADDRESS: Submit written comments to the Director, Engineering Standards Division, Rural Electrification Administration, Room 1256-S, U.S. Department of Agriculture, Washington, D.C. 20250.

FOR FURTHER INFORMATION CONTACT: Mr. James C. Dedman, Engineering Standards Division, Rural Electrification Administration, Room 1263-S, U.S. Department of Agriculture, Washington, D.C. 20250, telephone (202) 382-9086. The Draft Impact Analysis describing the options considered in developing this proposed rule and the impact of implementing each option is available on request from Mr. Dedman, at the above address.

SUPPLEMENTARY INFORMATION: Pursuant to the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 et seq.), the Rural Electrification Administration (REA) proposes to revise 7 CFR Chapter XVII, REA Regulations, by adding Part 1729, Electric System Planning and Design. This proposed action has been reviewed in accordance with Executive Order 12291, Federal Regulations. The action will not (1) have an annual effect on the economy of $100 million or more; (2) result in a major increase in costs or prices for consumers, individual industries, Federal, state or local government agencies; or (3) result in significant adverse effects on competition, employment, investment or productivity, and, therefore, has been determined to be "not major." This action does not fall within the scope of the Regulatory Flexibility Act. This program is listed in the Catalog of Federal Domestic Assistance as 10.850, Rural Electrification Loans and Loan Guarantees.

Background

The Rural Electrification Administration (REA) maintains regulations pertaining to system design and construction for REA electric borrowers. These regulations are contained in Subchapter F of 7 CFR Chapter XVII. Part 1729, Electric System Planning and Design, contains rules, policies, requirements and procedures to be followed in the planning and design of electric distribution and transmission systems financed with assistance from REA.

Section 1729.6, Compliance with National Electrical Safety Code, requires REA borrowers to construct and operate their electric systems in accordance with the *latest effective edition* of the National Electrical Safety Code (NESC). REA rules concerning the NESC have been contained in REA Bulletin 40-7, National Electrical Safety Code. Bulletin 40-7 historically has been revised, upon the publication of each new edition of the NESC, to require REA borrowers to construct and operate their systems in accordance with that individual edition of the NESC. The subject proposed rule would eliminate Bulletin 40-7.

Section 1729.10, Permitted Deviations from REA Construction Standards, sets out two specific circumstances under which REA borrowers may deviate from REA construction standards without being required to seek specific approval from REA. When required by other authorities, borrowers may make specific modifications to distribution line structures to protect raptors from contact with energized wires. Also, when necessary, borrowers may modify the standard transformer connections in accordance with Rule 97D2 of the NESC.

List of Subjects in 7 CFR Part 1729

Electric utilities, Engineering standards.

In view of the above, REA proposes to add Part 1729 of 7 CFR Chapter XVII to read as follows:

SUBCHAPTER F—ELECTRIC SYSTEM DESIGN AND CONSTRUCTION

Construction