Rules and Regulations

Federal Register
Vol. 55, No. 22
Thursday, February 1, 1990

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

7 CFR Part 246

Special Supplemental Food Program for Women, Infants and Children (WIC): Nondiscretionary Benefit-Related Provisions

AGENCY: Food and Nutrition Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule implements nondiscretionary benefit-related provisions of the Child Nutrition and WIC Reauthorization Act of 1989 (Pub. L. 101–147), enacted on November 10, 1989. The statute contains two provisions which can be implemented without the exercise of Departmental discretion and which would extend income eligibility for the WIC Program. First, this rule implements the provision which gives State agencies the option to exclude military housing allowances received by personnel who live off base from consideration when determining the income eligibility of applicants for the program. Second, it implements the portion of the statute which requires that recipients of food stamps, or assistance under Aid to Families with Dependent Children (AFDC) or Medicaid, be considered adjunctively (i.e., automatically) income-eligible for WIC, provided that AFDC and Medicaid recipients have been determined fully eligible for one of these programs, as opposed to "presumptively" (i.e., provisionally) eligible pending completion of the eligibility determination process.

EFFECTIVE DATES: February 1, 1990. State agencies may implement the provisions of this rule beginning February 1, 1990, but shall implement adjunct eligibility as mandated by § 246.7(c)(2)(vii) not later than June 1, 1990.

FOR FURTHER INFORMATION CONTACT: Ronald J. Vogel, Director, Supplemental Food Programs Division, Food and Nutrition Service, USDA, 3101 Park Center Drive, room 1017, Alexandria, Virginia 22302, (703) 756–3746.

SUPPLEMENTARY INFORMATION:

Classification

This final rule has been reviewed under Executive Order 12291 and has been determined to be nonmajor. The rule will not have an annual effect on the economy of $100 million or more. This rule will not result in a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions. Further, this rule will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

This rule has been reviewed with regard to the requirements of the Regulatory Flexibility Act (5 U.S.C. 601–612). Pursuant to that review, the Administrator of the Food and Nutrition Service has certified that this final rule will not have a significant impact on a substantial number of small entities.

This rulemaking does not contain any reporting and recordkeeping requirements subject to review by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3507).

This final rule implements certain provisions of section 17(d)(2) of the Child Nutrition Act of 1966 (CNA) as amended by section 123(a)(2) of Public Law 101–147 which expand income eligibility in the WIC Program. These provsions render additional persons eligible for WIC, and participation in the program may improve pregnancy outcomes and the health and nutritional status of program participants. Furthermore, these provisions serve the interest shared by the President and Congress in greater coordination among programs which promote positive pregnancy outcomes. For these reasons, and because this is an interpretive rule implementing certain nondiscretionary provisions of Public Law 101–147, the Administrator of the Food and Nutrition Service has determined that prior notice and comment and a 30-day post-publication waiting period are not required in accordance with 5 U.S.C. 553(b)(3)(A) and 553(d)(2).

This program is listed in the Catalog of Federal Domestic Assistance Programs under 10.557 and is subject to Executive Order 12372, which requires intergovernmental consultation with State and local officials (7 CFR part 3015, subpart V, and final rule-related notice published June 24, 1983 (48 FR 29114)).

Background

Section 123(a)(2) of Public Law 101–147, enacted November 10, 1989, contains two amendments to section 17(d)(2) of the CNA which can be implemented without the exercise of Departmental discretion, and which extend WIC income eligibility to persons whose incomes exceed the previous statutory limit. At the State agency's option, cash housing allowances received by military personnel living in off-base housing can be excluded from consideration as income for purposes of determining income eligibility for the WIC Program. The new legislation also establishes "adjunct," or automatic, income eligibility for recipients of food stamps, AFDC, and Medicaid, as well as members of families which include an AFDC recipient or a pregnant woman or infant receiving Medicaid. This provision not only improves coordination among the programs, but also extends the bounds of income eligibility for certain categories of WIC applicants. However, except with respect to food stamp recipients and persons who have been determined fully eligible for AFDC or Medicaid, its implementation requires that the Department resolve major issues presented by the legislation and practical aspects of implementation. The resolution process entails research and coordination with the Department of Health and Human Services. At this time the provision can be implemented only with regard to recipients of food stamps (i.e., members of a food stamp "household") and to recipients of AFDC and Medicaid whose eligibility for either of those two programs has been fully established. The Department intends to resolve issues relative to implementation of the remaining elements of adjunct eligibility as soon as possible and to implement these elements in an interim rulemaking which affords an opportunity for public comment.

1. *State agency option to exclude military housing allowances from consideration as income for purposes of determining WIC income eligibility (Section 246.7(c)(2)(iv)).* WIC Program regulations have required consideration of all cash income received by applicants, including military housing allowances and excluding only cash payments prohibited by Federal statute from being considered for purposes of establishing WIC income eligibility. However, section 17(d)(2)(B) of the CNA, as amended by section 123(a)(2) of Public Law 101–147, provides that, "for purposes of establishing income eligibility * * *, any State agency may choose to exclude from income any basic allowance for quarters received by military service personnel residing off military installations." State agencies which choose to apply this income exclusion must implement it uniformly with respect to all applicants from military families and may commence implementation February 1, 1990. A new § 246.7(c)(2)(iv) is added to the regulations to implement this option.

2. *"Adjunct," or automatic, WIC income eligibility for the Food Stamp Program, AFDC, and Medicaid recipients (Section 246.7(c)(2)(vii)).* Section 123(a)(2) of Public Law 101–147 amends section 17(d)(2)(A) of the CNA to mandate that persons who receive food stamps, are members of families receiving assistance under Aid to Families with Dependent Children (AFDC), receive Medicaid, or are members of families including a pregnant woman or infant who receives Medicaid be considered to be income-eligible for WIC. Prior to this legislation, § 246.7(c)(2)(v) of the regulations provided that participation in another program could be used, at the State agency's option, as a means of establishing WIC income eligibility only if "those programs have income eligibility guidelines at or below the State agency's [WIC] Program income guidelines." The new legislative mandate extends WIC income eligibility to pregnant women participating in Medicaid in States with Medicaid income eligibility guidelines approaching 185 percent of Federal Poverty Income Guidelines, who had not previously been eligible because the two programs determine family size in different ways. The new provision also extends income eligibility to recipients of food stamps, AFDC, and Medicaid in any State with WIC income eligibility limits that are lower than the limits in these programs.

Departmental discretion must be exercised in order to resolve several key issues before the adjunct eligibility mandate of Public Law 101–147 can be fully implemented. First, decisions must be made with regard to how to define "family" in order to determine who are members of Medicaid and AFDC "families" and are, therefore, adjunctively income-eligible for WIC. Second, the Department must resolve practical issues relative to implementation of adjunct WIC income eligibility for persons who are "presumptively" eligible for Medicaid or AFDC. Persons in this category participate in the programs provisionally, pending completion of the eligibility determination process. They "receive" benefits under these programs during their temporary participation and must, therefore, be granted adjunct income eligibility in WIC during this period. It is equally apparent that, in the event they prove ineligible for these programs and consequently cease to "receive" benefits under them, their adjunct income eligibility for WIC comes to an end, and their income eligibility for WIC must be independently determined by WIC authorities. However, the Department cannot implement this aspect of adjunct income eligibility until several practical issues have been resolved. For example, the Department must research benefit issuance systems in AFDC and Medicaid in order to determine how WIC State agencies will be required to become aware of participants who enter WIC based on adjunct income eligibility derived from presumptive eligibility for either gateway program, but who prove not to be eligible for the gateway program. The Department must exercise some discretion to resolve this and numerous other practical implementation issues.

The Department is currently researching these issues and plans to implement the remaining aspects of adjunct eligibility in an interim rulemaking subject to public comment in the near future. Section 123(f)(1) of Public Law 101–147 mandates that this provision be fully implemented through the rulemaking process not later than July 1, 1990.

It should be remembered that persons who are adjunctively income-eligible for WIC must also be categorically eligible for the program and meet the nutritional risk eligibility criterion in order to be eligible for the program, and that they will be enrolled only if caseload slots are available in the area where they apply. If the local agency at which they apply is at maximum caseload, such persons can be placed on a waiting list and served in accordance with the participant priority system as slots become available.

This final rulemaking mandates adjunctive income eligibility in WIC for food stamp recipients and for AFDC and Medicaid recipients who are fully, as opposed to presumptively, eligible for these two gateway programs. The Department believes that these newly income-eligible persons should be able to enter the program without delay if otherwise eligible and caseload slots are available. However, the Department also recognizes that implementation at the WIC clinic level will require transmittal of the necessary information from WIC State agencies to local agencies, and from there to clinics. Implementation will also require retraining of WIC intake staff and increased coordination with Food Stamp Program, AFDC, and Medicaid staffs. Therefore, this rulemaking requires that the aspects of adjunct income eligibility mandated by this rulemaking be fully implemented in all States not later than June 1, 1990. State agencies may begin implementation immediately upon publication of this final rule. Adjunctive eligibility is established in § 246.7(c)(2)(vii) of this rulemaking, and conforming amendments appear in §§ 246.7(c)(1) and 246.7(c)(2)(iii).

List of Subjects in 7 CFR Part 246

Food assistance programs, Food donations, Grant programs—Social programs, Infants and children, Maternal and child health, Nutrition education, Public assistance programs, WIC, Women.

For reasons set forth in the preamble, 7 CFR part 246 is amended as follows:

PART 246—SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN

1. The authority citation for part 246 is revised to read as follows:

Authority: Sec. 123, Pub. L. 101–147, 103 Stat. 894; Sec. 645, Pub. L. 100–460, 102 Stat. 2229; secs. 212 and 501, Pub. L. 100–435, 102 Stat. 1645 (42 U.S.C. 1786); sec. 3, Pub. L. 100–356, 102 Stat. 669 (42 U.S.C. 1786); secs. 8–12, Pub. L. 100–237, 101 Stat. 1733 (42 U.S.C. 1786); secs. 341–353, Pub. L. 99–500 and 99–591, 100 Stat. 1783 and 3341 (42 U.S.C. 1786); sec. 815, Pub. L. 97–35, 95 Stat. 521 (42 U.S. C. 1786); sec. 3, Pub. L. 96–499, 94 Stat. 2599; sec. 203, Pub. L. 95–627, 92 Stat. 3611 (42 U.S.C. 1786).

2. In § 246.7:

a. At the end of introductory paragraph (c)(1), a new sentence is added;

b. In paragraph (c)(2)(iii), the last sentence is revised;

c. Paragraphs (c)(2)(iv)-(c)(2)(vii) are redesignated as paragraphs (c)(2)(v), (c)(2)(vi), (c)(2)(viii) and (c)(2)(ix), respectively;

d. New paragraphs (c)(2)(iv) and (c)(2)(vii) are added; and

(e) Newly redesignated paragraph (c)(2)(vi) is revised.

The additions and revisions read as follows:

§ 246.7 Certification of participants.

* * * * *

(c) * * *

(1) * * * Program applicants who meet the requirements established by paragraph (c)(2)(vii) of this section shall not be subject to the income limits established by State agencies under this paragraph.

* * * * *

(2) * * *

(iii) * * * The State agency shall ensure, however, that the State or local agency's definition of income does not count the value of in-kind housing and other in-kind benefits and payments or benefits listed in paragraph (c)(2)(v) of this section as income for Program purposes, and that families with gross income, as defined in paragraph (c)(2)(ii) of this section, in excess of 185 percent of the Federal guidelines specified under paragraph (c)(1) of this section are not rendered eligible for Program benefit, except that persons who meet the requirements of paragraph (c)(2)(vii) of this section shall not be subject to limitations established under this paragraph.

(iv) In determining income eligibility, the State agency may exclude from consideration as income any basic allowance for quarters received by military services personnel residing off military installations. State agencies which choose to exercise this option shall implement it uniformly with respect to all Program applicants from military families.

* * * * *

(vi) A State or local agency may require verification of information which it determines necessary to confirm income eligibility for Program benefits.

(vii) The State agency shall accept as income-eligible for the Program all applicants who document that they are either recipients of food stamps under the Food Stamp Act of 1977 or recipients of Aid to Families with Dependent Children established under Part A of Title IV of the Social Security Act or medical assistance (i.e., Medicaid) under Title XIX of the Social Security Act who can document that they have been determined fully eligible for one of these two programs, as opposed to being presumptively eligible pending completion of the eligibility determination process. Such persons shall not be subject to income limits established under paragraph (c)(1) of this section. The State agency may accept, as evidence of income within Program guidelines, documentation of the applicant's participation in State-administered programs not specified in this paragraph that routinely require documentation of income, provided that those programs have income eligibility guidelines at or below the State agency's Program income guidelines.

* * * * *

Dated: January 26, 1990.

Betty Jo Nelsen,

Administrator, Food and Nutrition Service.

[FR Doc. 90-2300 Filed 1-31-90; 8:45 am]

BILLING CODE 3410-30-M

Rural Electrification Administration

7 CFR Part 1770

Accounting Requirements for REA Telephone Borrowers

AGENCY: Rural Electrification Administration, USDA.

ACTION: Final rule.

SUMMARY: The Rural Electrification Administration (REA) hereby amends 7 CFR XVII by adding a new part, part 1770, Accounting Requirements for REA Telephone Borrowers, and a new subpart, subpart B, Uniform System of Accounts. Current REA policy on this subject is set forth in REA Bulletin 461-1, Accounting System Requirements for Telephone Borrowers of the Rural Electrification Administration. In addition to codifying its policies and procedures, revisions are being proposed to the existing system that will coincide with the revision of the Federal Communications Commission Uniform System of Accounts for Telecommunications Companies as set forth in 47 CFR part 32 (part 32) of the Commission's Rules and Regulations. Upon publication of this final rule, REA Bulletin 461-1 will be rescinded.

EFFECTIVE DATE: February 1, 1990.

FOR FURTHER INFORMATION CONTACT: Mr. William E. Davis, Director, Borrower Accounting Division, Rural Electrification Administration, Room 2231, South Building, U.S. Department of Agriculture, Washington, DC 20250, telephone number (202) 382-9450.

SUPPLEMENTARY INFORMATION: Pursuant to the Rural Electrification Act, as amended (7 U.S.C. 901 et seq.), REA hereby amends 7 CFR chapter XVII by adding a new part, part 1770, Accounting Requirements for REA Telephone Borrowers, and a new subpart, subpart B, Uniform System of Accounts. 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 major increases 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, productivity, innovation, or on the ability of the United States-based enterprises to compete with the foreign-based enterprises in domestic or export markets and, therefore, has been determined to be "not major". This action does not fall within the scope of the Regulatory Flexibility Act. REA has concluded that promulgation of this rule would not represent a major Federal action significantly affecting the quality of the human environment under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and, therefore, does not require an environmental impact statement or an environmental assessment. The recordkeeping requirements contained in this rule have been approved by the Office of Management and Budget under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.). The OMB approval number is 0572-0003. Public reporting burden for this collection of information is estimated to average 260 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB# 0572-0003), Washington, DC 20503. The programs listed in the Catalog of Federal Domestic Assistance that are impacted are 10.851—Rural Telephone Loans and Loan Guarantees and 10.852 Rural Telephone Bank Loans. For reasons set forth in the Final Rule related Notice to 7 CFR part 3015, subpart V, (50 FR 47034, November 14,

1985) this program is excluded from the scope of Executive Order 12372 which requires intergovernmental consultation with State and local officials.

Background

In order to facilitate the effective and economical operation of a business enterprise, adequate and reliable financial records must be maintained. Accounting records must provide a clear and accurate picture of the enterprise's current economic condition from which management can make informed decisions in charting the company's future. A telecommunications carrier, because of the rate regulated environment in which it operates, possesses and even greater need for financial information that is accurate, complete, and comparable with that generated by other carriers. For this reason, the Federal Communications Commission (FCC) prescribes a Uniform System of Accounts for the telecommunications industry.

REA, in representing the federal government as mortgagee and in furthering the objectives of the Rural Electrification Act, has a special concern that adequate records are maintained. Due to the cooperative organization of many of our borrowers and the provisions included in REA's mortgage agreements and lien accommodations, REA has augmented the FCC Uniform System of Accounts with supplementary accounts that will provide the financial information necessary to operate a rural telecommunications enterprise.

The accounting system in effect prior to January 1, 1988 (prescribed in parts 31 and 33 of the FCC Rules and Regulations) was developed at a time when a rigid institutionalized regulatory environment was expected to continue indefinitely. With the introduction of competition and a variety of new products and services in the last decade, the previous systems of accounts became inadequate to handle the needs of the telecommunications carrier. As a result, the FCC adopted a revised Uniform System of Accounts as set forth in part 32 of their Rules and Regulations. Effective January 1, 1988, part 32 was implemented in its entirety and parts 31 and 33 were rescinded.

This evolution has also necessitated a change in the accounting requirements and supplemental accounts prescribed by REA. The provisions and requirements detailed in part 1770, subpart B, coincide with those prescribed in part 32.

On November 29, 1988, at 54 FR 47959 REA published a Notice of Proposed Rulemaking in this proceeding in which we proposed to amend 7 CFR chapter XVII by adding a new part, part 1770, Accounting Requirements for REA Telephone Borrowers, and a new subpart, subpart B, Uniform System of Accounts. Specific proposals included REA's formal adoption of the FCC Uniform System of Accounts as set forth in Part 32 of the Commission's Rules and Regulation. In addition, REA prescribed supplementary accounts for, among other things, long-term debt financed by REA, the Rural Telephone Bank (RTB), the Federal Financing Bank, the Bank for Cooperatives, and the Rural Telephone Finance Cooperative; for investments in Class B and Class C RTB Stock; and for members' equity certificates and patronage capital.

REA also detailed its proposed requirements for adopting the accrual basis of accounting and for establishing and maintaining continuing property records.

Summary of Comments

In our Notice of Proposed Rulemaking, we invited interested parties to file comments on or before January 30, 1989.

Comments were received from two certified public accounting firms. Both firms recommended that REA borrowers be permitted to establish their own specific subaccounts within the primary account classifications required in §§ 1770.15 and 1770.16, provided that the integrity of the accounts and account descriptions were maintained.

One firm also commented on the requirements for continuing property records (CPRs) as set forth in § 1770.14, stating that the information required in this subpart was far more detailed than that currently being maintained by its clients. The firm also requested a clarification of the term "location" for purposes of establishing CPRs.

Discussion

When prescribing the specific subaccounts detailed in §§ 1770.15 and 1770.16, REA's intent was to provide uniform accounting for the transactions that are unique to the REA borrowers, within the constraints of the FCC Uniform System of Accounts (part 32). Our intent was not to restrict or limit flexibility in designing individual accounting systems. We have, therefore, decided to amend § 1170.12 to permit borrowers to establish their own specific subaccount numbers within the primary accounts prescribed by the FCC. The integrity of the accounts and the account descriptions must, however, conform to those detailed in §§ 1770.15 and 1770.16. REA borrowers electing to develop their own subaccounts must be aware that the REA Form 479, Financial and Statistical Report for Telephone Borrowers, and the instructions for preparing that form, Telephone Operations Manual 1800, are based upon the specific subaccounts detailed in §§ 1770.15 and 1770.16. By permitting borrowers to establish their own subaccounts, REA is not relieving them of their responsibility to report these items correctly on the Form 479, nor are we permitting borrowers to make individual changes to the Form 479 to conform to their subaccounts.

With regard to the second comment concerning the detail required to be maintained for CPRs under § 1770.14, Continuing Property Records, REA has adopted the requirements set forth by the FCC in part 32. We are not expanding those requirements in any manner, and we do not, therefore, find it necessary or prudent to change the requirements set forth in § 1770.14. Additionally, we do not consider it prudent to expand the definition of "location" as set forth in part 32. To do so might impose a level of detail not intended by either the FCC or REA. Therefore, we shall continue to utilize the FCC's requirements for the establishment and maintenance of CPRs which requires that a description of property record units include the specific location of the property within each accounting area in such a manner so that it can be readily spot-checked for proof of physical existence.

List of Subjects in 7 CFR Part 1770

Accounting.

In view of the above, REA adds new part, 1770, Accounting Requirements for REA Telephone Borrowers, and subpart, subpart B, Uniform System of Accounts, to 7 CFR chapter XVII to read as follows:

PART 1770—ACCOUNTING REQUIREMENTS FOR REA TELEPHONE BORROWERS

Subpart A—General Provisions

Subpart B—Uniform System of Accounts

Subpart C—Accounting Interpretations

Authority: 7 U.S.C. 901 et seq.

Subpart A—General Provisions

§ 1770.1-1770.9 [Reserved]

Subpart B—Uniform System of Accounts

§ 1770.10 General.

This subpart implements provisions of the standard REA loan documents with respect to the accounting system accounts to be maintained by telecommunications borrowers of the Rural Electrification Administration.

§ 1770.11 Accounting system requirements.

(a) Each REA borrower subject to the jurisdiction of the Federal Communications Commission (FCC) or a State regulatory body shall maintain its accounts and records in accordance with the rules and regulations prescribed by that regulatory body.

(b) Each REA borrower not subject to regulatory control as specified in § 1770.11(a) shall maintain its accounts and records in accordance with the FCC Uniform System of Accounts as set forth in part 32 of the Commission's Rules and Regulations.

(1) REA borrowers having annual revenues derived from regulated telecommunications operations of $100,000,000 or more shall maintain the accounts prescribed in part 32 for Class A companies.

(2) REA borrowers having annual revenues derived from regulated telecommunications operations of less than $100,000,000 shall maintain the accounts prescribed in part 32 for Class B companies.

(3) REA borrowers maintaining the accounts prescribed for Class B companies may adopt the Class A accounts if they desire more detailed and sophisticated accounting records.

§ 1770.12 Supplementary accounts.

(a) All borrowers shall maintain the supplementary accounts set forth in § 1770.15. These accounts conform in number and title with accounts prescribed in the FCC Uniform System of Accounts. In those instances in which a State regulatory body having jurisdiction over an REA borrower has prescribed a system of accounts differing from that of the FCC, the account titles prescribed by REA in § 1770.15 shall remain unchanged; however, the supplementary account numbers shall be changed to conform with the State's accounting system.

(b) In addition to the accounts set forth in § 1770.15, cooperative or other nonprofit borrowers shall maintain the supplementary accounts set forth in § 1770.16.

(c) Borrowers are permitted to deviate from the specific subaccount numbers detailed in §§ 1770.15 and 1770.16 provided that the primary account numbers and account descriptions conform with those prescribed.

(Approved by the Office of Management and Budget under control number 0572-0003).

§ 1770.13 Accounting requirements.

(a) Each borrower shall maintain its books of accounts on the accrual basis of accounting. All transactions shall be recorded in the period in which they occur and reconciled monthly. The books of accounts shall be closed at the end of each fiscal year and financial statements shall be prepared for the period and audited in accordance with the provisions of 7 CFR part 1789, REA Policy on Audits of Electric and Telephone Borrowers.

(b) All books of accounts, records, and memoranda shall be maintained in such a manner as to fully support the journal entries to which they relate. The books and records referred to herein shall include records of a nontechnical nature such as minute books, stock and membership records, reports, correspondence, and memoranda.

(c) Interpretations of Federal or State requirements shall be referred to the applicable commission exercising jurisdiction over the borrower.

(d) Interpretations of REA accounting requirements shall be referred to the appropriate Telephone Area office of REA.

§ 1770.14 Continuing property records.

Each borrower shall maintain continuing property records which detail the date of placement, location, description of property, and the original cost of the property record units. The continuing property record and other underlying records of construction costs shall be maintained so that upon retirement of one or more retirement units or of minor items without replacement when not included in the costs of retirement units, the actual cost of the plant retired can be determined.

§ 1770.15 Supplementary accounts required of all borrowers.

Accounts prescribed in the Stockholders' Equity and Patronage Capital section shall be maintained by stock companies and cooperatives as appropriate.

Class of company / Account No. A	B	Account title
		Current Assets
1130.1	1120.11	Cash—General Fund.
1130.2	1120.12	Cash—Construction Fund Trustee.
1130.3	1120.13	Cash—Transfer of Funds.
	1120.21	Special Cash Deposits.
1150.1	1120.31	Petty Cash Fund.
1150.2	1120.32	Change Fund.
		Supplies
1220.1	1220.1	Materials and Supplies.
1220.2	1220.2	Property Held for Sale or Lease.
1220.3	1220.3	Exempt Materials—Clearing.
		Prepayments
	1280.1	Prepaid Rents.
	1280.2	Prepaid Taxes.
	1280.3	Prepaid Insurance.
	1280.4	Prepaid Directory Expenses.
	1280.5	Other Prepayments.
		Investments
1402.1	1402.1	Investments in Nonaffiliated Companies—Class B RTB Stock.
1402.11	1402.11	Investments in Nonaffiliated Companies—Class B RTB Stock—Cr.

Class of company Account No. A	B	Account title
1402.2	1402.2	Investments in Nonaffiliated Companies—Class C RTB Stock.
1402.3	1402.3	Other Investments in Nonaffiliated Companies.
		Property, Plant, and Equipment
2001.1	2001.1	Telecommunications Plant in Service—Classified.
2001.2	2001.2	Telecommunications Plant in Service—Unclassified.
2003.1	2003.1	Telecommunications Plant Under Construction—Short Term—Contract.
2003.2	2003.2	Telecommunications Plant Under Construction—Short Term—Force Account.
2003.3	2003.3	Telecommunications Plant Under Construction—Short Term—Work Orders.
2004.1	2004.1	Telecommunications Plant Under Construction—Long Term—Contract.
2004.2	2004.2	Telecommunications Plant Under Construction—Long Term—Force Account.
2004.3	2004.3	Telecommunications Plant Under Construction—Long Term—Work Orders.
		Telecommunications Plant in Service
	2210.11	Central Office Switching—Analog.
	2210.21	Central Office Switching—Digital.
	2210.31	Central Office Switching—Electro-Mechanical—Step-by-Step.
	2210.32	Central Office Switching—Electro-Mechanical—Crossbar.
	2210.33	Central Office Switching—Electro-Mechanical—Other.
	2230.11	Central Office Transmission—Radio Systems—Satellite and Earth Station Facilities.
	2230.12	Central Office Transmission—Radio Systems—Other.
	2230.21	Central Office Transmission—Circuit Equipment.
		Depreciation and Amortization
3100x	3100x	Retirement Work in Progress.
		Current Liabilities
4010.11	4010.11	Accounts Payable to Affiliated Companies.
4010.21	4010.21	Accounts Payable to Nonaffiliated Companies.
4010.22	4010.22	Accounts Payable—Employees' Income Tax Withheld.
4010.23	4010.23	Accounts Payable—FICA Taxes Withheld.
4010.24	4010.24	Accounts Payable—Federal Excise Taxes.
4010.25	4010.25	Accounts Payable—Payroll.
4070.1	4070.1	Income Taxes Accrued—Federal.
4070.2	4070.2	Income Taxes Accrued—State and Local
4080.1	4080.1	Other Taxes Accrued—Property.
4080.2	4080.2	Other Taxes Accrued—Employer's Portion—FICA.
4080.3	4080.3	Other Taxes Accrued—Federal Unemployment.
4080.4	4080.4	Other Taxes Accrued—State Unemployment.
4080.5	4080.5	Other Taxes Accrued—Miscellaneous.
4120.1	4120.1	Unmatured Interest Accrued—REA Notes.
4120.2	4120.2	Unmatured Interest Accrued—Telephone Bank Notes.
4120.3	4120.3	Unmatured Interest Accrued—Federal Financing Bank Notes.
4120.4	4120.4	Unmatured Interest Accrued—Bank for Cooperatives Notes.
4120.5	4120.5	Unmatured Interest Accrued—Rural Telephone Finance Cooperative Notes.
4120.6	4120.6	Other Accrued Liabilities.
		Long-Term Debt
4210.11	4210.11	Funded Debt—Other.
4210.12	4210.12	REA Notes.
4210.13	4210.13	Telephone Bank Notes.
4210.14	4210.14	Federal Financing Bank Notes.
4210.15	4210.15	Bank for Cooperatives Notes.
4210.16	4210.16	Rural Telephone Finance Cooperative Notes.
4210.17	4210.17	REA Notes—Deferred Interest.
4210.18	4210.18	REA Notes—Advance Payments, Dr.
4210.19	4210.19	Funded Debt—Other—Unadvanced, Dr.
4210.20	4210.20	REA Notes—Unadvanced, Dr.
4210.21	4210.21	Telephone Bank Notes—Unadvanced, Dr.
4210.22	4210.22	Federal Financing Bank Notes—Unadvanced, Dr.
4210.23	4210.23	Bank for Cooperatives Notes—Unadvanced, Dr.
4210.24	4210.24	Rural Telephone Finance Cooperative Notes—Unadvanced, Dr.
		Stockholders' Equity and Patronage Capital
4540.11	4540.11	Capital Stock Subscribed.
4540.12	4540.12	Memberships Subscribed but Unissued.
4540.13	4540.13	Members' Equity Certificates Subscribed but Unissued.
4540.21	4540.21	Memberships Issued.
4540.22	4540.22	Members' Equity Certificates Issued.
4540.23	4540.23	Members' Equity—Other.
4540.31	4540.31	Installments Paid on Capital Stock.
4540.32	4540.32	Installments Paid on Memberships Subscribed.
4540.33	4540.33	Installments Paid on Equity Certificates Subscribed.
4540.41	4540.41	Other Capital—Miscellaneous.
4550.1	4550.1	Operating Margins.
4550.2	4550.2	Nonoperating Margins.
4550.3	4550.3	Other Margins.
4550.4	4550.4	Patronage Capital Assignable.
4550.5	4550.5	Patrons' Capital Credits Assigned.
4550.6	4550.6	Gain on the Retirement of Capital Credits.

Class of company Account No. A	B	Account title
		Plant Specific Operations Expense
	6210.11	Analog Electronic Expense.
	6210.21	Digital Electronic Expense.
	6210.31	Electro-Mechanical Expense.
	6230.11	Radio Systems Expense.
	6230.21	Circuit Equipment Expense.
		Plant Nonspecific Operations Expense
	6560.1	Depreciation Expense.
	6560.2	Amortization Expense.
		Operating Taxes.
	7200.1	Operating Investment Tax Credits—Net.
	7200.2	Operating Federal Income Taxes.
	7200.3	Operating State and Local Income Taxes.
7240.1	7200.41	Operating Taxes—Property.
7240.2	7200.42	Operating Taxes—Miscellaneous.
	7200.5	Provision for Deferred Operating Income Taxes—Net.
		Nonoperating Income and Expense
	7300.1	Dividend Income.
	7300.2	Interest Income.
	7300.3	Income From Sinking and Other Funds.
	7300.4	Allowance for Funds Used During Construction.
	7300.5	Gains or Losses from the Disposition of Certain Property.
	7300.6	Other Nonoperating Income and Expense.
		Nonoperating Taxes
	7400.1	Nonoperating Investment Tax Credits—Net.
	7400.2	Nonoperating Federal Income Taxes.
	7400.3	Nonoperating State and Local Income Taxes.
	7400.4	Nonoperating Other Taxes.
	7400.5	Provision for Deferred Nonoperating Income Taxes—Net.
		Extraordinary Items
	7600.1	Extraordinary Income Credits.
	7600.2	Extraordinary Income Charges.
	7600.3	Current Income Tax Effect of Extraordinary Items—Net.
	7600.4	Provision for Deferred Income Tax Effect of Extraordinary Items—Net.
1130.1	1120.11	*Cash—General Fund*
		This account shall include all unrestricted funds derived from revenues and other sources which are on deposit in banks or other financial institutions and available on demand. It shall also include funds in transit to the depository for which customers and agents have received credit on their accounts. Separate subaccounts should be maintained for each bank account in which general fund cash is deposited.
1130.2	1120.12	*Cash—Construction Fund Trustee*
		This account shall include all loan funds received from REA, the Rural Telephone Bank, the Federal Financing Bank, the Bank for Cooperatives, the Rural Telephone Finance Cooperative, and all non-loan funds supplied by the borrower under the terms of the loan contract or otherwise required by REA. The offsetting credit for funds received from REA shall be to Account 4210.20, REA Notes—Unadvanced, Dr.; funds received from the Rural Telephone Bank, to Account 4210.21, Telephone Bank Notes—Unadvanced, Dr.; funds received from the Federal Financing Bank, to Account 4210.22, Federal Financing Bank Notes—Unadvanced, Dr.; funds received from the Bank for Cooperatives, to Account 4210.23, Bank for Cooperatives Notes—Unadvanced, Dr.; and funds received from the Rural Telephone Finance Cooperative, to Account 4210.24, Rural Telephone Finance Cooperative Notes—Unadvanced, Dr.
1130.3	1120.13	*Cash—Transfer of Funds*
		This account shall include all transfers of funds from one bank account to another. This account shall be charged with the amount of a check drawn for the transfer, and credited when the amount transferred is entered into the Cash Receipts Book.
	1120.21	*Special Cash Deposits*
		This account shall include all cash on special deposit, other than in sinking and other special funds provided for elsewhere, to pay dividends, interest, and other debts, when such payments are due one year or less from the date of deposit; the amount of cash deposited to insure the performance of contracts to be performed within one year from the date of the deposit; and other cash deposits of a special nature not provided for elsewhere. This account shall include the amount of cash deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of is replaced, and also cash realized from the sale of the company's securities and deposited with trustees to be held until invested in physical property of the company or for disbursement when the purposes for which the securities were sold are accomplished.
1150.1	1120.31	*Petty Cash Fund*
		This account shall include funds in the custody of employees or agents for making minor disbursements. The fund shall be operated on an inprest basis. Expenditures shall be supported by receipts, and reimbursements to the fund shall be for the exact amount of such expenditures and shall be charged to the various accounts to which the expenditures are allocable. At all times, the total of the cash on hand and the unreimbursed expenditures shall equal the amount of the fund.
1150.2	1120.32	*Change Fund*
		This account shall include funds in the custody of employees or agents for making change. Records shall be kept of the amount held by each person. Disbursements shall not be made from the fund.
1220.1	1220.1	*Materials and Supplies**
		This account shall include the cost of materials and supplies held in stock including plant supplies, motor vehicles supplies, tools, fuel, other supplies and material and articles of the company in process of manufacture for supply stock.

Class of company Account No. A	Class of company Account No. B	Account title
		Transportation charges and sales and use taxes, as far as practicable, shall be included as a part of the cost of the particular material to which they relate. Transportation and sales and use taxes which are not included as part of the cost of particular material shall be equitably apportioned among the accounts to which material is charged. As far as practicable, cash and other discounts on material shall be deducted in determining cost of the particular material to which they relate or credited to the account to which the material is charged. When such deduction is not practicable, discounts shall be equitably apportioned among the accounts to which material is charged. Material recovered in connection with construction, maintenance or retirement of property shall be charged to this account as follows: —Reusable items that, when installed or in service, were retirement units shall be included in this account at the original cost. —Reusable minor tiems that, when installed or in service, were not retirement units shall be included in this account at current prices new. —The cost of repairing reusable material shall be charged to the appropriate lant Specific Operations Expense accounts. —Scrap and nonusable material included in this account shall be carried at the estimated amount which will be received therefor. The difference between the amounts realized for scrap and nonusable material sold, and the amounts at which it is carried in this account shall be adjusted in the accounts credited when the material was taken up in this account. Interest paid on material bills, the payments of which are delayed, shall be charged to Account 7540, Other Interest Deductions. Inventories of materials and supplies shall be taken during each calendar year and the adjustments to this account shall be charged or credited to Account 6512, Provisioning Expense.
1220.2	1220.2	*Property Held for Sale or Lease**
		This account shall include the cost of all items purchased for resale or lease. The cost shall include applicable transportation charges, sales and use taxes, and cash and other purchase discounts. Inventory shortages and overages shall be charged and credited, respectively to Account 7991, Other Nonregulated Revenues. *These accounts shall not include items which are related to a nonregulated activity unless that activity involves joint or common use of assets and resources in the provision of regulated and nonregulated products and services.
1220.3	1220.3	*Exempt Materials—Clearing*
		This account shall include the cost of materials and supplies designated as exempt material on the carrier's "Exempt Material List". Charges to this account shall be cleared monthly to the primary plant and maintenance accounts in accordance with percentages developed by the individual carriers. When there is a substantial amount of exempt material on hand at the end of the year, substantial enough to distort net income or margins, a physical inventory may be taken. The cost of the inventory on hand shall be debited to this account and credited to the appropriate primary plant and maintenance accounts on a pro-rata basis related to the original charges to these accounts. This entry shall be reversed at the first of the year.
	1280.1	*Prepaid Rents*
		This account shall include the amount of rents paid in advance of the period in which it is chargeable to income, except amounts chargeable to telecommunications plant under construction and minor amounts which may be charged directly to the final accounts. As the term expires for which the rents are paid, this account shall be credited monthly and the appropriate account charged.
	1280.2	*Prepaid Taxes*
		This account shall include the balance of all taxes paid in advance of the period in which they are chargeable to income, except amounts chargeable to telecommunications plant under construction and minor amounts which may be charged directly to the final accounts. As the term expires for which the taxes are paid, this account shall be credited monthly and the appropriate account charged.
	1280.3	*Prepaid Insurance*
		This account shall include the amount of insurance premiums paid in advance of the period in which they are chargeable to income, except premiums chargeable to telecommunications plant under construction and minor amounts which may be charged directly to the final accounts. As the term expires for which the premiums are paid, this account shall be credited monthly and the appropriate account charged.
	1280.4	*Prepaid Directory Expenses*
		This account shall include the cost of preparing, printing, binding, and delivering directories and the cost of soliciting advertisements for directories, except minor amounts which may be charged directly to Account 6620, Services. Amounts in this account, shall be cleared to Account 6620 by monthly charges representing that portion of the expenses applicable to each month.
	1280.5	*Other Prepayments*
		This amount shall include prepayments, other than those includable in Accounts 1280.1 through 1280.4 except minor amounts which may be charged directly to the final accounts. As the term expires for which the payments apply, this account shall be credited monthly and the appropriate account charged.
1402.1	1402.1	*Investments in Nonaffiliated Companies—Class B RTB Stock*
		This account shall include the par value of the required purchase of Class B Rural Telephone Bank stock and the par value of the Class B Rural Telephone Bank stock received as a patronage refund. This account shall be debited at the time the refund is received and Account 1402.11, Investments in Nonaffiliated Companies—Class B RTB Stock—CR., credited. This account shall be credited and Account 1402.11 debited when the patronage refund is redeemed.
1402.11	1402.11	*Investments in Nonaffiliated Companies—Class B RTB Stock—Cr.*
		This account shall include the par value of Class B Rural Telephone Bank stock received as a patronage refund. This account shall be credited at the time the refund is received and Account 1402.1, Investments in Nonaffiliated Companies—Class B RTB Stock, debited. This account shall be debited and Account 1402.1 credited when the patronage refund is redeemed.
1402.2	1402.2	*Investments in Nonaffiliated Companies—Class C RTB Stock*
		This account shall include the par value of the company's investment in Class C Rural Telephone Bank stock. Cash dividends on Class C stock shall be recorded in Account 7310/7300.1, Dividend Income, when declared.
1402.3	1402.3	*Other Investments in Nonaffiliated Companies*
		This account shall include the acquisition cost of the company's investment in securities issued by non-affiliated companies, other than securities held in special funds which shall be charged to Account 1408, Sinking Funds, and also its investment advances to such parties and special deposits of cash for more than one year from the date of deposit. Declines in value of investments shall be charged to Account 4540.41, Other Capital, if temporary and as a current period loss if permanent. Detailed records shall be maintained to reflect unrealized losses for each investment.
2001.1	2001.1	*Telecommunications Plant in Service—Classified*
		This account shall include the original cost of the property capitalized in Accounts 2110 through 2690.

Class of company: Account No. A	Class of company: Account No. B	Account title
2001.2	2001.2	*Telecommunications Plant in Service—Unclassified*
		This account shall include the original cost of telecommunications property which has been completed and placed in service but which has not been classified pending completion of final inventories of construction, final cost summaries, etc. The balance in this account is subject to depreciation charges.
2003.1	2003.1	*Telecommunications Plant Under Construction—Short Term—Contract*
		This account shall include all costs incurred in the construction of telecommunications plant performed under contract and designed to be completed in one year or less. Included among these costs are contractor payments, and charges for engineering, supervision, taxes, insurance, transportation, and other costs incurred in contract construction. This account shall be maintained such that the various items of costs are readily identifiable.
2003.2	2003.2	*Telecommunications Plant Under Construction—Short Term—Force Account*
		This account shall include all costs incurred in the construction of telecommunications plant performed by the borrowers' own employees and designed to be completed in one year or less. Included among these costs are charges for material, labor, engineering, supervision, taxes, insurance, transportation, supply expense, and other costs incurred in the construction. This account shall be maintained so that the various items of cost are readily identified. Specific subaccounts should be maintained to distinguish individual projects.
2003.3	2003.3	*Telecommunications Plant Under Construction—Short Term—Work Orders*
		This account shall include all costs incurred in the construction of telecommunications plant performed under a work order system or a line extension contract and designed to be completed in one year or less. This type of construction generally includes service installations, subscriber extensions, and minor plant improvements after the completion of the initial system. Included among these costs are charges for labor, materials and supplies, transportation, payroll taxes, insurance, supervision and other costs incurred in the construction. Subsidiary records shall be maintained to reflect the cost of individual jobs. These records shall be reconciled periodically with the general ledger control account. Specific subaccounts should be maintained to accumulate costs incurred under line extension contracts.
2004.1	2004.1	*Telecommunications Plant Under Construction—Long Term—Contract*
		This account shall include all costs incurred in the construction of telecommunications plant performed under contract and designed to be completed in more than one year. Included among these costs are contractor payments, and charges for engineering, supervision, taxes, insurance, transportation, interest during construction, and other costs incurred in contract construction. This account shall be maintained such that the various items of cost are readily identified.
2004.2	2004.2	*Telecommunications Plant Under Construction—Long Term—Force Account*
		This account shall include all costs incurred in the construction of telecommunications plant performed by the borrowers' own employees and designed to be completed in more than one year. Included among these costs are charges for material, labor engineering, supervision, taxes, insurance, transportation, supply expense, interest during construction, and other costs incurred in the construction. This account shall be maintained such that the various items of cost are readily identified. Specific subaccounts should be maintained to distinguish individual projects.
2004.3	2004.3	*Telecommunications Plant Under Construction—Long Term—Work Orders*
		This account shall include all costs incurred in the construction of telecommunications plant performed under a work order system or a line extension contract and designed to be completed in more than one year. Included among these costs are charges for labor, materials and supplies, transportation, payroll taxes, insurance, supervision, interest during construction, and other costs incurred in the construction. Subsidiary records shall be maintained to reflect the cost of individual jobs. These records shall be reconciled periodically with the general ledger control account. Specific subaccounts should be maintained to accumulate costs incurred under line extension contracts.
	2210.11	*Central Office Switching—Analog**
		This account shall include the original cost of stored program control analog circuit-switching and associated equipment. This account shall also include the original cost of remote analog electronic circuit switches.
	2210.21	*Central Office Switching—Digital**
		This account shall include the original cost of stored program control digital switches and their associated equipment. Included in this account is the original cost of digital switches which utilize either dedicated or non-dedicated circuits. This account shall also include the original cost of remote digital electronic switches.
	2210.31	*Central Office Switching—Electro-Mechanical—Step-by-Step**
		This account shall include the original cost of step-by-step and associated circuit-switching equipment.
	2210.32	*Central Office Switching—Electro-Mechanical—Crossbar**
		This account shall include the original cost of crossbar and associated circuit switching equipment. Also included in this account is the original cost of electronic translator system equipment used in switching.
	2210.33	*Central Office Switching—Electro-Mechanical—Other**
		This account shall include the original cost of all other types of non-electronic circuit-switching equipment such as panel systems and their associated circuit-switching equipment. *Switching plant excludes switchboards which perform operator assistance functions and equipment which is an integral part thereof. It does not exclude equipmnent used solely for the recording of calling telephone numbers in connection with customer dialed charged traffic, dial tandem switches, and special switchboards used in conjunction with private line service; such equipment shall be classified to the particular switch that it serves.
	2230.11	*Central Office Transmission—Radio Systems—Satellite and Earth Station Facilities*
		This account shall include the original cost of an ownership interest in satellites (including land-side spares), other spare parts, materials, and supplies. It shall include launch insurance and other satellite launch costs. This account shall also include the original cost of earth stations and spare parts, materials, and supplies therefor.
	2230.12	*Central Office Transmission—Radio Systems—Other*
		This account shall include the original cost of radio equipment used to provide radio communication channels. Radio equipment is that equipment which is used for the generation, amplification, propagation, reception, modulation, and demodulation of radio waves in free space over which communications channels can be provided. This account shall also include the associated carrier and auxiliary equipment and patch bay equipment which is an integral part of the radio equipment. Such equipment may be located in central office buildings, terminal rooms, or repeater stations or may be mounted on towers, masts, or other supports.
	2230.21	*Central Office Transmission—Circuit Equipment*

Class of company Account No. A	B	Account title
		This account shall include the original cost of equipment which is used to reduce the number of physical pairs otherwise required to serve a given number of subscribers by utilizing carrier systems, concentration stages or combinations of both. It shall include equipment that provides for simultaneous use of a number of interoffice channels on a single transmission path. This account shall also include the original cost of equipment which is used for the amplification, modulation, regeneration, circuit patching, balancing or control of signals transmitted over interoffice communications transmission channels. This account shall include the original cost of equipment which utilizes the message path to carry signaling information or which utilizes separate channels between switching offices to transmit signaling information independent of the subscribers' communication paths or transmission channels. This account shall also include the original cost of associated material used in the construction of such plant. Circuit equipment may be located in central offices, in manholes, on poles, in cabinets or huts or at other locations.
		This account excludes carrier and auxiliary equipment and patch bay which are recorded in Account 2230.12, Central Office Transmission—Radio Systems—Other
3100x	3100x	*Retirement Work in Progress*
		This account shall be charged with the original cost of property retired from the telecommunications plant accounts. It shall also be charged with all of the costs incurred in removing the retired plant from service. This account shall be credited with the salvage value of materials recovered in the retirement of the telecommunications plant. At such time as the retirement work order is complete, the net income/loss resulting therefrom shall be transferred from this account to the appropriate primary plant depreciation reserve account.
4010.1	4010.11	*Accounts Payable to Affiliated Companies*
		This account shall include all amounts currently due to affiliated companies for recurring trade obligations, and not provided for in other accounts, such as those for traffic settlements, material and supplies, repairs to telecommunications plant, matured rents, and interest payable under monthly settlements on short-term loans, advances, and open accounts.
4010.21	4010.21	*Accounts Payable to Nonaffiliated Companies*
		This account shall include all amounts currently due to nonaffiliated companies for recurring trade obligations, and not provided for in other accounts, such as those for traffic settlements, materials and supplies, repairs to telecommunications plant, matured rents, and interest payable under monthly settlements on short-term loans, advances, and open accounts.
4010.22	4010.22	*Accounts Payable—Employees' Income Tax Withheld*
		This account shall include income taxes payable that have been withheld from employees' salaries.
4010.23	4010.23	*Accounts Payable—FICA Taxes Withheld*
		This account shall include FICA taxes payable that have been withheld from employees' salaries.
4010.24	4010.24	*Accounts Payable—Federal Excise Taxes*
		This account shall include Federal excise taxes payable.
4010.25	4010.25	*Accounts Payable—Payroll*
		This account shall include amounts payable to the company's employees in the form of salaries or wages.
4070.1	4070.1	*Income Taxes Accrued—Federal*
		For Class A companies, this account shall be credited and Accounts 7220, 7420, and 7630, as appropriate, shall be debited for the amount of Federal income taxes accrued during the current operating period.
		For Class B companies, this account shall be credited and Accounts 7220.2, 7400.2, and 7600.3, as appropriate, shall be debited for the amount of Federal income taxes accrued during the current operating period.
4070.2	4070.2	*Income Taxes Accrued—State and Local*
		For Class A companies, this account shall be credited and Accounts, 7230, 7430, and 7630, as appropriate, shall be debited for the amount of state and local income taxes accrued during the current operating period.
		For Class B companies, this account shall be credited and Accounts, 7200.3, 7400.3, and 7600.3, as appropriate, shall be debited for the amount of state and local income taxes accrued during the current operating period.
4080.1	4080.1	*Other Taxes Accrued—Property*
		This account shall be credited and Account 7240.1/7200.41, Operating Taxes—Property, shall be debited for the amount of property taxes accrued during the current operating period.
4080.2	4080.2	*Other Taxes Accrued—Employer's Portion—FICA*
		This account shall be credited and the appropriate construction, depreciation, or expense account shall be debited for the employer's portion of FICA taxes accrued during the current operating period.
4080.3	4080.3	*Other Taxes Accrued—Federal Unemployment*
		This account shall be credited and the appropriate construction, removal, or expense account shall be debited for the amount of Federal unemployment taxes accrued during the current operating period.
4080.4	4080.4	*Other Taxes Accrued—State Unemployment*
		This account shall be credited and the appropriate construction, removal, or expense account shall be debited for the amount of state unemployment taxes accrued during the current operating period.
4080.5	4080.5	*Other Taxes Accrued—Miscellaneous*
		This account shall be credited and Account 7240.2/7200.42, Operating Taxes—Miscellaneous, shall be debited for the amount of all other taxes accrued during the current operating period and not provided for elsewhere such as a gross receipts tax, franchise taxes, and capital stock taxes.
4120.1	4120.1	*Unmatured Interest Accrued—REA Notes*
		This account shall include the interest accrued as of the balance sheet date but not payable until after that date on REA mortgage notes.
		Interest expense incurred during the period of construction of telecommunications plant shall be charged to Account 2004, Telecommunications Plant Under Construction—Long Term, and credited to Account 7340/7300.4, Allowance for Funds Used During Construction.
4120.2	4120.2	*Unmatured Interest Accrued—Telephone Bank Notes*
		This account shall include the interest accrued as of the balance sheet date but not payable until after that date on Rural Telephone Bank mortgage notes.
		Interest expense incurred during the period of construction of telecommunications plant shall be charged to Account 2004, Telecommunications Plant Under Construction—Long Term, and credited to Account 7340/7300.4, Allowance for Funds Used During Construction.
4120.3	4120.3	*Unmatured Interest Accrued—Federal Financing Bank Notes*

Class of company Account No. A	B	Account title
		This account shall include the interest accrued as of the balance sheet date but not payable until after that date on Federal Financing Bank mortgage notes. Interest expense incurred during the period of construction of telecommunications plant shall be charged to Account 2004, Telecommunications Plant Under Construction—Long Term, and credited to Account 7340/7300.4, Allowance for Funds Used During Construction.
4120.4	4120.4	*Unmatured Interest Accrued—Bank for Cooperatives Notes*
		This account shall include the interest accrued as of the balance sheet date but not payable until after that date on Bank for Cooperatives mortgage notes. Interest expense incurred during the period of construction of telecommunications plant shall be charged to Account 2004, Telecommunications Plant Under Construction—Long Term, and credited to Account 7340/7300.4, Allowance for Funds Used During Construction.
4120.5	4120.5	*Unmatured Interest Accrued—Rural Telephone Finance Cooperative Notes*
		This account shall include the interest accrued as of the balance sheet date but not payable until after that date on Rural Telephone Finance Cooperative mortgage notes. Interest expense incurred during the period of construction of telecommunications plant shall be charged to Account 2004, Telecommunications Plant Under Construction—Long Term, and credited to Account 7340/7300.4, Allowance for Funds Used During Construction.
4120.6	4120.6	*Other Accrued Liabilities*
		This account shall include the amount of wages, compensated absences, interest on indebtedness of the company, dividends on capital stock, and rents accrued as of the balance sheet date but not payable until after the date. This account shall not include interest accrued on REA, Rural Telephone Bank, Bank for Cooperatives, Federal Financing Bank, or Rural Telephone Finance Cooperative debt.
4210.11	4210.11	*Funded Debt—Other*
		This account shall include the total face amount of unmatured debt, maturing more than one year from the date of issue, issued by the company and not retired, and the total face amount of similar unmatured debt of other companies, the payment of which has been assumed by the company, including funded debt the maturity of which has been extended by specific agreement. This account shall not include unmatured REA, Rural Telephone Bank, Federal Financing Bank, Bank for Cooperatives, or Rural Telephone Finance Cooperative debt.
4210.12	4210.12	*REA Notes*
		This account shall include the total face amount of unmatured REA mortgage notes. Account 4210.20, REA Notes—Unadvanced, Dr., shall be charged and this account credited upon execution of the notes. If principal installments are not paid at the maturity date, the amount due shall be transferred to Account 4050, Current Maturities—Long-Term Debt.
4210.13	4210.13	*Telephone Bank Notes*
		This account shall include the total face amount of unmatured Rural Telephone Bank mortgage notes. Account 4210.21, Telephone Bank Notes—Unadvanced, Dr., shall be changed and this account credited upon execution of the notes. If principal installments are not paid at the maturity date, the amount due shall be transferred to Account 4050, Current Maturities—Long-Term Debt.
4210.14	4210.14	*Federal Financing Bank Notes*
		This account shall include the total face amount of unmatured Federal Financing Bank mortgage notes. Account 4210.22, Federal Financing Bank Notes—Unadvanced, Dr., shall be charged and this account credited upon execution of the notes. If principal installments are not paid at the maturity date, the amount due shall be transferred to Account 4050, Current Maturities—Long-Term Debt.
4210.15	4210.15	*Bank for Cooperatives Notes*
		This account shall include the total face amount of unmatured Bank for Cooperatives mortgage notes. Account 4210.23, Bank for Cooperatives Notes—Unadvanced, Dr., shall be charged and this account credited upon execution of the notes. If principal installments are not paid at the maturity date, the amount due shall be transferred to Account 4050, Current Maturities—Long-Term Debt.
4210.16	4210.16	*Rural Telephone Finance Cooperative Notes*
		This account shall include the total face amount of unmatured Rural Telephone Finance Cooperative mortgage notes. Account 4210.24, Rural Telephone Finance Cooperative Notes—Unadvanced, Dr., shall be charged and this account credited upon execution of the notes. If principal installments are not paid at the maturity date, the amount due shall be transferred to Account 4050, Current Maturities—Long-Term Debt.
4210.17	4210.17	*REA Notes—Deferred Interest*
		This account shall include interest accrued on REA mortgage notes, the payment of which has been deferred in accordance with the terms of the notes or extension agreements. The offsetting charge shall be to Account 7510, Interest on Funded Debt, for Class A companies and Account 7500, Interest and Related Items, for Class B companies. If interest payments are not made at the due date, this account shall be debited and Account 4010.21, Accounts Payable to Nonaffiliated Companies, credited with the amount of the matured interest.
4210.18	4210.18	*REA Notes—Advance Payments, Dr.*
		This account shall include all payments on REA mortgage notes made in advance of the due date and not applied to a specific quarterly payment. As these payments are applied to specific notes, this account shall be credited and the long-term debt and interest liability accounts debited.
4210.19	4210.19	*Funded Debt—Other—Unadvanced, Dr.*
		This account shall include the total face amount of notes executed to others, for which funds have not been received. This account shall be credited and Account 1130.1/1120.11, Cash—General Funds, debited when funds are received from the lender.
4210.20	4210.20	*REA Notes—Unadvanced, Dr.*
		This account shall include the total face amount of REA mortgage notes for which funds have not been received. This account shall be credited and Account 1130.2/1120.12, Cash—Construction Fund Trustee, debited when funds are received from REA.
4210.21	4210.21	*Telephone Bank Notes—Unadvanced, Dr.*
		This account shall include the total face amount of Rural Telephone Bank mortgage notes for which funds have not been received. This account shall be credited and Account 1130.2/1120.12, Cash—Construction Fund Trustee, debited when funds are received from the Rural Telephone Bank.

Class of company Account No. A	B	Account title
		Subsidiary record categories shall be maintained to distinguish between property and nonproperty related deferrals and so that the company may separately report the amounts contained herein that relate to Federal, state, and local income taxes.
	7300.1	*Dividend Income*
		This account shall include dividends on investments in common and preferred stock, which is the property of the company, whether such stock is owned by the company and held in its treasury, or deposited in trust, or otherwise controlled. This account shall not include dividends or other returns on securities issued or assumed by the company and held by or for it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other funds. Dividends on stocks of other companies held in sinking or other funds shall be credited to Account 7300.3, Income from Sinking and Other Funds. Dividends received and receivable from affiliated companies accounted for on the equity method shall be included in Account 1401, Investments in Affiliated Companies, as reduction of the carrying value of the investments.
	7300.2	*Interest Income*
		This account shall include interest on securities, including notes and other evidences of indebtedness which are the property of the company, whether such securities are owned by the company and held in its treasury, or deposited in trust (except in sinking or other funds) or otherwise controlled. It shall also include interest on bank balances, certificates of deposits, open accounts, and other analogous items. There shall be included in this account for each month, the applicable amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the difference between the purchase price and the par value of securities owned, the income from which is includable in this account. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. Any such difference remaining unextinguished at the sale or upon the maturity and satisfaction of such securities shall be cleared to Account 7300.6. Other Nonoperating Income and Expense.
	7300.3	*Income from Sinking and Other Funds*
		This account shall include the income accrued on cash, securities issued by other companies, and other assets (not including securities issued or assumed by the company) held in sinking and other funds. There shall be included in this account for each month the applicable amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the difference between the purchase price and the par value of securities held in sinking or other funds. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried. Any such differences remaining unextinguished upon the maturity and satisfaction of such securities shall be cleared to Account 7300.6. Other Nonoperating Income and Expense.
	7300.4	*Allowance for Funds Used During Construction*
		This account shall be credited with such amounts as are charged to the telecommunications plant accounts for the purpose or recording an allowance for funds used for construction purposes.
	7300.5	*Gains or Losses from the Disposition of Certain Property*
		This account shall include gains or losses resulting from the disposition of land or artworks; plant with traffic, and nonoperating telecommunications plant not previously used in the provision of telecommunication services.
	7300.6	*Other Nonoperating Income and Expense*
		This account shall include all other items of income and gains or losses from activities not specifically provided for elsewhere such as gains or losses realized on the sale of temporary cash investments or marketable equity securities; fees collected in connection with the exchange of coupon bonds for registered bonds; uncollectible amounts previously credited to Accounts 7300.1, 7300.2, 7300.3, 7300.4, 7300.5, and 7300.6, gains or losses from the extinguishment of debt made to satisfy sinking fund requirements; gains or losses of a nonoperating nature arising from the exchange or translation of foreign currency; net unrealized losses on investments in current marketable equity securities; write-downs or write-offs of the book costs of investments in equity securities due to permanent impairment; amortization of goodwill; the company's share of earnings or losses of affiliated companies accounted for on the equity method; and the net balance of the revenue from and the expenses of property, plant, and equipment, the cost of which is includable in Account 2006, Nonoperating Plant.
	7400.1	*Nonoperating Investment Tax Credits—Net*
		This account shall be charged and Account 4330, Unamortized Nonoperating Investment Tax Credits—Net, shall be credited with nonoperating investment tax credits generated from qualified expenditures related to other operations which the company has elected to defer rather than rcognize currently in income. This account shall be credited and Account 4330, Unamortized Nonoperating Investment Tax Credits—Net, shall be charged with the amortization of each year's investment tax credits included in such accounts relating to amortization of previously deferred investment tax credits of other property or regulated property, the amortization of which does not serve to reduce costs of service (but the unamortized balance does reduce rate base) for ratemaking purposes. Such amortization shall be determined with reference to the period of time used for computing book depreciation on the property with respect to which the tax credits relate.
	7400.2	*Nonoperating Federal Income Taxes*
		This account shall be charged and Account 4070.1, Income Taxes Accrued—Federal, shall be credited for the amount of nonoperating Federal income taxes for the current period. This account shall also reflect subsequent adjustments to amounts previously charged. Taxes shall be accrued each month on an estimated basis and adjustments made as later data becomes available. Companies that adopt the flowthrough method of accounting for investment tax credits shall reduce the calculated provision in this account by the entire amount of the credit realized during the year. Tax credits, if normalized, shall be recorded consistent with the accounting for investment tax credits. No entries shall be made to this account to reflect interperiod tax allocation.
	7400.3	*Nonoperating State and Local Income Taxes*
		This account shall be charged and Account 4070.2, Income Taxes Accrued—State and Local, shall be credited for the amount of nonoperating state and local income taxes for the current period. This account shall also reflect subsequent adjustments to amounts previously charged. Taxes shall be accrued each month on an estimated basis and adjustments made as later data becomes available. No entries shall be made to this account to reflect interperiod tax allocation.
	7400.4	*Nonoperating Other Taxes*
		This account shall be charged and Account 4080.5, Other Taxes Accrued—Miscellaneous, shall be credited for all nonoperating taxes, other than Federal, state, and local income taxes, and payroll related taxes for the current period. Among the items includable in this account are property, gross receipts, franchise and capital stock taxes. This account shall also reflect subsequent adjustments to amounts previously charged.
	7400.5	*Provision for Deferred Nonoperating Income Taxes—Net*

Class of company		Account title
Account No.		
A	B	
		This account shall be charged or credited, as appropriate, with contra entries recorded in either Account 4110, Net Current Deferred Nonoperating Income Taxes, or Account 4350, Net Noncurrent Deferred Nonoperating Income Taxes, as appropriate, for nonoperating tax expenses that have been deferred. Subsidiary record categories shall be maintained to distinguish between property and nonproperty related deferrals and so that the company may separately report the amounts contained herein that relate to Federal, state, and local income taxes.
	7600.1	*Extraordinary Income Credits*
		This account shall be credited with nontypical, noncustomary, and infrequently recurring gains which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account 7600.3, Current Income Tax Effect for Extraordinary Items—Net, and Account 7600.4, Provision for Deferred Income Tax Effect of Extraordinary Items—Net.
	7600.2	*Extraordinary Income Charges*
		This account shall be debited with nontypical, noncustomary, and infrequently recurring losses which would significantly distort the current year's income computed before such extraordinary items, if reported other than as extraordinary items. Income tax relating to the amounts recorded in this account shall be recorded in Account 7600.3, Current Income Tax Effect for Extraordinary Items—Net, and Account 7600.4, Provision for Deferred Income Tax Effect of Extraordinary Items—Net.
	7600.3	*Current Income Tax Effect of Extraordinary Items—Net*
		This account shall be charged or credited and Account 4070.1, Income Taxes Accrued—Federal, or Account 4070.2, Income Taxes Accrued—State and Local, shall be credited or charged, as appropriate, for all current income tax effects (Federal, state, and local) of items included in Account 7600.1, Extraordinary Income Credits, and Account 7600.2, Extraordinary Income Charges.
	7600.4	*Provision for Deferred Income Tax Effect of Extraordinary Items—Net*
		This account shall be charged or credited, as appropriate, with a contra amount recorded in Account 4350, Net Noncurrent Deferred Nonoperating Income Taxes, or Account 4110, Net Current Deferred Nonoperating Income Taxes, for the income tax effects (Federal, state, and local) of items included in Account 7600.1, Extraordinary Income Credits, and Account 7600.2, Extraordinary Income Charges, that have been deferred.
		§ 1770.16 Supplementary Accounts Required of Nonprofit Organizations
		Current Assets
1350.1	1350.1	Subscriptions to Capital Stock.
1350.2	1350.2	Subscriptions to Memberships.
1350.3	1350.3	Subscriptions to Members' Equity Certificates.
1350.4	1350.4	Other Current Assets.
		Current Liabilities
4130.1	4130.1	Patronage Capital Payable.
4130.2	4130.2	Other Current Liabilities—Miscellaneous.
		Long-Term Debt
4270.1	4270.1	Members' Redeemable Equity Certificates Subscribed but Unissued.
4270.2	4270.2	Members' Redeemable Equity Certificates Issued.
4270.3	4270.3	Other Long-Term Debt.
1350.1	1350.1	*Subscriptions to Capital Stock*
		This account shall include the balance due from subscribers upon legally enforceable subscriptions to capital stock. The purchase price of subscriptions shall be charged to this account at the time the subscription is received. The par value of the stock subscribed shall be credited to Account 4540.11, Capital Stock Subscribed, and the difference between the purchase price and the par value shall be credited to Account 4520, Additional Paid-In Capital.
1350.2	1350.2	*Subscriptions to Memberships*
		This account shall include the balance due on memberships subscribed. The face amount of memberships subscribed shall be charged to this account at the time the subscription is received. The offsetting credit shall be to Account 4540.12, Memberships Subscribed but Unissued. A subscription ledger shall be maintained to record for each subscriber, the amount subscribed, payments made, and the balance due. The balance in this account shall be reconciled monthly with the subscription ledger.
1350.3	1350.3	*Subscriptions to Members' Equity Certificates*
		This account shall include the balance due on member's equity certificates subscribed. The face amount of certificates subscribed shall be charged to this account at the time the subscription is received. The offsetting credit shall be to Account 4540.13, Members' Equity Certificates Subscribed but Unissued, or to Account 4270.1, Members' Redeemable Equity Certificates Subscribed but Unissued. A subscription ledger shall be maintained to record for each subscriber, the amount subscribed, payments made, and the balance due. The balance in this account shall be reconciled monthly with the subscription ledger. The subscription ledger shall be maintained in such a manner as to separately identify redeemable and nonredeemable certificates.
1350.4	1350.4	*Other Current Assets*
		This account shall include the amount of all current assets which are not includable in Accounts 1120 through 1350.3.
4130.1	4130.1	*Patronage Capital Payable*
		This account shall include the amount of patronage capital which has been authorized to be returned to patrons.
4130.2	4130.2	*Other Current Liabilities—Miscellaneous*
		This account shall include liabilities of current character which are not includable in Accounts 4010 through 4130.1.
4270.1	70.1	*Members' Redeemable Equity Certificates Subscribed but Unissued*
		This account shall include the face amount of members' equity certificates which are redeemable at some specified future date for which subscriptions have been received but for which certificates have not been issued. This account shall be credited at the time the subscription is received and Account 1350.3, Subsriptions to Members' Equity Certificates, debited. This account shall be debited and Account 4270.2, Members' Redeemable Equity Certificates Issued, credited when a subscriber has paid the subscription in full and the equity certificates are issued.
4270.2	4270.2	*Members' Redeemable Equity Certificates Issued*

Class of company Account No. A	B	Account title
		This account shall include the face amount of outstanding members' equity certificates which are redeemable at some specified future date. A subsidiary members' redeemable equity certificate record shall be maintained to reflect the detail of the balance in this account.
4270.3	4270.3	*Other Long-Term Debt* This account shall include long-term debt not provided for elsewhere.

§§ 1770.17–1770.25 [Reserved]

Subpart C—Accounting Interpretations

§§ 1770.26–1770.45 [Reserved]

Dated: January 8, 1990.

Jack Van Mark,

Acting Administrator.

[FR Doc. 90-2388 Filed 1-31-90; 8:45 am]

BILLING CODE 3410-15-M

DEPARTMENT OF COMMERCE

Economic Development Administration

13 CFR Part 309

[Docket No. 91291-9291]

Environmental Requirements for Financial Assistance

AGENCY: Economic Development Administration (EDA), Commerce.

ACTION: Interim rule with request for comments.

SUMMARY: This rule change will amend EDA's rule on general requirements for financial assistance at 13 CFR 309.18 to include references to Federal, state and local environmental laws dealing with hazardous substances. The amended rule will advise EDA recipients that they are subject to laws.

DATES: *Effective Date:* February 1, 1990. Submit *comments* by April 2, 1990.

ADDRESSES: Send comments to Joseph M. Levine, Chief Counsel, Economic Development Administration, U.S. Department of Commerce, Herbert C. Hoover Building, 14th Street between Pennsylvania and Constitution Avenues NW., Room 7001, Washington, DC 20230.

FOR FURTHER INFORMATION CONTACT: Joseph M. Levine, (202) 377-4687.

SUPPLEMENTARY INFORMATION: 13 CFR part 309.18 is being changed to add paragraph (c) which will advise EDA recipients that they are subject to any Federal, state and local environmental laws concerning hazardous substances, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) Public Law 96-510 (1980), as amended by Public Law 99-499 (1986), 42 U.S.C. § 9601-9675; and the Resource Conservation and Recovery Act (RCRA), Public Law 89-272 (1965), as amended by Public Law 94-580 (1976), Public Law 96-482 (1980) and Public Law 98-616 (1984), 42 U.S.C. 6901-6991.

Under Executive Order 12291, the Department must judge whether a regulation is "major" within the meaning of section 1 of the order and therefore subject to the requirement that a Regulatory Impact Analysis be prepared. This regulation is not major because it is not likely to result in an annual effect on the economy of $100 million or more; a major increase in costs or prices for consumers, individual industries, Federal, state, or local government agencies, or geographic regions; or significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Accordingly, neither a preliminary nor final Regulatory Impact Analysis has been or will be prepared.

This rule is exempt from all requirements of 5 U.S.C. 553, including notice and opportunity to comment and delayed effective date, because it relates to public property, loans, grants, benefits and contracts.

No other law requires that notice and opportunity for comment be given for this rule.

However, because the Department is interested in receiving comments from those who will benefit from the amendment, this rule is being issued as interim final. Public comments on the interim rule are invited and should be sent to the address listed in the "ADDRESSES" section above.

Comments received by April 2, 1990 will be considered in promulgating a final rule.

Since a notice and an opportunity for comment are not required to be given for the rule under section 553 of the APA (5 U.S.C. 553) or any other law, under sections 603(a) and 604(a) of the Regulatory Flexibility Act (5 U.S.C. 603(a), 604(a)), no initial or final Regulatory Flexibility analysis has to be or will be prepared.

This rule does not contain a collection of information for purposes of the Paperwork Reduction Act (Pub. L. 96-511). This rule does not contain policies with Federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 12612.

List of Subjects in 13 CFR Part 309

Community development; Grant programs-community development; Loan programs-community development; Penalties.

PART 309—GENERAL REQUIREMENTS FOR FINANCIAL ASSISTANCE

1. The authority citation for part 309 is revised to read as follows:

Authority: Section 701, Pub. L. 89-136; 79 Stat. 570 (42 U.S.C. 3211); Department of Commerce Organization Order 10-4, as amended (40 FR 56703, as amended).

2. Section 309.18 is amended by adding a new paragraph (c) to read as follows:

§ 309.18 Environmental requirements.

* * * * *

(c) EDA recipients are subject to Federal, state and local requirements concerning hazardous substances, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), Public Law 96-510 (1980), as amended by Public Law 99-499 (1986), 42 U.S.C. 9601-9675; and the Resource Conservation and Recovery Act (RCRA), Public Law 89-272 (1965), as amended by Public Law 94-580 (1976), Public Law 96-482 (1980) and Public Law 98-616 (1984), 42 U.S.C. 6901-6991.

Dated: January 22, 1990.

James L. Perry,

Acting Assistant Secretary for Economic Development.

[FR Doc. 90-2270 Filed 1-31-90; 8:45 am]

BILLING CODE 3510-24-M

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[FRL 3718-5; Docket No. AM602DE]

Approval and Promulgation of Air Quality Implementation Plans; Approval of a Revision to the Delaware State Implementation Plan

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: This notice announces the Administrator's approval of a revision to the Delaware State Implementation Plan (SIP) that amends Regulation XXVI (26), Motor Vehicle Emissions Inspection Program, of the Delaware *Regulations Governing the Control of Air Pollution.* This amendment tightens the hydrocarbon emission standards for light duty gasoline vehicles and light duty gasoline trucks. This change became effective in the State on January 1, 1988. This amendment is being made as an effort to bring the Delaware Motor Vehicle Inspection and Maintenance (I/M) program's pre-1981 model year vehicle failure rate into conformance with assumptions supporting the EPA approval of the attainment demonstration for the Delaware SIP for ozone.

DATES: *Effective Date:* This action will become effective April 2, 1990, unless notice is received by March 5, 1990, that someone wishes to submit adverse or critical comments. If the effective date is delayed, timely notice will be published in the **Federal Register.**

ADDRESSES: Written comments on this action should be addressed to David Arnold, Chief, Program Planning Section, at the EPA Regional Office address listed below. Copies of the documents relevant to this action are available for public inspection during normal business hours at:

U.S. Environmental Protection Agency, Region III, Air Programs Branch, 841 Chestnut Building, Philadelphia, Pennsylvania 19107. Attn: David L. Arnold (3AM13)

Delaware Department of Natural Resources and Environmental Control, 89 Kings Highway, P.O. Box 1401, Dover, Delaware 19903. Attn: Robert R. French

Public Information Reference Unit, Environmental Protection Agency, 401 M Street, SW., Washington, DC 20460

FOR FURTHER INFORMATION CONTACT: Ms. Kelly Bunker (215) 597-4554, at the EPA Region III address above. The commercial and FTS numbers are the same.

SUPPLEMENTARY INFORMATION: As part of the 1982 revision to the Delaware State Implementation Plan for ozone, the State committed to implement a motor vehicle inspection and maintenance (I/M) program. The Delaware I/M program was implemented in January of 1983. The SIP required that light duty gasoline vehicles and trucks registered in New Castle County be tested for hydrocarbon emissions and the attainment demonstration assumed that a 15 percent failure rate for pre-1981 model year vehicles be maintained.

Analysis of the motor vehicle emission inspection data revealed that the failure rate for pre-1981 model year vehicles dropped from 17.6 percent in calendar year 1986 to 10.8% in calendar year 1987. In response to the drop in the failure rate, the State adopted tighter hydrocarbon emission standards on December 29, 1987. These standards became effective on January 1, 1988. Table 1 shows the new standards that have been implemented by the State. These emission standards replace the standards in Table 2 of Technical Memorandum #2, Regulation XXVI (26), appendix H of the 1982 Delaware SIP revision.

TABLE 1.—DELAWARE MOTOR VEHICLE HYDROCARBON EMISSION STANDARDS

Light duty gasoline vehicles	Light duty gasoline trucks	Hydrocarbon standards (ppm) [1]
1968–1970	1970–1972	[1000] *900*
1971–1974	1973–1978	[700] *600*
1975–1979	1979–1983	[450] *400*
1980		[275] *220*
1981 and later.	1984 and later	[220] *220*

[1] The figures in brackets ([ ]) are the old standards and the figures in italic are the new standards.

As a result of tightening the standards, the failure rate for pre-1981 vehicles rose to 15.1 percent in calendar year 1988. This failure rate conforms to the assumptions supporting the EPA approval of the attainment demonstration for the Delaware ozone SIP.

In addition, EPA is today approving alternative hydrocarbon emission standards (see Table 2) which will be used by the State if the standards implemented in January of 1988 do not result in the 15 percent failure rate in any subsequent year. Delaware's determination for the failure rate will be based on vehicle emission inspection data from the first ten months of the year. If the failure rate does not meet the attainment demonstration assumption, the State will implement the standards shown in Table 2 on the first day of the next calendar year.

TABLE 2.—DELAWARE MOTOR VEHICLE ALTERNATIVE HYDROCARBON EMISSION STANDARDS

Light duty gasoline vehicles	Light duty gasoline trucks	Hydrocarbon standards (ppm)
1968–1970	1970–1972	800
1971–1974	1973–1978	500
1975–1979	1979–1983	350
1980		220
1981 and later.	1981 and later	220

This revision to the Delaware SIP was adopted by the Department of Natural Resources and Environmental Control on December 29, 1987. As required by 40 CFR 51.102 the State of Delaware has certified that, after adequate public notice, on November 4, 1987 a public hearing was held in respect to this SIP revision.

Final Action

EPA approves this revision to the Delaware SIP which amends Regulation XXVI (26), Motor Vehicle Emissions Inspection Program, of the Delaware *Regulations Governing the Control of Air Pollution.* This approval is based on a determination that the revision meets the requirements of section 110(a)(2) of the Clean Air Act and 40 CFR part 51, Requirements for Preparation, Adoption, and Submittal of Implementation Plans.

EPA is publishing this action without prior proposal because the Agency views this as a noncontroversial revision and anticipates no adverse comments. This action will be effective 60 days from the date of the **Federal Register** Notice unless, within 30 days of its publication, notice is received that adverse or critical comments will be submitted. If such notice is received, this action will be withdrawn before the effective date by publishing two subsequent notices. One notice will withdraw the final action and the other will begin a new rulemaking by announcing a proposal of the action and establishing a comment period. If no such comments are received, the public is advised that this action will be effective on April 2, 1990.

Nothing in this action should be construed as permitting or allowing or establishing a precedent for any future request for revision to an SIP. Each request for revision to the SIP shall be considered separately in light of specific technical, economic, and environmental factors and in relation to relevant statutory and regulatory requirements.

The Office of Management and Budget has exempted this rule from the requirements of section 3 of Executive Order 12291.

Under section 307(b)(1) of the Act, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit April 2, 1990. This action may not be challenged later in proceedings to enforce its requirements (See section 307(b)(2))

Under 5 U.S.C. 605(b), I certify that this SIP revision will not have a significant economic impact on a substantial number of small entities (see 46 FR 8709).

List of Subjects in 40 CFR Part 52

Air pollution control, Hydrocarbons, Incorporation by reference, Intergovernmental relations, Ozone, Reporting and recordkeeping requirements.

Note: Incorporation by reference of the State Implementation Plan for the State of Delaware was approved by the Director of the Federal Register on July 1, 1982.

Dated: December 13, 1989.

Edwin B. Erickson,

Regional Administrator.

Part 52 of chapter I, title 40 of the Code of Federal Regulations is amended as follows:

PART 52—[AMENDED]

Supart I—Delaware

1. The authority citation for part 52 continues to read as follows:

Authority: 42 U.S.C. 7401–7642.

2. Section 52.420 is amended by adding paragraph (c)(41) to read as follows:

§ 52.420 Identification of plan.

* * * * *

(c) * * *

(41) Revision submitted by the State of Delaware on April 28, 1988 amending the hydrocarbon motor vehicle emission testing standards in Regulation XXVI of the Delaware *Regulations Governing the Control of Air Pollution.*

(i) *Incorporation by reference.* (A) Revisions via Order 88–A–2, exhibit A, parts A and B, which is an amendment to Table 2 of Technical Memorandum Number 2 entitled "Motor Vehicle Inspection and Maintenance Program Emission Limit Determination". This revision was issued by the State on December 29, 1987.

[FR Doc. 90–2225 Filed 1–31–90; 8:45 am]

BILLING CODE 6560–50–M

40 CFR Part 52

[FRL–3718–2]

Approval and Promulgation of Implementation Plans; Wisconsin

AGENCY: United States Environmental Protection Agency (USEPA).

ACTION: Final rulemaking.

SUMMARY: In an April 26, 1989, (54 FR 17965) notice of proposed rulemaking, USEPA proposed to approve site-specific revisions to the Wisconsin State Implementation Plan (SIP) for ozone. These revisions would allow the Continental Can Company (Continental Can) to use internal offsets in conjunction with daily weighted emission limits at its Milwaukee and Racine, Wisconsin can manufacturing facilities. USEPA's action is based upon an August 20, 1985, State submittal and several amendments.

Today, USEPA is approving this revision for Continental Can to use internal offsets in conjunction with daily weighted emission limits.

EFFECTIVE DATE: This final rulemaking becomes effective on March 5, 1990.

ADDRESSES: Copies of the SIP revisions and related documents are available at the following addresses for review: (It is recommended that you telephone Uylaine E. McMahan, at (312) 886–6031, before visiting the Region V office.)

U.S. Environmental Protection Agency, Public Information Reference Unit, 401 M Street SW., Washington, DC 20460

U.S. Environmental Protection Agency, Region V, Air and Radiation Branch (5AR–26), 230 South Dearborn Street, Chicago, Illinois 60604

Wisconsin Department of Natural Resources, Bureau of Air Management (Air/3), 101 South Webster, Madison, Wisconsin 53707.

FOR FURTHER INFORMATION CONTACT: Uylaine E. McMahan at (312) 886–6031.

SUPPLEMENTARY INFORMATION: On August 20, 1985, the Wisconsin Department of Natural Resources (WDNR) submitted proposed revisions to the Wisconsin ozone SIP for Continental Can. These revisions are in the form of a variance for six can coating lines at Continental Can's Milwaukee plant and a variance for two can coating lines at Continental Can's Racine plant. WDNR submitted additional information regarding these proposals.

Background

The Continental Can Company has can manufacturing plants in Milwaukee and Racine. Both facilities are subject to the requirements for can coating operations identified at Natural Resources (NR) 422.05 (formerly NR 154.13(4)(c) of the Wisconsin Administrative Code. Under NR 422.05, (1) each sheet basecoat (exterior or interior or overvarnish) line must independently meet a VOC emission of 4.0 pounds per gallon, excluding water, and (2) each end sealing compound must meet a VOC emission of 4.3 pounds per gallon, excluding water. On November 13, 1984, Continental Can requested permission from the State to use internal offsets as a method of compliance for each of the two facilities.[1] One internal offset would be applicable to six can coating lines at the Milwaukee plant, and another would be applicable to two can coating lines at the Racine plant. The Wisconsin Department of Natural Resources (WDNR) approved the use of internal offsets, subject to certain conditions described in the variances. These include the use of a daily weighted average at each plant, a computer program to aid in emission calculations and production scheduling, as well as specified testing and recordkeeping conditions. On August 20, 1985, Wisconsin submitted the variances to USEPA as revisions to its SIP.[2]

In an April 26, 1989, (54 FR 17965) notice of proposed rulemaking, USEPA reproposed to approve these site-specific SIP revisions. During the 30-day comment period, USEPA received only one comment, in which the source objected to the length of time it had taken USEPA to propose action on the plan and noted that the variances, were no longer relevant. Part of the delay was due to USEPA originally publishing a "direct final" notice, as requested by the source, which had received adverse comments and had to be withdrawn. USEPA then reproposed the action. As to the source's assertion that the revisions are no longer relevant, the State of Wisconsin has not withdrawn the proposed revisions, and USEPA must take final action on the package.

Conclusion

USEPA has reviewed the compliance plans for Continental Can which rely on

[1] An internal offset allows a source credit for those coatings and coating lines that reduce emissions below the SIP-allowable limit to offset emissions from other coatings and coating lines that exceed the SIP-allowable limit. The total emissions allowed by the internal offsets are equivalent to those that would occur if each coating used were at the limits specified in the SIP.

[2] For a further discussion of the specifics of this revision and USEPA's analysis thereof, please see the April 26, 1989, (54 FR 17965) notice of proposed rulemaking and the accompanying technical support document; copies of which are available at the Regional office listed above.