

They said that if the rule was made effective in November 1985 that it would affect outstanding cotton futures contracts for December 1985 delivery and this might put a hardship on those involved in these outstanding contracts. The CFTC suggested that making the effective date on or about January 1, 1986, where it would apply to March 1986, contracts and subsequent contracts. March 1986 is the next trading month for cotton futures on the New York Cotton Exchange. This action would alleviate any problem with respect to outstanding contracts. The Cotton Division agrees with this comment and has made the effective date, of this final rule, January 1, 1986.

List of subjects in 7 CFR Part 27

Classification, Cotton, Micronaire, Samples, Spot markets. Accordingly, regulations of 7 CFR Part 27 governing cotton classification under cotton futures legislation are amended as shown. The Table of Contents is amended accordingly.

PART 27—[AMENDED]

1. The authority citation for Part 27 continues to read as follows:

Authority: 90 Stat. 1841-1846; 7 U.S.C. 15b.

2. In §§ 27.47 and 27.52, all references to "27.56" are removed and replaced with "27.55".

3. Section 27.55 is amended by revising it to read as follows:

§ 27.55 Requirements in lieu of cotton class certificates on delivery day.

If on the morning of the delivery day specified in the transferable notice the cotton class certificates covering the cotton involved are not ready for delivery when called for, the tenderer of the cotton shall present to the receiver a receipt issued by an exchange inspection agency certifying that warehouse receipts, listed by lot numbers, representing cotton weighed and sampled in an approved warehouse under the supervision of such agency, have been received by the exchange inspection agency and are in the custody of the Cotton Division Marketing Services Office where certification requests are required to be filed. The requirements of §§ 27.52-27.55 shall be complied with prior to delivery by the tenderer of the agency's receipt to the receiver. Upon issuance by Marketing Services Office, the tenderer shall furnish to the receiver the cotton class certificates complying with the regulations in this subpart, showing the cotton to be tenderable on a basis grade contract.

§ 27.56 [Removed]

4. Section 27.56 is removed.

Dated: November 14, 1985.

William T. Manley,

Deputy Administrator, Marketing Programs.

[FR Doc. 85-27638 Filed 11-19-85; 9:45 am]

BILLING CODE 3410-02-M

7 CFR Part 981

Handling of Almonds Grown in California; Changes in Administrative Rules and Regulations Governing Quality Control and Reporting Requirements

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule changes the quality control and reporting provisions in the administrative rules and regulations established under the Federal marketing order for California almonds. The changes will: (1) Require handlers to notify the Board 72 hours prior to making deliveries of inedible kernels to accepted users and allow the Almond Board of California to supervise, at its option, the delivery of such almonds; and (2) require handlers of California almonds to report to the Board persons or firms for whom they custom process almonds. The changes are intended to improve compliance with almond order requirements. The Board works with USDA in administering the marketing order.

EFFECTIVE DATE: November 20, 1985.

FOR FURTHER INFORMATION CONTACT: Frank M. Grasberger, Acting Chief, Specialty Crops Branch, Fruit and Vegetable Division, AMS, USDA, Washington, DC 20250 (202) 447-5053.

SUPPLEMENTARY INFORMATION: This final rule has been reviewed under USDA guidelines implementing Executive Order 12291 and Secretary's Memorandum No. 1512-1 and has been classified a "non-major" rule under criteria contained therein.

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Administrator of the Agricultural Marketing Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened.

Marketing orders and rules proposed thereunder are unique in that they are brought about through group action of

essentially small entities for their own behalf. Thus, both statutes have small entity orientation and compatibility.

It is estimated that approximately 50 handlers of almonds will be subject to regulation under the Marketing Order for Almonds Grown in California during the course of the current season and the great majority of this group may be classified as small entities. While regulations issued during the season impose some costs on affected handlers and the number of such firms may be substantial, the added burden imposed on small entities, by this amendment, is not significant.

It is found that good cause exists for not postponing the effective date until 30 days after publication in the Federal Register (5 U.S.C. 553) in that: (1) The changes are intended to assure compliance with marketing order requirements by providing the Almond Board of California greater flexibility in controlling the disposition of low-quality almonds and in tracking potential almond handlers; (2) the Board should have the opportunity to utilize these changes as soon as possible since the changes will benefit the entire industry by helping to assure that consumers receive only high-quality almonds; and (3) no useful purpose would be served by delaying the effective date.

Notice of this action was published in the Federal Register on September 30, 1985, (50 FR 39706). Comments were invited from interested persons until October 15, 1985. One comment from a handler was received.

This action amends §§ 981.442(a)(5) and 981.474 of Subpart—Administrative Rules and Regulations (7 CFR 981.401-981.474; 50 FR 16451, 24174, and 30263). Section 981.442 is issued under § 981.42 of the marketing agreement and Order No. 981 (7 CFR Part 981), both as amended, regulating the handling of almonds grown in California and hereinafter referred to collectively as the "order." Section 981.474 is issued under the authority of § 981.74 of the order. The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). The proposal is based on two unanimous recommendations of the Almond Board of California, hereinafter referred to as the "Board," which works with USDA in administering the order.

In an effort to keep only high quality almonds in the marketplace, § 981.42 of the order and § 981.442(a)(4) of the administrative rules and regulations currently require handlers to have the inspection agency determine the weight of inedible kernels in each variety of almonds they receive. Sections

9881.42(a) and 981.442(a)(5) provide that the weight of inedible kernels in a lot shall constitute a disposition obligation which handlers must meet by delivering packer pickouts, kernels rejected in blanching, pieces of kernels, meal accumulated in manufacturing, or other material to crushers, feed manufacturers, feeders, or dealers in nut wastes on record with the Board as accepted users. Accepted users must sign a contract with the Board providing that the Board may enter their premises at any reasonable time to observe the storage or physical disposition of almond material.

To assure that these low-quality almonds are kept out of normal markets for almonds, the changes in § 981.442(a)(5) will require handlers to notify the Board at least 72 hours prior to delivering such material to accepted users and allow the Board to supervise, at its option, the delivery of that material. The changes will give the Board greater flexibility in controlling the disposition of inedible almonds and monitoring compliance with marketing order regulations controlling such dispositions.

The commenter stated that he does not always know 72 hours in advance when a truck will be available to pick up his almonds, and that, therefore, the proposed change would impose an economic hardship because he could not always take advantage of available truckage. In consideration of this objection, a proviso is added giving the Board or its employees the authority to lessen the notification time whenever it determines that the 72 hour requirement would impose a hardship on handlers. In addition, the commenter suggested that if shipment inspection is necessary, it would make more sense to require accepted users to notify the Board 72 hours before or after receiving or picking up inedible product from handlers. The Board and the Department considered this option but determined that more efficient control was possible when notification took place before the product left the handler's premises. Hence, this suggestion is not adopted.

Section 981.74 provides that the Board, with the approval of the Secretary of Agriculture, may request handlers to furnish such information as will enable the Board to perform its duties and exercise its powers. Section 981.474 of the administrative rules and regulations specifies what information handlers must submit pursuant to § 981.74. Section 981.474 currently requires handlers to submit periodic reports of their shipments, commitments, and export sales.

A new paragraph (c) is added to § 981.474 requiring handlers to report to the Board information regarding persons or firms for whom they have custom processed almonds. The new paragraph will require handlers to submit to the Board by the 15th of each month a report of all persons or firms, including growers, for whom the handler has custom processed almonds which have not been reported in the handler's report of almonds received (ABC Form 1). The report would list the name, address, number of pounds processed, net weight returned to the owner, the date(s) on which the processing was accomplished, and the date(s) on which the almonds were returned to the owner. The change will give the Board the means of tracking potential almond handlers and of assuring compliance with marketing order regulations. The Board believes that many growers are acting as handlers, often having their almonds custom processed, but not complying with program requirements. The title of § 981.474 has been changed to reflect the addition of paragraph (c), and some minor working changes have been made in paragraphs (a) and (b).

On this issue the commenter stated that he occasionally custom processes small quantities of almonds for growers for their own personal use, and that reporting these small orders constitutes an unnecessary paperwork burden. This objection has merit in that the Board is only interested in potential almond handlers, and a grower who only has almonds custom processed for his/her personal use would not be a handler as defined in § 981.13 of the order. Likewise, a grower who has almonds custom processed and then sells these almonds only at a roadside stand operated by him under the terms of §§ 981.13 and 981.413 of the order would not be a handler. Therefore, an additional sentence is added to the rule change authorizing the Board to exempt reporting on small quantities of custom processed almonds if it determines that such exemption will not interfere with compliance. We do not anticipate that the exemption would exceed 500 pounds per owner per crop year. An amendment to the order would be necessary to control custom processing by firms who are not handlers.

After consideration of all relevant matter presented, including the Board's recommendation, the comment received, and other available information, it is further found that the changes hereinafter set forth will tend to effectuate the declared policy of the act.

The information collection requirements contained in this final rule

have been submitted to the Office of Management and Budget for review under section 3504(h) of the Paperwork Reduction Act of 1980 (44 U.S.C. 3504(h)) and have been approved by OMB under OMB Control No. 0581-0071.

List of Subjects in 7 CFR Part 981

Marketing agreements and orders, Almonds, California.

PART 981—ALMONDS GROWN IN CALIFORNIA

1. The authority citation for 7 CFR Part 981 continues to read as follows:

Authority: Secs. 1-19, 48 Stat. 31, as Amended (7 U.S.C. 601-674).

Subpart—Administrative Rules and Regulations

2. Section 981.442(a)(5) is revised to read as follows:

§ 981.442 Quality control.

(a) * * *

(5) *Meeting the disposition obligation.* Each handler shall meet its disposition obligation by delivering packer pickouts, kernels rejected in blanching, pieces of kernels, meal accumulated in manufacturing, or other material to crushers, feed manufacturers, feeders, or dealers in nut wastes on record with the Board as accepted users. Handlers shall notify the Board at least 72 hours prior to delivery; *Provided*, That the Board or its employees may lessen this notification time whenever it determines that the 72 hour requirement is impracticable. The Board may supervise deliveries at its option. In the case of a handler having an annual total obligation of less than 1,000 pounds, delivery may be to the Board in lieu of an accepted user, in which case the Board would certify the disposition lot and report the results to the USDA. For dispositions by handlers with mechanical sampling equipment, samples may be drawn by the handler in a manner acceptable to the Board and the inspection agency. For all other dispositions, samples shall be drawn by or under the supervision of the inspection agency. Upon approval by the Board and the inspection agency, sampling may be accomplished at the accepted user's destination. The almond meat content of each delivery shall be determined by the inspection agency and reported by the inspection agency to the Board and the handler and credited to the handler's disposition obligation on ABC Form 8. Deliveries containing less than 10 percent almond meat content shall not be credited against the disposition obligation. Each

handler's disposition obligation shall be satisfied when the almond meat content of the material delivered to accepted users equals the disposition obligation, but no later than July 31, succeeding the crop year in which the obligation was incurred.

3. In § 981.474, the heading and paragraphs (a) and (b) are revised and paragraph (c) is added. As amended § 981.474 is revised to read as follows:

§ 981.474 Other reports.

(a) *Report of shipments and commitments.* Each handler shall report on ABC Form 25 the following: (1) All shipments of almonds, inshell and shelled and by classification (domestic, and export by countries of destination); and (2) all commitments (almonds not shipped, but sold or otherwise obligated) whether domestic contract, export contract, or non-contract. If the destination of any export is unknown to the handler, he shall have the broker/exporter furnish this information to the Board. In support of this report, the handler shall keep invoices on the shipments, or such other documentation as may be acceptable to the Board. The reports shall be filed with the Board within five business days after the close of each month of the crop year.

(b) *Report of export sales.* At the time of each export sale, each handler shall report it to the Board on ABC Form 18 and upon delivery into export shall report this on ABC Form 19. If any export is not made directly by the handler, he shall send the ABC Form 19 to the broker/exporter and request him to make the report to the Board. These forms shall include the number and type of container, net weight, variety and whether inshell or shelled, time of export and destination. In years of minimum export prices applicable to reserve almonds, ABC Form 19 shall include the grade and size, the inspection certificate number, the price, and any terms defining the price. Whenever export shipments are included with domestic shipments in the estimated trade demand for a crop year, this paragraph shall not apply.

(c) *Custom processing report.* Handlers shall submit to the Board, by the 15th of each month, a report of all persons or firms, including growers, for whom they have custom processed almonds which have not been reported in the handler's report of almonds received, ABC Form 1. The report shall list the name, address, number of pounds processed and returned to owner, date(s) on which the processing was accomplished, and the date(s) on

which almonds were returned to the owner. The Board may exempt reporting on small quantities of custom processed almonds if it determines that the exemption is consistent with other order requirements and will not interfere with its compliance activities.

Dated: November 12, 1985.

Thomas R. Clark,

Deputy Director, Fruit and Vegetable Division.

[FR Doc. 85-27493 Filed 11-19-85; 8:45 am]

BILLING CODE 3410-02-M

Rural Electrification Administration

7 CFR Part 1736

Electric Standards and Specifications

AGENCY: Rural Electrification Administration, USDA.

ACTION: Final rule.

SUMMARY: The Rural Electrification Administration (REA) hereby amends 7 CFR Part 1736 by adding §§ 1736.10-1736.70. The final rule sets forth the rules and procedures to be followed by REA and manufacturers when REA acceptance is being sought for material and equipment items for general use by REA borrowers. Currently, this material is set forth in REA Bulletin 44-7.

"Acceptance of Standards, Specifications, Drawings, Materials and Equipment, and Timber Inspection Programs and Agencies." The purpose of this final rulemaking action is to codify the regulations and to coordinate with § 1736.97 of this Part in providing for the cessation of listing of timber treating companies and timber inspection agencies. REA Bulletin 44-7 is hereby rescinded by this action.

EFFECTIVE DATE: November 20, 1985.

FURTHER INFORMATION CONTACT: Mr. Edmond W. Overstreet, Chief, Distribution Branch, Engineering Standards Division, Rural Electrification Administration, Room 1270-S, Washington, DC 20250-1500, telephone (202) 382-9088. The Final Impact Statement describing the options considered in developing this final rule and the impact of implementing each option is available on request from Mr. Overstreet 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) hereby amends 7 CFR Part 1736, Electric Standards and Specifications, by adding sections which will provide rules and procedures to be followed for

REA acceptance of standards and specifications and for material and equipment items for use on REA borrowers' electric systems. These rules were previously contained in REA Bulletin 44-7, "Acceptance of Standards, Specifications, Drawings, Materials and Equipment, and Timber Inspection Programs and Agencies." This action includes several minor changes and clarifications. This final 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 (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.

In accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3507), the reporting and recordkeeping provisions that are included in this final rule have been approved by the Office of Management and Budget (OMB) under docket Number 0572-0077.

Final rule, supporting documentation and comments received by REA concerning the proposed rule shall be available for public inspection at the above location from 8:15 a.m. to 4:45 p.m., Monday through Friday, excluding holidays.

Background

The Rural Electrification Administration (REA) maintains regulations pertaining to design and construction of electric power systems for REA electric borrowers. REA is codifying these regulations, which are presently contained in REA bulletins listed in Appendix A of 7 CFR Part 1701. The regulations for system design and construction will be contained in 7 CFR Chapter XVII, Part 1736, Electric Standards and Specifications, will contain rules and procedures to be followed by REA, its borrowers and manufacturers, for REA acceptance of material and equipment items for general use by REA borrowers.

REA uses existing voluntary standards wherever they are practical for use on rural electric systems; however, where there are no standards, or where the existing standards are not

appropriate for REA's unique requirements, REA develops standards and specifications of its own. Part 1736 will contain the REA standards and specifications. Section 1736.97 lists standards and specifications which have been incorporated by reference. Part 1736 will also contain sections which will set out the text of specifications for certain other items of material and equipment. These complete specifications will be published at a later date. Construction standards and material and equipment specifications ensure uniform quality and performance of system components and limit the total cost of construction and operation of the resulting electric power system.

REA hereby revises these rules in coordination with a separate revision of the timber program specifications by eliminating the REA listing of timber treating plants and independent inspection agencies. Although REA will no longer list timber plants and inspection agencies, REA borrowers will be required to select timber products in compliance with REA timber specifications. A proposed rule, 7 CFR Part 1736, covering the timber specifications appeared on page 2115, Vol. 49, No. 12, of the Federal Register (January 18, 1984).

This final rule will also establish a one-year limit on the technical acceptance of nondomestic materials and equipment (nondomestic items are items which do not qualify as domestic products pursuant to REA "Buy American" requirement).

The following options were considered before this action was taken: (a) Codify rules in CFR leaving rules unchanged, (b) revise the rules as outlined above, (c) leave bulletins unchanged.

A Notice of Proposed Rulemaking was published in the Federal Register March 9, 1984, Vol. 49, No. 48, pages 8933-8937. Interested parties were given (60) days in which to express their comments on the proposed rule. However, comments received after sixty (60) days were also considered.

The following comments were received and resolved.

Comment: It was suggested that the proposed rule should be redrafted in terms of recommendations set forth by the National Bureau of Standards (Federal Register, Vol. 49, No. 32, February 15, 1984, page 5792). This would have required independent third party certification of test results before items could be listed in Bulletin 43-5, List of Materials Acceptable for Use on Systems of REA Electrification Borrowers (List of Materials).

Response: It was decided that

requiring third party certification would be an unnecessary burden on manufacturers. REA accepts self-certified test data as well as certifications from independent laboratories. This allows flexibility to manufacturers that have data available from their own testing programs. We know of no reason to change this, and we have no basis for ceasing to accept self-certified manufacturer test data.

Comment: It was suggested that REA electric borrowers should have more flexibility to use unlisted items.

Response: REA recognizes that in certain special cases it may be necessary to use items which are not listed in the List of Materials. Section 1736.70(c) provides that borrowers may request case-by-case approval of unlisted items of material and equipment. If the borrowers were given the choice to use unlisted items without regard to the need, it would eliminate the major advantages of standardization, and could reduce the quality of construction on systems of REA borrowers.

Comment: It was suggested that REA should allow more than one item of a particular type of material or equipment to be listed by each manufacturer. (Multiple listings are not presently permitted.)

Response: If multiple listings were allowed, the List of Materials would become a catalog of all manufactured material with little regard for the unique needs of rural electric systems. It would be more expensive to REA borrowers, material distributors and material manufacturers, since they would have to keep larger inventories with many duplicate items due to the lack of standardization. The cost of maintaining the List of Materials would also increase and would be reflected in the cost of the List of Materials to users.

REA has received other comments regarding the changes in the timber specification and these comments are covered in the final impact statement and final rule that will be published separately in the Federal Register for the timber specification.

In view of the above, 7 CFR Part 1736, Electric Standards and Specifications, is hereby amended as follows:

1. The authority citation for 7 CFR Part 1736 continues to read:

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

2. The table of contents is amended by adding the following entries:

PART 1736—ELECTRIC STANDARDS AND SPECIFICATIONS

Sec.

1736.10 General purpose and scope.

1736.20 Establishment of standards and specifications.

1736.30 Inclusion of an item for listing or technical acceptance.

1736.40 Procedure for submission of a proposal.

1736.50 Removal of an item from listing or technical acceptance.

1736.60 List of materials and equipment.

1736.70 Procurement of materials.

3. Sections 1736.10 through 1736.70 are added to read as follows:

§ 1736.10 General purpose and scope.

(a) The requirements of this part are based on contractual provisions between REA and the organizations which receive financial assistance from REA.

(b) REA will establish certain specifications and standards for materials, equipment, and construction units that will be acceptable for REA financial assistance for the electric program. Materials and equipment purchased by the electric borrowers or accepted as contractor-furnished material must conform to REA standards and specifications where they have been established and, if included in REA Bulletin 43-5, "List of Materials Acceptable for Use on Systems of REA Electrification Borrowers" (List of Materials), must be selected from that list or must have received technical acceptance from REA. REA, through its Technical Standards Committees, will evaluate certain materials, equipment and construction units, and will determine acceptance.

§ 1736.20 Establishment of standards and specifications.

(a) *National and Other Standards.* REA will utilize standards of national standardizing groups, such as the American National Standards Institute (ANSI), American Wood Preservers' Association (AWPA), the various national engineering societies and the National Electric Safety Code (NESC), to the greatest extent practical. When there are no national standards or when REA determines that the existing national standards are not adequate for rural electric systems, REA will prepare standards for material and equipment to be used on systems of electric borrowers. REA standards and specifications will be codified or listed in § 1736.97, Incorporation by Reference of Electric Standards and Specifications. REA will also prepare specifications for materials and equipment when it determines that such specifications will

result in reduced costs, improved materials and equipment, or in the more effective use of engineering services.

(b) *Deviations from Standards.* No member of the REA staff will be permitted to authorize deviations from the standard specifications, or to establish or change the technical standards, or to authorize the use of items that have not received acceptance by the Technical Standards Committees, except as provided for under § 1736.70, or by authorization and/or delegation of authority by the Administrator of REA.

(c) *Category of Items.* Items appearing in the List of Materials are listed by categories of generic items which are used in REA construction standards incorporated by reference in § 1736.97. REA will establish and define these categories and will establish all criteria for acceptability within these categories.

§ 1736.30 Inclusion of an item for listing or technical acceptance.

(a) *Scope.* REA, through its Technical Standards Committees "A" and "B" will determine the acceptability of certain standards, standard specifications, standard drawings, and items of materials and equipment to be used in transmission, distribution and general plant (excluding office equipment, tools, and work equipment, and consumer-owned electric wiring facilities).

(b) *Addresses of Committees.* The address of Technical Standards Committee "A" is: Chairman, Technical Standards Committee "A" (Electric), Rural Electrification Administration, U.S. Department of Agriculture, Washington, DC 20250-1500. The address of Technical Standards Committee "B" is: Chairman, Technical Standards Committee "B" (Electric), Rural Electrification Administration, U.S. Department of Agriculture, Washington, DC 20250-1500.

(c) *Review by Technical Standards Committee "A".* All proposals for listing a product in the List of Materials must be addressed to Technical Standards Committee "A." This committee will consider all proposals made by sponsors of specifications, drawings, materials, or equipment in categories for which REA has established criteria for acceptability. A sponsor may be a manufacturer, supplier, contractor or any other person or organization which has made an application for listing or has requested an action by the committee. Committee "A" will consider all relevant information presented in determining whether an item should be accepted by Technical Standards Committee "A." Formal rules of evidence and procedure shall not apply to proceedings before this committee.

(d) *Action by Technical Standards Committee "A".* (1) Committee "A" may take one of the following actions:

- (i) Accept an item for listing without conditions (domestic items only),
- (ii) Reject an item (domestic or nondomestic),¹
- (iii) Accept an item for listing with conditions (domestic items only),
- (iv) Table an item for a time period sufficient to allow the sponsor to be notified and furnish additional information (domestic or nondomestic),
- (v) Grant technical acceptance with or without conditions for a period of one year from the date of notification by REA (nondomestic items only).

(2) All committee decisions regarding the actions listed above must be unanimous. If the vote is not unanimous, the item shall be referred to Technical Standards Committee "B." Written notice of Technical Standards Committee "A's" decision, stating the basis for the decision, will be provided to the sponsor.

(3) Items accepted without conditions by the Technical Standards Committees will be considered to be accepted on a general basis. No restrictions as to quantity or application will be placed on items which have received general acceptance. Items accepted subject to certain conditions, such as limited use to gain service experience, or limited use appropriate to certain areas and conditions, will be considered to be accepted on a conditional basis. The conditions will be cited as a part of the listing provided for in § 1736.80, or as part of the technical acceptance for nondomestic items.

(e) *Appeal to Technical Standards Committee "B".* A sponsor may request a review of an adverse decision by Technical Standards Committee "A" within ten (10) days of notification of such decision by submitting a letter requesting such review to Technical Standards Committee "B" (Electric).

(f) *Action by Technical Standards Committee "B".* Committee "B" may take any of the actions listed for Committee "A" in Section 1736.30d. However, for a Committee "B" action to be effective it must be by majority vote. Failure to obtain a majority on one of the proposed actions shall mean that the product will not be listed or accepted. Committee "B's" determination shall be based on the record developed before Committee "A" and such additional information as Committee "B" may request. Formal rules of procedure and evidence shall not apply to proceedings

¹ Nondomestic items are items which do not qualify as domestic products pursuant to REA "Buy American" requirement.

before Committee "B." Written notice of Committee "B's" decision, stating the basis of the decision, will be provided to the sponsor.

(g) *Appeal to the Administrator.* In the event of an adverse decision by Committee "B," the sponsor may, within ten (10) days of notification of such decision, request a review of this decision by submitting a letter to the Administrator requesting such a review.

(h) *Change in Design.* REA acceptance of an item will be conditioned on the understanding that no design changes (material or dimensions) affecting the quality, strength, or electrical characteristics of the item shall be made without prior concurrence of Technical Standards Committee "A."

§ 1736.40 Procedure for submission of a proposal.

(a) *Written Request.* Consideration of an item of material or equipment will be obtained by the sponsor through the submission of a written request in an original and five copies addressed to the Chairman, Technical Standards Committee "A" (Electric). The letter must include the catalog number or other identifying number or code as well as a description of the item. In the event that an item being submitted is also intended for consideration by Technical Standards Committee "A" (Telephone), a separate request must be made to the telephone committee. (See Part 1772 of this chapter).

(b) *Technical and Performance Data.* Six copies of the specification of manufacture, drawings and test data must be submitted to the committee. Six copies of the performance history shall also be submitted unless REA determines that such performance history is not reasonably available.

(c) *Sample.* One sample of the item must be submitted to the Chairman, Technical Standards Committee "A," unless REA waives the requirements of the sample. In case of large, bulky or extremely heavy samples, the sponsor should contact the Chairman, Technical Standards Committee "A" (Electric), at the above address, before any sample is shipped.

(d) *Action on Proposal.* REA will inform a sponsor of the action taken on the sponsor's proposal.

§ 1736.50 Removal of an item from listing or technical acceptance.

(a) *Removal Actions.* An item of material or equipment may be removed from the listing or technical acceptance in accordance with the following procedures upon determination that the

item is unsatisfactory or has been misrepresented to the owner or REA.

(b) *Notification by the Committee.* The sponsor of an item of material or equipment will be notified in writing of a proposal to remove such item from the listing or technical acceptance.

(c) *Supplemental Information.* Within ten (10) days of receipt of such notification, the sponsor may submit to Committee "A" a letter expressing the sponsor's intent to submit written supplemental technical information relevant to Committee "A's" determination. The sponsor must submit such information within twenty (20) days from the submission of its letter to Committee "A." Committee "A" will have the discretion of making a decision following the expiration of the time periods provided in this paragraph.

(d) *Review by the Technical Standards Committee "A".* Committee "A" will consider all relevant information presented in determining whether an item should be removed from the listing or technical acceptance. Formal rules of evidence and procedure shall not apply to proceedings before Technical Standards Committee "A."

(e) *Action by the Technical Standards Committee "A".* Committee "A" may take one of the following actions:

(1) Order the immediate removal of the item from the listing, or technical acceptance.

(2) Condition the item's continued listing, or technical acceptance.

(3) Recommend a basis of settlement which will adequately protect the interest of the Government, or

(4) Delay the effectiveness of its decision for a time period sufficient to allow the sponsor to appeal to Technical Standards Committee "B."

All committee "A" decisions regarding the actions listed above must be by unanimous vote. If the vote is not unanimous, the item will be referred to Technical Standards Committee "B."

Written notice of Technical Standards Committee "A's" decision, stating the basis for the decision, will be provided to the sponsor.

(f) *Additional Opportunity to Present Information.* At the request of the sponsor, REA may afford additional opportunity for consideration of relevant information. Such additional opportunity may include, without limitation, a meeting between REA and the sponsor in such a forum that REA may determine. In making this decision, REA will consider, among other things, the best interests of REA, its borrowers, and the sponsor, and the best manner to develop sufficient information relating to the proposed action.

(g) *Appeal to the Technical Standards Committee "B".* Within ten (10) days of notification of Committee "A's" decision, a sponsor may appeal in writing to Technical Standards Committee "B" to review Committee "A's" decision, specifying the reasons for such a request. Committee "B's" determination, in response to such request, shall be based on the record developed before Committee "A" and such additional information as Committee "B" may request. Formal rules of procedure and evidence shall not apply to proceedings before Committee "B."

(h) *Action by Technical Standards Committee "B".* Committee "B," by majority vote, may take one of the following actions:

(1) Order the immediate removal of the item from listing, or technical acceptance.

(2) Condition the item's continued listing, or technical acceptance.

(3) Recommend a basis of settlement which adequately protects the interests of the Government, or

(4) Delay the effectiveness of its decision for a time period sufficient to allow the sponsor to appeal to the Administrator of REA.

Failure to obtain a majority vote on any of the above actions shall mean that the product will continue to be listed or accepted.

Written notice of Committee "B's" decision stating the basis of the decision will be provided to the sponsor.

(i) *Appeal to the Administrator.* Within ten (10) days of the receipt of Committee "B's" decision, a sponsor may appeal to the Administrator to review Committee "B's" decision. If an appeal is made, the sponsor shall submit a written request to the Administrator, Rural Electrification, Room 4053, South Building, U.S. Department of Agriculture, Washington, D.C. 20250-1500 specifying the reasons to request reconsideration. The Administrator will have the option to decline the request, in which case the decision of Committee "B" shall stand. If a review is granted, the determination by the Administrator or the Administrator's designee shall be based on the record developed before Committee "A" and Committee "B" and such additional information as the Administrator may request. Formal rules of procedure and evidence shall not apply to the actions of the Administrator.

(j) *Action by the Administrator.* The Administrator may take one of the following actions:

(1) Order the immediate removal of the item from the listing, or technical acceptance.

(2) Condition its continued listing, or technical acceptance, or

(3) Recommend a basis of settlement which adequately protects the interests of the Government.

Written notice of the Administrator's determination, stating the basis for the decision, will be provided to the sponsor.

The Administrator's actions are final.

§ 1736.60 List of materials and equipment.

(a) *General.* Those items of material or equipment accepted by Technical Standards Committee "A" or "B," with the exception of technically accepted nondomestic items, will be listed in the List of Materials. Items which do not qualify as domestic products may be accepted on a technical basis only (technical acceptance) for a period of one year as provided in § 1736.30(c)(1) and will not be included in the List of Materials.

(b) *Publishing and Revisions.* REA will reissue the List of Materials every year, dated July, and issue supplements, if needed, dated October, January, and April of every year. An REA office copy, which is the official current copy, of the List of Materials, will be updated every time changes are made by the Technical Standards Committees.

(c) *Dual Listings.* REA, through its Technical Standards Committees, will accept for listing only one item of a particular type of material or equipment for each manufacturer. If a manufacturer submits an item to perform the identical function of a listed item, REA, through its Technical Standards Committees, may accept that item and remove the one previously listed. REA will list only new items of material and equipment in the List of Materials. Used items will not be considered for listing.

§ 1736.70 Procurement of materials.

(a) *By Owner.* When purchasing the type of materials included in the List of Materials, REA borrowers shall purchase only materials listed in the List of Materials, or materials which have a current technical acceptance by REA and meet the "Buy American" requirement.

(b) *By Contractor.* When performing work for an REA borrower, contractors shall supply only items from the general acceptance pages of the List of Materials, or obtain the borrower's concurrence prior to purchase and use of a technically nondomestic item or any item listed on a conditional basis.

(c) *Procurement of Unlisted Items.* (1) The borrower shall request prior approval from REA for use of an item that does not fall in categories established by REA in the List of Materials for which acceptability has been established by the Technical Standards Committees.

(2) REA will also determine, on a case-by-case basis, whether to allow use of an unlisted item in emergency situations and for experimental use or to meet a specific need. For purposes of this Part 1736, an emergency shall mean a situation wherein the supply of listed material and equipment from the industry is not readily available, or the standard designs are not applicable to the borrower's specific problem under consideration.

(3) REA will make arrangements for test or experimental use of newly developed items requiring limited trial use. REA, working with the borrower and the manufacturer, will establish test locations for the items to facilitate installation and observation.

List of Subjects in 7 CFR Part 1736

Electric utilities, Engineering standards.

Dated: November 6, 1985.

Jack Van Mark,

Acting Administrator.

[FR Doc. 85-27646 Filed 11-19-85; 8:45 am]

BILLING CODE 3410-15-M

7 CFR Part 1736

Electric Standards and Specifications

AGENCY: Rural Electrification Administration, USDA.

ACTION: Final rule.

SUMMARY: The Rural Electrification Administration (REA) amends 7 CFR Part 1736, Electric Standards and Specifications, by revising REA Bulletin 50-17(DT-5B), REA Specification for Wood Crossarms (Solid and Laminated), Transmission Timbers and Pole Keys; and REA Bulletin 50-18(DT-5C), REA Specification for Wood Poles, Stubs and Anchor Logs. These two bulletins contain the REA specifications for timber products to be purchased by REA borrowers. The main changes are: (1) Eliminate the REA list of acceptable timber treating plants and acceptable timber inspection agencies; (2) extend the provisions of the Quality Assurance Plan that presently apply to poles so that they also apply to crossarms; and (3) permit, at the option of and with specific acceptance by borrowers, the sulfate formulations of chromated copper arsenate (CCA). These changes

place more responsibility for assuring quality of timber products on the borrowers.

REA also amends 7 CFR Part 1736, Electric Standards and Specifications, by issuing a new REA Bulletin 50-24 (DT-19), REA Specification for Quality Control and Inspection of Timber Products. This new bulletin contains material which is currently contained in REA Bulletin 44-4, "Quality Control and Inspection of Timber Products," which was previously approved for incorporation by reference. The main change in this publication is to coordinate with the changes in the timber treatment specifications by eliminating the REA lists of acceptable timber treating plants and of acceptable timber inspection agencies.

REA Bulletin 44-4 is rescinded by this action.

EFFECTIVE DATE: November 6, 1985. The incorporation by reference of the publications mentioned in this rule has been approved by the Director, Office of the Federal Register, effective November 6, 1985.

Producers currently producing material for reserve treated stock for REA borrowers shall be allowed to supply such material to borrowers until December 31, 1985, without acknowledgement from REA on their intent to treat material for reserve stock. This will allow an orderly phase-in of the new policy. Any producer currently not producing reserve treated stock shall notify REA and receive acknowledgement, as specified in Bulletin 50-18, before borrowers are allowed to purchase their reserve treated stock.

As of March 1, 1986, borrowers shall purchase reserve treated stock only from producers that have received acknowledgement from REA on their intent to treat material for REA borrower reserve stock. Producers are encouraged to contact REA well in advance of the date to ensure their acknowledgement is received before March 1, 1986.

FOR FURTHER INFORMATION CONTACT: Mr. H. Robert Lash, Transmission and Timber Specialist, Engineering Standards Division, Rural Electrification Administration, Room 1263-S, Washington, DC 20250, telephone (202) 382-9098. The Final Impact Statement describing the options considered in developing these rules and the impact of implementing the chosen option are available on request from Mr. Lash 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) is amending 7 CFR Part 1736, Electric Standards and Specifications, by revising REA Bulletin 50-17(DT-5B), REA Specification for Wood Crossarms (Solid and Laminated), Transmission Timbers and Pole Keys; and REA Bulletin 50-18(DT-5C), REA Specification for Wood Poles, Stubs and Anchor Logs. REA also is amending 7 CFR Part 1736, Electric Standards and Specifications, by issuing a new specification, REA Bulletin 50-24(DT-19), REA Specification for Quality Control and Inspection of Timber Products. This 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 (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. In accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3507), the reporting and recordkeeping provisions that are included in this final rule have been approved by OMB (OMB No. 0572-0076, expiration date March 31, 1987).

Background

The Rural Electrification Administration (REA) maintains a system of bulletins that contains construction standards and specifications for materials and equipment which are applicable to electric system facilities constructed by REA electric borrowers in accordance with the REA loan contract. These standards and specifications contain REA's requirements for construction units and material items and equipment units commonly used in REA electric borrowers' systems. REA Bulletin 50-17(DT-5B), REA Specification for Wood Crossarms (Solid and Laminated), Transmission Timbers and Pole Keys; REA Bulletin 50-18(DT-5C), REA Specification for Wood Poles, Stubs and Anchor Logs; and Bulletin 50-24(DT-19), REA Specification for Quality Control and Inspection of Timber Products, contains REA's requirements for timber products and the quality control provisions to be applied to them for purchase of such items by REA