handler is afforded the opportunity for a hearing on the petition. After the hearing the Secretary would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction in equity to review the Secretary's ruling on the petition, provided a bill in equity is filed not later than 20 days after the date of the entry of the ruling.

Pursuant to the requirements set forth in the Regulatory Flexibility Act (RFA), the Administrator of the Agricultural Marketing Service (AMS) has considered the economic impact of this rule on small entities.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 47 producers of South Texas onions under this marketing order, and approximately 34 handlers. Small agricultural producers have been defined by the Small Business Administration (13 CFR 121.601) as those having annual receipts of less than $500,000, and small agricultural service firms are defined as those whose annual receipts are less than $5,000,000. The majority of South Texas onion producers and handlers may be classified as small entities.

The budget of expenses for the 1994–95 fiscal period was prepared by the South Texas Onion Committee, the agency responsible for local administration of the marketing order, and submitted to the Department for approval. The members of the Committee are producers and handlers of South Texas onions. They are familiar with the Committee's needs and with the costs of goods and services in their local area and are thus in a position to formulate an appropriate budget.

The Committee, in a mail vote, unanimously recommended a 1994–95 budget of $80,000 for personnel, office, and compliance expenses, the same as last year.

The assessment rate and funding for the research and promotion projects will be recommended at the Committee's organizational meeting this fall. These funds, along with the administrative expenses for personnel, office, and compliance, will comprise the total budget. Funds in the reserve as of May 31, 1994, estimated at $346,415, were within the maximum permitted by the order of two fiscal periods' expenses. These funds will be adequate to cover any expenses incurred by the Committee prior to the approval of the assessment rate.

Since no assessment rate is being recommended at this time, no additional costs will be imposed on handlers. Therefore, the Administrator of the AMS has determined that this action will not have a significant economic impact on a substantial number of small entities.

After consideration of all relevant matter presented, including the information and recommendations submitted by the Committee and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect and that good cause exists for not postponing the effective date of this action until 30 days after publication in the **Federal Register** because: (1) The fiscal period begins on August 1, 1994, and the Committee needs to have approval to pay its expenses which are incurred on a continuous basis; (2) this action is similar to that taken at the beginning of the 1993–94 fiscal period; and (3) this interim final rule provides a 30-day comment period, and all comments timely received will be considered prior to finalization of this action.

List of Subjects in 7 CFR Part 959

Marketing agreements, Onions, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 959 is amended as follows:

PART 959—ONIONS GROWN IN SOUTH TEXAS

1. The authority citation for 7 CFR part 959 continues to read as follows:

Authority: 7 U.S.C. 601–674.

2. A new § 959.235 is added to read as follows:

Note: This section will not appear in the Code of Federal Regulations.

§ 959.235 Expenses.

Expenses of $80,000 by the South Texas Onion Committee are authorized for the fiscal period ending July 31, 1995. Unexpended funds may be carried over as a reserve.

Dated: August 8, 1994.

Eric M. Forman,

Deputy Director, Fruit and Vegetable Division.

[FR Doc. 94–19804 Filed 8–11–94; 8:45 am]

BILLING CODE 3410–02–P

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7 CFR Part 987

[Docket No. FV94–987–1IFR]

Domestic Dates Produced or Packed in Riverside County, CA; Expenses and Assessment Rate

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Interim final rule with request for comments.

SUMMARY: This interim final rule authorizes expenditures and establishes an assessment rate under Marketing Order No. 987 for the 1994–95 crop year. Authorization of this budget enables the California Date Administrative Committee (Committee) to incur expenses that are reasonable and necessary to administer the program. Funds to administer this program are derived from assessments on handlers.

DATES: Effective October 1, 1994, through September 30, 1995. Comments received by September 12, 1994, will be considered prior to issuance of a final rule.

ADDRESSES: Interested persons are invited to submit written comments concerning this action. Comments must be sent in triplicate to the Docket Clerk, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, Room 2523–S, Washington, DC 20090–6456, FAX 202–720–5698. Comments should reference the docket number and the date and page number of this issue of the **Federal Register** and will be available for public inspection in the Office of the Docket Clerk during regular business hours.

FOR FURTHER INFORMATION CONTACT: Martha Sue Clark, Marketing Order Administration Branch, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, room 2523–S, Washington, DC 20090–6456, telephone 202–720–9918; or Maureen Pello, California Marketing Field Office, Fruit and Vegetable Division, AMS, USDA, 2202 Monterey Street, suite 102B, Fresno, California 93721, telephone 209–487–5901.

SUPPLEMENTARY INFORMATION: This rule is issued under Marketing Agreement and Order No. 987, both as amended (7 CFR part 987), regulating the handling of dates produced or packed in Riverside County, California. The marketing agreement and order are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), hereinafter referred to as the Act.

The Department of Agriculture (Department) is issuing this rule in conformance with Executive Order 12866.

This interim final rule has been reviewed under Executive Order 12778, Civil Justice Reform. Under the marketing order now in effect, California dates are subject to assessments. Funds to administer the California date marketing order are derived from such assessments. It is intended that the assessment rate as issued herein will be applicable to all assessable dates during the 1994–95 crop year which begins October 1, 1994, and ends September 30, 1995. This interim final rule will not preempt any State or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 8c(15)(A) of the Act, any handler subject to an order may file with the Secretary a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and requesting a modification of the order or to be exempted therefrom. Such handler is afforded the opportunity for a hearing on the petition. After the hearing the Secretary would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction in equity to review the Secretary's ruling on the petition, provided a bill in equity is filed not later than 20 days after the date of the entry of the ruling.

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Administrator of the Agricultural Marketing Service (AMS) has considered the economic impact of this rule on small entities.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 135 producers of California dates under the marketing order and approximately 25 handlers. Small agricultural producers have been defined by the Small Business Administration (13 CFR 121.601) as those having annual receipts of less than $500,000, and small agricultural service firms are defined as those whose annual receipts are less than $5,000,000. The majority of California date producers and handlers may be classified as small entities.

The budget of expenses for the 1994–95 crop year was prepared by the California Date Administrative Committee, the agency responsible for local administration of the marketing order, and submitted to the Department for approval. The members of the Committee are producers and handlers of California dates. They are familiar with the Committee's needs and with the costs for goods and services in their local area and are thus in a position to formulate an appropriate budget. The budget was formulated and discussed in a public meeting. Thus, all directly affected persons have had an opportunity to participate and provide input.

The assessment rate recommended by the Committee was derived by dividing anticipated expenses by expected shipments of California dates. Because that rate will be applied to actual shipments, it must be established at a rate that will provide sufficient income to pay the Committee's expenses.

The Committee met on March 17, 1994, and by a vote of 6 to 2 with one abstention recommended a 1994–95 budget and assessment rate. The Committee again met on July 7, 1994, and unanimously recommended the line item operating expenses and by a vote of 6 to 2 recommended the line item promotional expenses in the budget. The 1994–95 budget of $571,000 is $101,440 less than the previous year. Included in the budgeted expenditures is an operating budget of $135,135, $13,335 more than last year, with a 26 percent surplus account allocation, for a net operating budget of $100,000, or $2,560 more than last year. Budget items for 1994–95 which have increased compared to those budgeted for 1993–94 (in parentheses) are: Executive Director's salary, $57,500 ($55,000), Administrative Assistant's salary, $18,500 ($15,000), health and related benefits, $8,500 ($7,500), utilities, $1,500 ($1,200), telephone, $5,000 ($3,000), office supplies, $3,600 ($1,500), furniture and equipment, $7,400 ($1,000), printing, $1,600 ($1,000), and insurance, $2,500 ($2,300). Items which have decreased compared to the amount budgeted for 1993–94 (in parentheses) are: payroll taxes, $5,814 ($6,000), postage and meter rental, $1,700 ($2,000), repair and maintenance $500 ($600), travel and mileage, $1,500 ($2,000), contingency, $221 ($4,000), and market promotion, $450,000 ($575,000). The Committee also eliminated funding for a clerk, unemployment reserve, and USDA compliance audits for which $6,000, $1,000, and $1,900 were recommended last year, respectively. All other items are budgeted at last year's amounts.

The assessment rate of $1.50 per hundredweight is $0.25 more than last season. This rate, when applied to anticipated date shipments of 38,000,000 pounds, will yield $570,000 in assessable income. This, along with $1,000 in interest income, will result in $21,000 in excess income which the Committee recommended be allocated to its reserve. These reserve funds, which the Committee estimates would be $121,000 as of September 30, 1995, would be within the maximum amount permitted by the order of not to exceed 50 percent of the average of expenses incurred during the most recent five preceding crop years, except that an established reserve need not be reduced to conform to any recomputed average. Funds held by the Committee at the end of the crop year, including the reserve, which are in excess of the crop year's expenses may be used to defray expenses for four months and thereafter the Committee shall refund or credit the excess funds to the handlers.

While this action will impose some additional costs on handlers, the costs are in the form of uniform assessments on all handlers. Some of the additional costs may be passed on to producers. However, these costs will be offset by the benefits derived by the operation of the marketing order. Therefore, the Administrator of the AMS has determined that this action will not have a significant economic impact on a substantial number of small entities.

After consideration of all relevant material presented, including the information and recommendation submitted by the Committee and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect because: (1) The Committee needs to have sufficient funds to pay its expenses which are incurred on a continuous basis; (2) the crop year begins on October 1, 1994, and the marketing order requires that the rate of assessment for the crop year apply to all assessable dates handled during the crop year; (3) handlers are aware of this action which was unanimously recommended by the Committee at a public meeting and is similar to other budget actions issued in past years; and (4) this interim final rule provides a 30-day comment period, and all comments timely received will be considered prior to finalization of this action.

List of Subjects in 7 CFR Part 987

Dates, Marketing agreements, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 987 is amended as follows:

PART 987—DOMESTIC DATES PRODUCED OR PACKED IN RIVERSIDE COUNTY, CALIFORNIA

1. The authority citation for 7 CFR part 987 continues to read as follows:

Authority: 7 U.S.C. 601–674.

2. A new § 987.337 is added to read as follows:

Note: This section will not appear in the Code of Federal Regulations.

§ 987.337 Expenses and assessment rate.

Expenses of $571,000 by the California Date Administrative Committee are authorized, and an assessment rate of $1.50 per hundredweight of assessable dates is established for the crop year ending September 30, 1995. Unexpended funds may be carried over as a reserve within the limitations specified in § 987.72(c) and (d).

Dated: August 8, 1994.

Eric M. Forman,

Deputy Director, Fruit and Vegetable Division.

[FR Doc. 94–19784 Filed 8–11–94; 8:45 am]

BILLING CODE 3410–02–P

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7 CFR Part 993

[Docket No. FV94–993–1IFR]

Dried Prunes Produced in California; Expenses and Assessment Rate

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Interim final rule with request for comments.

SUMMARY: This interim final rule authorizes expenditures and establishes an assessment rate under Marketing Order No. 993 for the 1994–95 crop year. Authorization of this budget enables the Prune Marketing Committee (Committee) to incur expenses that are reasonable and necessary to administer the program. Funds to administer this program are derived from assessments on handlers.

DATES: Effective beginning August 1, 1994, through July 31, 1995. Comments received by September 12, 1994, will be considered prior to issuance of a final rule.

ADDRESSES: Interested persons are invited to submit written comments concerning this action. Comments must be sent in triplicate to the Docket Clerk, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, room 2523–S, Washington, DC 20090–6456, FAX 202–720–5698. Comments should reference the docket number and the date and page number of this issue of the **Federal Register** and will be available for public inspection in the Office of the Docket Clerk during regular business hours.

FOR FURTHER INFORMATION CONTACT: Martha Sue Clark, Marketing Order Administration Branch, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, room 2523–S, Washington, DC 20090–6456, telephone 202–720–9918; or Richard P. Van Diest, California Marketing Field Office, Fruit and Vegetable Division, AMS, USDA, 2202 Monterey Street, suite 102B, Fresno, California 93721, telephone 209–487–5901.

SUPPLEMENTARY INFORMATION: This rule is issued under Marketing Agreement and Order No. 993, both as amended (7 CFR part 993), regulating the handling of dried prunes produced in California. The marketing agreement and order are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), hereinafter referred to as the Act.

The Department of Agriculture (Department) is issuing this rule in conformance with Executive Order 12866.

This interim final rule has been reviewed under Executive Order 12778, Civil Justice Reform. Under the provisions of the marketing order now in effect, California prunes are subject to assessments. It is intended that the assessment rate as issued herein will be applicable to all assessable prunes handled during the 1994–95 crop year, which begins August 1, 1994, and ends July 31, 1995. This interim final rule will not preempt any State or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with the Secretary a petition stating that the order, any provisions of the order, or any obligation imposed in connection with the order is not in accordance with law and requesting a modification of the order or to be exempted therefrom. Such handler is afforded the opportunity for a hearing on the petition. After the hearing the Secretary would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business has jurisdiction in equity to review the Secretary's ruling on the petition, provided a bill in equity is filed not later than 20 days after the date of the entry of the ruling.

Pursuant to the requirements set forth in the Regulatory Flexibility Act (RFA), the Administrator of the Agricultural Marketing Service (AMS) has considered the economic impact of this rule on small entities.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 1,360 producers of California prunes under this marketing order, and approximately 20 handlers. Small agricultural producers have been defined by the Small Business Administration (13 CFR 121.601) as those having annual receipts of less than $500,000, and small agricultural service firms are defined as those whose annual receipts are less than $5,000,000. The majority of California prune producers and handlers may be classified as small entities.

The budget of expenses for the 1994–95 crop year was prepared by the Prune Marketing Committee, the agency responsible for local administration of the marketing order, and submitted to the Department of Agriculture for approval. The members of the Committee are producers and handlers of California prunes. They are familiar with the Committee's needs and with the costs of goods and services in their local area and are thus in a position to formulate an appropriate budget. The budget was formulated and discussed in a public meeting. Thus, all directly affected persons have had an opportunity to participate and provide input.

The assessment rate recommended by the Committee was derived by dividing anticipated expenses by expected shipments of dried California prunes. Because that rate will be applied to actual shipments, it must be established at a rate that will provide sufficient income to pay the Committee's expenses.

The Committee met June 28, 1994, and unanimously recommended a 1994–95 budget of $270,200, $21,395 more than the previous year. Budget items for 1994–95 which have increased compared to those budgeted for 1993–94 (in parentheses) are: Executive salaries, $83,850 ($81,500), clerical salaries, $18,650 ($17,600), employee benefits, $15,800 ($14,500), audit fees, $3,650 ($3,500), office rent, $21,500 ($19,000), postage and messenger, $5,000 ($4,500), telephone, $2,500 ($2,000), fieldman travel, $4,000 ($3,500), purchase of equipment, $4,500 (3,000), acreage survey $10,000 ($5,000), and reserve for contingencies, $19,250 ($6,705). Items which have decreased compared to the amount budgeted for 1993–94 (in parentheses) are: Temporary help, $5,000 ($8,000), and data processing, $3,500 ($7,000). All other items are budgeted at last year's amounts.

The Committee also unanimously recommended an assessment rate of $1.60 per salable ton, $0.30 less than the previous year. This rate, when applied to anticipated shipments of 168,875 salable tons, will yield $270,200 in assessment income, which will be adequate to cover budgeted expenses. Any funds not expended by the Committee during a crop year may be used, pursuant to § 993.81(c), for a period of five months subsequent to that crop year. At the end of such period, the excess funds are returned or credited to handlers.

While this action will impose some additional costs on handlers, the costs are in the form of uniform assessments on handlers. Some of the additional costs may be passed on to producers. However, these costs will be offset by the benefits derived by the operation of the marketing order. Therefore, the Administrator of the AMS has determined that this action will not have a significant economic impact on a substantial number of small entities.

After consideration of all relevant matter presented, including the information and recommendations submitted by the Committee and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect and that good cause exists for not postponing the effective date of this action until 30 days after publication in the **Federal Register** because: (1) The Committee needs to have sufficient funds to pay its expenses which are incurred on a continuous basis, (2) the crop year begins on August 1, 1994, and the marketing order requires that the rate of assessment for the fiscal period apply to all assessable California prunes handled during the crop year; (3) handlers are aware of this action which was unanimously recommended by the Committee at a public meeting and is similar to other budget actions issued in past years; and (4) this interim final rule provides a 30-day comment period, and all comments timely received will be considered prior to finalization of this action.

List of Subjects in 7 CFR Part 993

Marketing agreements, Plums, Prunes, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 993 is amended as follows:

PART 993—DRIED PRUNES PRODUCED IN CALIFORNIA

1. The authority citation for 7 CFR part 993 continues to read as follows:

Authority: 7 U.S.C. 601–674.

2. A new § 993.345 is added to read as follows:

Note: This section will not appear in the Code of Federal Regulations.

§ 993.345 Expenses and assessment rate.

Expenses of $270,200 by the Prune Marketing Committee are authorized, and an assessment rate of $1.60 per salable ton of dried prunes is established for the crop year ending July 31, 1995. Unexpended funds may be carried over as a reserve within the limitations specified in § 993.81(c).

Dated: August 8, 1994.

Eric M. Forman,

Deputy Director, Fruit and Vegetable Division.

[FR Doc. 94–19783 Filed 8–11–94; 8:45 am]

BILLING CODE 3410–02–P

Farmers Home Administration

7 CFR Parts 1901, 1940, 1951, and 2003

Rural Development Administration

7 CFR Part 4284

RIN 0570–AA02

Rural Technology Development Grants

AGENCIES: Rural Development Administration and Farmers Home Administration, USDA.

ACTION: Interim final rule with request for comments.

SUMMARY: The Rural Development Administration (RDA) promulgates a new regulation for Community Facility grants. The Farmers Home Administration (FmHA) amends its regulations that are utilized by RDA in administering Community Facility grants. This action complies with legislation which authorizes grants for establishing and operating centers for rural technology or cooperative development. The intended effect of this action is to publish regulations and application processing procedures to implement this new grant program to award fiscal year (FY) 1994 grants before the end of the FY.

DATES: These interim regulations are effective August 12, 1994. Comments should be in writing and received on or before October 11, 1994.

ADDRESSES: Submit written comments in duplicate to the Office of the Chief, Regulations Analysis and Control Branch, FmHA, USDA, Room 6348, South Agriculture Building, 14th and Independence Avenue SW., Washington, DC 20250–0700. All written comments made pursuant to this notice will be available for public inspection during regular working hours at the above address.

FOR FURTHER INFORMATION CONTACT: Jennifer Barton, Loan Specialist, Community Facilities Division, Room 6304, South Agriculture Building, 14th and Independence Avenue SW., Washington, DC 20250–0700, Telephone: (202) 720–1504.

SUPPLEMENTARY INFORMATION:

Cross References of Regulations

The Rural Development Administration is a result of a reorganization of programs administered by Farmers Home Administration (FmHA) as required by section 364 of the Consolidated Farm and Rural Development Act (CONACT), as amended, (7 U.S.C. 2006f) and an order of the Secretary of Agriculture. Dualreferences or cross-references to FmHA regulations are provided for by section 364.

Classification

This interim rule has been determined to be significant/economically significant and was reviewed by the Office of Management and Budget under Executive Order 12866.

Environmental Impact Statement

This document has been reviewed in accordance with 7 CFR part 1940, subpart G, "Environmental Program." RDA has determined that this action does not constitute a major Federal action significantly affecting the quality of the human environment, and in accordance with the National Environmental Policy Act of 1969, Pub. L. 91–190, an Environmental Impact Statement is not required.

Executive Order 12778

This document has been reviewed in light of Executive Order (E.O.) 12778 and meets the applicable standards provided in sections 2(a) and 2(b)(2) of that E.O. Provisions within this part which are inconsistent with State law are controlling. All administrative remedies pursuant to 7 C.F.R. part 1900, subpart B, must be exhausted prior to filing suit.

Intergovernmental Review

This program is listed in the Catalog of Federal Domestic Assistance under number 10.771, Rural Technology Development Grants, and are subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. RDA conducts intergovernmental consultation in the manner delineated in FmHA Instruction 1940–J.

Paperwork Reduction Act

The information collection or recordkeeping requirements contained in these regulations have been approved by the Office of Management and Budget (OMB) under the provisions of 44 U.S.C. Chapter 35 and have been assigned OMB control numbers 0575–0018, 0575–0060, and 0570–0006 in accordance with the Paperwork Reduction Act of 1980. This interim final rule does not revise or impose any new information collection or recordkeeping requirement from those approved by OMB.

Justification for Interim Final Rule

It is the policy of the Department that rules relating to public property, loans, grants, benefits, or contracts shall be published for public comment not withstanding the exemption of 5 U.S.C. 553 with respect to such rules. However, the Department is making this action effective immediately upon publication in the **Federal Register** without securing prior public comment.

The purpose of this rule is to implement section 2347 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Pub. L. 101–624) which amends Sec. 310B (f) through (h) (7 U.S.C. 1932) of the CONACT. This statutory amendment created a new program for Rural Technology Grants. In FY 1993, $1 million was appropriated to this program as part of the Extension Service (ES) budget. Three proposals were selected for funding under ES administration. The program was transferred to RDA under a Memorandum of Understanding. ES received another appropriation in their budget in FY 1994 for $1.5 million. This amount has been transferred to RDA through an apportionment of funds. RDA is responsible for implementing this program for FY 1994.

It has been determined that failure to implement the program will result in a substantial negative impact in the rural areas if grants from this program are not awarded from the appropriation for FY 1994. Because the appropriated funds for this program are not available past the end of FY 1994, it is essential that this authorization be implemented this year. RDA anticipates receiving a wide range of grant proposals as compared to the funding availability and expects the level of competition to be high. These regulations have a sunset provision of July 13, 1995.

The economies of many rural areas have experienced significant stress as a result of relying primarily on the agricultural or natural resource-based industries to provide employment. As the result of improvements in efficiency and productivity or the decline in importance of those industries in certain areas, employment opportunities and the general economy of those areas have declined significantly. Therefore, immediate implementation of this program will provide $1.5 million for these needy areas.

Since this is a new program, there is no historical data available to quantify benefits. However, the benefit to be derived from the program is the opportunity to create new investment and employment opportunities in rural areas based on new uses for agricultural or natural resources, thereby assisting in the diversification of rural economies, creating new employment opportunities, and simultaneously developing new markets for agricultural products and natural resources.

The Interim Final Rule describes the procedures and practices for applying for and obtaining this grant assistance. The Agency, however, is providing for public comment in order for members of the public who wish to suggest alternative rule provisions or courses of action in implementing this program to have an opportunity to give RDA the benefit of their views. In the event that public comments are received, the Department will consider them, as appropriate, before further publishing of this rule.

Program Description

Grants awarded under the Rural Technology Development Grant (RTDG) program will be to nonprofit institutions and public bodies to establish and operate centers for rural technology or cooperative development. The term "nonprofit institution" is defined by the CONACT, Sec. 310B(f)(4)(A) to mean "* * * any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual." While this definition does not include public bodies, the reference to public bodies in Sec. 310B(f) of the CONACT does indicate congressional intent to make rural technology development grants available to public bodies. The term "public body" has been defined to mean any State, county, city, township, incorporated towns and villages, boroughs, authorities, districts, locally-based areawide economic development organizations, Indian tribes on Federal and State reservations, and other federally recognized Indian tribes in rural areas. Furthermore, the Agency believes public bodies should be eligible because they are eligible for other RDA programs and could reasonably be expected to operate such centers.

The statute requires that these centers satisfy certain conditions in order to be eligible for grant funds. The primary objective of the program, established by CONACT Sec. 310B(f)(2)(B), is to improve the economic condition of rural areas by promoting the development (through technological innovation, cooperative development, and adaptation of existing technology) and commercialization of: (1) new services and products that can be produced or provided in rural areas, (2) new processes that can be utilized in the production of products in rural areas, and (3) new enterprises that can add value to on-farm production through processing or marketing. The intent of this law is to provide incentives to establish new businesses, implement advanced technologies for businesses presently in place, and create alternative agricultural enterprises to stimulate the farm economy in the rural areas.

Definitions referenced in the interim rule generally are based on working definitions used by the Agency or other Federal agencies in similar grant programs and common usage of the terms. "Cooperative development," however, was taken from the CONACT, Sec. 310B(f)(2)(B), and "technology development" was taken from the CONACT, Sec. 310B(f)(2)(C)(vi). "Rural and rural area," "urbanized area," and "urbanizing area" were taken from related RDA program regulations also under the authority of the CONACT, Sec. 310B. The term "United States" is defined in accordance with Sec. 310B(f)(4)(B) to mean the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the other territories and possessions of the United States.

Eligibility

RTDGs may be made to nonprofit institutions and public bodies serving rural areas. Rural area determinations will be made to ascertain the eligibility of the applicant's proposed serving area. The procedure established in this rule to determine eligible grant areas is based on density requirements used by RDA in other grant programs.

In accordance with the CONACT, Sec. 310B(h), grants may be used to pay only up to 75 percent of the administrative costs. The Agency has further determined that to better utilize limited funds available under the program and to leverage those funds to bring in other sources of funding for the projects, the maximum grant amount for each proposed project will not be more than 75 percent of the project costs. This requirement is considered necessary to stimulate other funding participation in economic development activities and allow program grant funds to reach a broader range of rural economic development efforts. The applicant must contribute at least 25 percent to the cost of the project and administrative costs. The applicant's contribution may be in cash or third-party in-kind contributions in accordance with 7 CFR 3015, "Uniform Federal Assistance Regulations," and 3016, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments." Under 7 CFR 3015 and 3016, matching funds generally cannot come from another Federal grant program.

No Federal funds for this program shall be granted to an applicant who has an outstanding delinquent Federal debt until the delinquent account has been paid in full, nor shall funds be granted to an applicant for which an outstanding judgment obtained by the United States in a Federal Court (other than in the United States Tax Court), which has been recorded, unless it has been paid in full or otherwise satisfied, as required by the Federal Debt Collection Act of 1990.

Section 310B(d)(2) further prohibits financial assistance over $1 million, or where direct employment is increased by more than 50 employees, if: (1) it is likely to result in the transfer from one area to another any employment or business activity, unless it expands existing businesses or establishes a new location or; (2) it will increase the production or the availability of services or facilities in an area which will increase employment and have an adverse effect on existing competitors.

Application Process

Applications to be submitted must include a clear statement of the goal(s) and objective(s) of the project and a plan which describes the proposed project as required by the CONACT, Sec. 310B (f)(2). Such plan must contain specific elements to be addressed which have been deemed necessary to carry out the intent of the program and will also serve as the basis for the selection criteria that will be used to evaluate the project.

The program objectives and eligible grant purposes based on the statute are set forth in the interim rule. The Agency has expanded these eligible purposes to include equipment and materials necessary to carry out the objectives of the plan. This purpose is incidental and required to carry out the program's statutory objectives.

Ineligible grant purposes identified in the interim rule are in accordance with 7 CFR 3015 and 3016 and are consistent with other RDA grant programs. In addition, RTDG funds may not be provided to support greater than 75 percent of eligible project costs or to pay for building construction, the purchase of real estate or vehicles, improving and/or renovation of office space, or repair or maintenance of privately-owned property. Due to the limited funding available, these limitations are necessary to benefit as many eligible projects as possible.

Application requirements include submission of an SF–424, "Application for Federal Assistance," and other supporting documentation. The information required is consistent with RDA's other grant programs. The application process for RTDG funds is a two-stage process. Preapplications are submitted to determine applicant eligibility. Upon an eligibility determination, applications are submitted to process for competitive project selection. All supporting documentation required in connection with the preapplication/application are necessary for RDA to determine if the applicant is eligible, if the proposed grant purposes are eligible, and to help the Agency select the best grant applications for funding. RDA is simultaneously publishing in this issue of the **Federal Register** a Notice (inviting applications) that contains more specific guidance on submission of applications for FY 1994.

Project Selection

Section 310B(f)(3) of the CONACT limits the Agency's discretion in selecting eligible projects for funding. Grants shall be made on a competitive basis. Preferences will be given to support projects that most effectively improve business, industry, and employment in rural areas. Emphasis for project selection will be given to those projects that "* * * contribute the most to the improvement of economic conditions of rural areas. * * *" The Agency has interpreted this statutory phrase to establish preferences for projects that will create industries or agribusinesses, increase employment, stem the flow of outmigration, and increase the tax base in the areas to be served. The applicant must provide data to support these criteria for the most current full calendar year for which data is available and the 3 prior calendar years. This range of information should provide an accurate picture of the economic conditions of the rural areas to be served. The Agency is placing an emphasis on these criteria based on the purposes and objectives set forth in the statute. The actual number of proposals to receive funding will depend on the total number of applications received and the amount of grant funds requested. Projects will be selected based on a priority point system set out in the regulation. The point system emphasizes those factors given preference by statute. Points will be totalled and ranked with other applications. This selection method has been successful in other grant programs administered by the Agency and is considered the best method to use for this program.

RDA monitors and evaluates each project it approves in accordance with 7 CFR 3015 and 3016. Monitoring typically involves site visits by RDA staff and designated evaluators, telephone conversations, and evaluation of the grantee's written activity reports. Activity reports are used to evaluate projects and must be in a measurable form. Termination of grant provisions are in accordance with 7 CFR 3015 and 3016. These provisions are consistent with other RDA grant programs.

Miscellaneous

Recipients and subrecipients are subject to all applicable Federal laws, Federal and USDA policies, regulations, and procedures applicable to Federal financial assistance. Requirements concerning civil rights, the environment, debarment and suspension, etc., have been listed in this rule. These restrictions are consistent with other RDA grant programs.

List of Subjects

7 CFR Part 1901

Agriculture, Authority delegations, Civil rights, Compliance reviews, Fair housing, Minority groups.

7 CFR Part 1940

Allocations, Administrative practice and procedure, Agriculture, Grant programs—Housing and community development, Loan programs—Agriculture, Rural areas.

7 CFR Part 1951

Account servicing, Grant programs—Housing and community development, Reporting requirements, Rural areas.

7 CFR Part 2003

Organization and functions (Government agencies).

7 CFR Part 4284

Business and industry; Grant programs—Housing and community development; Rural areas.

Therefore, chapters XVIII and XLII, title 7, Code of Federal Regulations, are amended as follows:

PART 1901—PROGRAM-RELATED INSTRUCTIONS

1. The authority citation for part 1901, subpart E, continues to read as follows:

Authority: 7 U.S.C. 1989; 42 U.S.C. 1480; 40 U.S.C. 442; 5 U.S.C. 301; 42 U.S.C. 2942; 7 C.F.R. 2.23; 7 CFR 2.70.

Subpart E—Civil Rights Compliance Requirements *C*

2. Section 1901.204 is amended by adding a paragraph (a)(27) to read as follows:

§ 1901.204 Compliance reviews.

(a) * * *

(27) Rural Technology Development Grants in subpart F of part 4284 of this title.

* * * * *

PART 1940—GENERAL

3. The authority citation for part 1940 continues to read as follows:

Authority: 7 U.S.C. 1989; 42 U.S.C. 1480; 5 U.S.C. 301; 7 CFR 2.23; 7 CFR 2.70.

Subpart L—Methodology and Formulas for Allocation of Loan and Grant Program Funds

4. Section 1940.590 is amended by adding paragraph (j) to read as follows:

§ 1940.590 Community and Business Programs appropriations not allocated by State.

* * * * *

(j) Rural Technology Development Grants. Control of funds will be retained in the National Office and allocated on a project case basis. Funds may be requested by sending in Exhibit C of subpart F of part 4284 of this title (available in any FmHA State Office).

PART 1951—SERVICING AND COLLECTIONS

5. The authority citation for part 1951 continues to read as follows:

Authority: 7 U.S.C. 1989; 42 U.S.C. 1480; 5 U.S.C. 301; 7 CFR 2.23 and 7 CFR 2.70.

Subpart E—Servicing of Community and Insured Business Programs Loans and Grants

§ 1951.201 [Amended]

6. Section 1951.201 is amended by removing the word "and" before the words "Section 306C" and by adding the words "; and Rural Technology Development Grants in subpart F of part 4284 of this title" after the words "subpart E of part 4284 of this title".

PART 2003—ORGANIZATION

7. The authority citation for part 2003 continues to read as follows:

Authority: 7 U.S.C. 1989; 42 U.S.C. 1480; 5 U.S.C. 301; Public Law 100–82, 7 CFR 2.23 and 2.70.

Subpart A—Functional Organization of the Farmers Home Administration

8. Exhibit A of subpart A, paragraph 2 under the heading of 07 02 03 Assistant Administrator—Community and Business Programs is amended by adding the words "rural technology development grants," after the words "rural business enterprise/television demonstration grants."

PART 4284—GRANTS

9. The authority citation for part 4284 continues to read as follows:

Authority: 7 U.S.C. 1989; 16 U.S.C. 1005; 5 U.S.C. 301; 7 CFR 2.70.

Subpart F—Rural Technology Development Grants

10. Subpart F of part 4284, consisting of §§ 4284.501 through 4284.600, is added to read as follows:

Subpart F—Rural Technology Development Grants

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Subpart F—Rural Technology Development Grants

§ 4284.501 Purpose.

(a) This subpart outlines the Rural Development Administration's (RDA) policies and authorizations and sets forth procedures to provide grants for technology and cooperative development in rural areas. Grants will not be awarded under this subpart after July 13, 1995.

(b) Grants for establishing and operating centers for rural technology or cooperative development will be for the primary purpose of improving the economic condition of rural areas by promoting the development (through technological innovation, cooperative development, and adaptation of existing technology) and commercialization of new services and products that can be produced or provided in rural areas; new processes that can be utilized in the production of products in rural areas; and new enterprises that can add value to on-farm production through processing or marketing.

(c) Copies of all forms and Instructions referenced in this subpart are available in any Farmers Home Administration (FmHA) State Office.

§ 4284.502 Policy.

(a) The grant program will be used to assist in the economic development of rural areas.

(b) Funds allocated for use in accordance with this subpart are also to be considered for use by Native American tribes within the State regardless of whether State development strategies include Indian reservations within the State's boundaries. Native American tribes residing on such reservations must have equal opportunity along with other rural residents to participate in the benefits of these programs. This includes equal application of outreach activities of RDA servicing offices.

§ 4284.503 [Reserved]

§ 4284.504 Definitions.

Approval official—Any authorized FmHA/RDA official.

Cooperative—An association organized to provide a specific service with open membership, equality in ownership and control, limited return on members' capital, and equitable methods to distribute any excess earnings back to its members.

Cooperative development—The startup or expansion of a cooperative which will promote the development of new services and products that can be produced or provided in rural areas, new processes that can be utilized in the production of products in rural areas, and/or new enterprises that can add value to on-farm production through processing or marketing.

Economic development—The growth of an area as evidenced by increases in total income, employment opportunities, decreased outmigration of populations, value of production, increased diversification of industry, higher labor force participation rates, increased duration of employment, higher wage levels, and/or gains in other measurements of economic activity, such as land values.

Nonprofit institutions—Any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Project—The undertaking for which funds will be used to develop or operate a technology and/or cooperative development center.

Public body—Any State, county, city, township, incorporated towns and villages, boroughs, authorities, districts, locally-based areawide economic development organizations, and Indian tribes on Federal and State reservations, and other federally recognized Indian tribes in rural areas.

Servicing office—Any FmHA State Office.

Small business—A business which does not exceed the maximum number of employees or annual receipts allowed for a concern (including its affiliates) to be considered small according to the established size standards for Small Business Administration (SBA) assistance as set forth in 13 CFR, part 121. The business may be operated on a profit or nonprofit basis but must rely primarily on revenues of the business for operation.

Technology—The application of science to industrial or commercial objectives. The entire body of methods and material used to achieve such objectives.

Technology development—The creation of new technology or the use and application of existing technology to promote the development and commercialization of new products, new processes, and new services that can be produced or provided in rural areas.

Rural and rural area—Includes all territory of a State, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, or the Commonwealth of the Mariana Islands that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile, as determined by the Secretary of Agriculture according to the latest decennial census of the United States.

Urbanized area—An area immediately adjacent to a city having a population of 50,000 or more which, for general social and economic purposes, constitutes a single community and has a boundary contiguous with that of the city. Such community may be incorporated or unincorporated to extend from the contiguous boundary(ies) to recognizable open country, less densely settled areas, or natural boundaries such as forests or water. Minor open spaces such as airports, industrial sites, recreational facilities, or public parks shall be disregarded. Outer boundaries of an incorporated community extend at least to its legal boundaries. Cities which may have a contiguous border with another city, but are located across a river from such city, are recognized as a separate community and are not otherwise considered a part of an urbanized or urbanizing area, as defined in this section, are not in a nonrural area.

Urbanizing area—A community which is not now, or within the foreseeable future not likely to be, clearly separate from and independent of a city of 50,000 or more population and its immediately adjacent urbanized areas. A community is considered "separate from" when it is separated from the city and its immediately adjacent urbanized area by open country, less densely settled areas, or natural barriers such as forests or water. Minor open spaces such as airports, industrial sites, recreational facilities, or public parks shall be disregarded. A community is considered "independent of" when its social and economic structure (e.g., government; educational, health, and recreational facilities; and business; industry, tax base, and employment opportunities) is not primarily dependent on the city and its immediately adjacent urbanized areas.

§ 4284.505 Applicant eligibility.

(a) Grants may be made to public bodies or nonprofit institutions.

(1) The approval official will proceed as follows in rural area determinations: When the approval official determines an area to be urbanized or urbanizing, he/she must then determine the population density per square mile. If the project otherwise appears to be eligible, the approval official will request the National Office to provide the correct density figure.

(2) All such density determinations will be made on the basis of minor civil division or census county division as used by the Bureau of the Census. In making the density calculations, large nonresidential tracts devoted to urban land uses such as railroad yards, airports, industrial sites, parks, golf courses, and cemeteries or land set aside for such purposes will be excluded.

(b) An outstanding judgement obtained against an applicant by the United States in a Federal Court (other than in the United States Tax Court), which has been recorded, shall cause the applicant to be ineligible to receive any grant or loan until the judgement is paid in full or otherwise satisfied. RDA grant funds may not be used to satisfy the judgement. Questions about whether or not a judgement is still outstanding should be directed to the Office of the General Counsel (OGC).

§§ 4284.506–4284.514 [Reserved]

§ 4284.515 Grant purposes.

Grant funds may be used to pay up to 75 percent of the costs for establishing and/or operating centers for rural technology and/or cooperative development. Applicant's contribution may be in cash or third-party in-kind contribution in accordance with parts 3015 and 3016 of this title. Grant funds may be used for, but are not limited to, the following purposes:

(a) Technology research, investigations, and basic feasibility studies in any field or discipline for the purpose of generating principles, facts, technical knowledge, new technology, or other information that may be useful to rural industries, cooperatives, agribusinesses, and other persons or entities in rural areas served by such centers in the development and commercialization of new products, processes, or services.

(b) The collection, interpretation, and dissemination of principles, facts, technical knowledge, new technology, or other information that may be useful to rural industries, cooperatives, agribusinesses, and other persons or entities in rural areas served by the center in the development and commercialization of new products, processes, or services.

(c) Providing training and instruction for individuals residing in rural areas served by the center with respect to the development (through technological innovation, cooperative development, and adaptation of existing technology) and commercialization of new products, processes, or services.

(d) Providing loans and grants to individuals, small businesses, and cooperatives in rural areas for purposes of generating, evaluating, developing and commercializing new products, processes, or services.

(e) Providing technical assistance and advisory services to individuals, small businesses, cooperatives, and industries in rural areas served by the center for purposes of developing and commercializing new products, processes, or services.

(f) Providing research and support to individuals, small businesses, cooperatives, and industries in rural areas served by the center for purposes of developing new agricultural enterprises to add value to on-farm production through processing or marketing.

(g) Paying up to 75 percent of the administrative costs of the applicant in carrying out its projects.

(h) Equipment and materials necessary to carry out other eligible grant purposes under this section.

§ 4284.516 Ineligible grant purposes.

Grant funds may not be used to:

(a) Pay more than 75 percent of a project cost.

(b) Pay more than 75 percent of administrative costs.

(c) Duplicate current services or replace or substitute support previously provided.

(d) Pay costs of preparing the application package for funding under this program.

(e) Pay costs incurred prior to the effective date of the grant made under this subpart.

(f) Pay for building construction or the purchase of real estate or vehicles; improving and/or renovation of office space; or repair or maintenance of privately-owned property.

(g) Fund political activities.

(h) Pay for assistance to any private business enterprise which does not have at least 51 percent ownership by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.

§§ 4284.517–4284.526 [Reserved]

§ 4284.527 Other considerations.

(a) *Civil rights compliance requirements.* All grants made under this subpart are subject to the requirements of Title VI of the Civil Rights Act of 1964 which prohibits discrimination on the basis of race, color, and national origin as outlined in subpart E of part 1901 of this title. In addition, the grants made under this subpart are subject to the requirements of section 504 of the Rehabilitation Act of 1973 which prohibits discrimination on the basis of handicap; the requirements of the Age Discrimination Act of 1975 which prohibits discrimination on the basis of age; and Title III of the Americans with Disabilities Act, Pub. L. 101–336, which prohibits discrimination on the basis of disability by private entities in places of public accommodations.

(b) *Environmental requirements.* (1) *General applicability.* Unless specifically modified by this section, the requirements of subpart G of part 1940 of this title apply to this subpart. RDA will give particular emphasis to ensuring compliance with the environmental policies contained in §§ 1940.303 and 1940.304 of subpart G of part 1940 of this title. Although the purpose of the grant program established by this subpart is to improve business, industry, and employment in rural areas, this purpose is to be achieved, to the extent practicable, without adversely affecting important environmental resources of rural areas such as important farmland and forest lands, prime rangelands, wetlands, and floodplains. Prospective recipients of grants, therefore, must consider the potential environmental impacts of their applications at the earliest planning stages and develop plans and projects that minimize the potential to adversely impact on the environment.

(2) *Technical assistance.* An application for a technical assistance project is generally excluded from the environmental review process by § 1940.333 of subpart G of part 1940 of this title. However, as further specified in that section, the grantee of a technical assistance grant, in the process of providing technical assistance, must consider the potential environmental impacts of the recommendations provided to the recipient of the technical assistance.

(3) *Applications for grants to provide financial assistance to third-party recipients.* As part of the preapplication, the applicant must provide a complete Form FmHA 1940–20, "Request for Environmental Information," for each project specifically identified in its plan to provide financial assistance to third parties who will undertake eligible projects with such assistance. RDA will review the preapplication, supporting materials, and any required Forms FmHA 1940–20 and initiate a Class II assessment for the preapplication in accordance with § 1940.318 of subpart G of part 1940 of this title. This assessment will focus on the potential cumulative impacts of the projects as well as any environmental concerns or problems that are associated with individual projects and that can be identified at this time from the information submitted. Because RDA's approval of this type of grant application does not constitute RDA's commitment to the use of grant funds for any identified third-party projects (see § 4284.541 of this subpart), no public notification requirements for a Class II assessment will apply to the preapplication. After the grant is approved, each third-party project to be assisted under the grant will undergo the applicable environmental review and public notification requirements in subpart G of part 1940 of this title prior to RDA providing its consent to the

grantee to assist the third-party project. If the preapplication reflects only one specific project which is specifically identified as the third-party recipient for financial assistance, RDA may perform the appropriate environmental assessment in accordance with the requirements of subpart G of part 1940 of this title and forego initiating a Class II assessment with no public notification. However, the applicant must be advised that if the recipient or project changes after the grant is approved, the project to be assisted under the grant will undergo the applicable environmental review and public notification requirements in subpart G of part 1940 of this title.

(c) *Governmentwide debarment and suspension (nonprocurement) and requirements for drug-free workplace.* All projects must comply with the requirements set forth in part 3017 of this title and FmHA Instruction 1940–M (available in any FmHA State Office).

(d) *Restrictions on lobbying.* All grants must comply with the lobbying restrictions set forth in part 3018 of this title.

(e) *Excess capacity or transfer of employment.*

(1) If a proposed grant is for more than $1 million and will increase direct employment by more than 50 employees, the applicant will be requested to provide written support for an RDA determination that the proposal will not result in a project which is calculated to, or likely to, result in:

(i) The transfer of any employment or business activity from one area to another (this limitation shall not prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the expansion will not result in an increase in the unemployment in the area of original location or in any other area where such entity conducts business operations unless there is reason to believe that such expansion is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations), or

(ii) An increase in the production of goods, materials, or commodities or the availability of services or facilities in the area when there is not sufficient demand for such goods, materials, commodities, services, or facilities to employ the efficient capacity of existing competitive commercial or industrial enterprises, unless such financial or other assistance will not have an adverse effect upon existing competitive enterprises in the area. The applicant's written support will consist of a resolution from the applicant and Form FmHA 449–22, "Certification of Non-Relocation and Market and Capacity Information Report," from each existing and future occupant of the site. The applicant may use Guide 2 of subpart G of part 1942 (available in any FmHA State Office) as an example in preparing the resolution. Future occupants of the site must be certified by the Department of Labor (DOL) for a period of 3 years after the initial certification by DOL.

(2) RDA will check each document for completeness and accuracy and submit nine copies of each to the National Office for forwarding to DOL.

(3) Grants shall not be made if the Secretary of Labor certifies within 30 days after the matter has been submitted by the Secretary of Agriculture that the provisions of paragraph (e)(1) of this section have not been met. Information for obtaining this certification will be submitted, in writing, by the applicant to RDA. The information will be submitted to DOL by the RDA National Office. Grant approval may be given and funds may be obligated, subject to the DOL certification being received, provided RDA has made its own separate determinations of (e)(1) (i) and (ii) of this section when applicable.

(f) *Management assistance.* Grant recipients will be supervised, as necessary, to ensure that projects are completed in accordance with approved plans and specifications and that funds are expended for approved purposes. Grants made under this subpart will be administered under, and are subject to, parts 3015, 3016, and 3017 of this title, as appropriate, and established RDA guidelines.

(g) *National Historic Preservation Act of 1966.* All projects will be in compliance with the National Historic Preservation Act of 1966 in accordance with subpart F of part 1901 of this title.

(h) *Uniform Relocation Assistance and Real Property Acquisition Policies Act.* All projects must comply with the requirements set forth in part 21 of this title.

(i) *Floodplains and wetlands.* All projects must comply with Executive Order 11988, "Floodplain Management," and Executive Order 11990, "Protection of Wetlands."

(j) *Flood or mudslide hazard area precautions.* If the grantee financed project is in a flood or mudslide area, flood or mudslide insurance must be provided.

(k) *Termination of Federal requirements.* Once the grantee has provided assistance to projects from a revolving fund, in an amount equal to the grant provided by RDA, the requirements imposed on the grantee shall not be applicable to any new projects thereafter financed from the revolving funds. Such new projects shall not be considered as being derived from Federal funds.

(l) *Intergovernmental review.* Grant projects are subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. A revolving fund established in whole, or in part, with grant funds will also be considered a project for the purpose of intergovernmental review as well as the specific projects funded with grant funds from the revolving loan project. For each project to be assisted with a grant under this subpart and for which the State has elected to review the project under their intergovernmental review process, the State Point of Contact must be notified. Notification, in the form of a project description, can be initiated by the grantee. Any comments from the State must be included with the grantee's request to use RDA grant funds for the specific project. Prior to RDA's decision on the request, compliance with requirements of intergovernmental consultation must be demonstrated for each project. These requirements should be carried out in accordance with subpart V, "Intergovernmental Review of Department of Agriculture Programs and Activities," of part 3015 of this title (see subpart J of part 1940 of this title, available in any FmHA State Office).

§ 4284.528 Application processing.

(a) *Preapplications.* (1) Applicants will file an original and one copy of Standard Form (SF) 424.1, "Application for Federal Assistance (For Non-construction)," with the appropriate RDA office. This form is available in any FmHA State Office.

(2) All preapplications shall be accompanied by:

(i) Evidence of applicant's legal existence and authority to perform the proposed activities under the grant.

(ii) Latest financial information to show the organization's financial capacity to carry out the proposed work. At a minimum, the information should include a balance sheet and an income statement. A current audit report is preferred where one is reasonably obtainable.

(iii) Estimated breakdown of total costs, including costs to be funded by the applicant as well as other sources. Other sources should be identified. Certification must be provided from the applicant that its matching share to the project is available and will be used for the project. The matching share must meet the requirements of parts 3015 and 3016 of this title. Certifications from an authorized representative of each source of funds must be provided indicating that funds are available and will be used for the proposed project.

(iv) Budget and description of the accounting system in place or proposed.

(v) Area to be served, identifying each government unit, i.e., town, county, etc., if affected by the proposed project and evidence of support and concurrence in the proposed project from the affected local governmental bodies as evidenced by resolution or a written statement from the chief elected local official.

(vi) The most current demographic information (and source) about the area to be served which includes information on the rural industries and agribusinesses in the area; unemployment rate; description of under employment in the area; information regarding outmigration of people, businesses and industries; and the per capita income of the area. The source of information and dates must be identified and must be from a recognized source such as Census data or State employment data.

(vii) Businesses to be assisted.

(viii) Applicant's experience, including experience of key staff members and person(s) who will be providing the proposed service(s) and managing the project.

(ix) The number of months duration of the project or service and the estimated time it will take from grant approval to beginning of service.

(x) Method and rationale used to select the areas/businesses that will receive the service.

(xi) Brief description of how the work will be performed and whether organizational staff or consultants/contractors will be used.

(xii) Evaluation method to be used by the applicant to determine if objectives of the proposed activity are being accomplished.

(xiii) A brief plan which contains the following provisions and describes how the applicant will meet those provisions:

(A) A provision that substantiates that the applicant will effectively serve rural areas in the United States.

(B) A provision that the primary objective of the applicant will be to improve the economic condition of rural areas by promoting the development (through technological innovation, cooperative development, and adaptation of existing technology) and commercialization of:

(*1*) New services and products that can be produced or provided in rural areas;

(*2*) New processes that can be utilized in the production of products in rural areas; and

(*3*) New enterprises that can add value to on-farm production through processing or marketing.

(C) A description of the activities that the applicant will carry out to accomplish such objective.

(D) A description of the proposed activities to be funded under this subpart.

(E) A description of the contributions that the applicant's proposed activities are likely to make to the improvement of the economic conditions of the rural areas served by the applicant.

(F) Provisions that the applicant, in carrying out its activities, will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of business, industry, educational institutions, the Federal Government, and State and local governments.

(G) Provisions that the applicant will consult with any college or university administering Extension Service programs and cooperate with such college or university in the coordination of the center's activities and programs.

(H) Provisions that the applicant will take all practicable steps to develop continuing sources of financial support for the center, particularly from sources in the private sector.

(I) Provisions for:

(*1*) Monitoring and evaluating its activities; and

(*2*) Accounting for money received and expended by the institution under this subpart.

(J) Provisions that the applicant will provide for the optimal application of technology and cooperative development in rural areas, especially those areas adversely affected by adverse agricultural economic conditions, through the establishment of demonstration projects and subcenters for:

(*1*) Rural technology development where the technology can be implemented by communities, community colleges, businesses, cooperatives, and other institutions; or

(*2*) Cooperative development where such development can be implemented by cooperatives to improve local economic conditions.

(xiv) If grant funds are to be used for the purpose of making loans and/or grants to eligible individuals, small businesses, or cooperatives (ultimate recipients) in rural areas for eligible purposes under this subpart, the applicant shall develop a plan which outlines the purpose and administration of the fund and include in the preapplication a copy of a proposed agreement to be used between the applicant and the ultimate recipient(s) which includes the following:

(A) An assurance that the responsibilities of the grantee, as a recipient of grant funds under this subpart, are passed on to the ultimate recipient and the ultimate recipient understands its responsibilities to comply with the requirements set forth in this subpart, including parts 3015 and 3016 of this title.

(B) Provisions that the ultimate recipient will comply with debarment and suspension requirements contained in part 3017 of this title and will execute Form AD–1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions."

(C) Provisions that the ultimate recipient will execute Form FmHA 400–4, "Assurance Agreement."

(D) Clear documentation that the ultimate recipient understands its responsibilities to the applicant.

(E) Clear documentation that the applicant understands its responsibilities in monitoring the ultimate recipient's activities under the grant and the applicant's plan for such monitoring.

(F) Brief written narrative addressing all items in § 4284.540(a) of this subpart, regarding grant selection criteria.

(3) Upon receipt of a preapplication, RDA will:

(i) Review and evaluate the preapplication and accompanying documents;

(ii) Request from the OGC, a legal determination of the applicant's legal existence and authority to perform the proposed activity; and

(iii) Respond to the applicant (usually within 45 days) using Form AD–622, "Notice of Preapplication Review Action," indicating the action taken on the preapplication.

(4) Applicants whose preapplications are found to be ineligible will be given notice by use of Form AD–622 and advised of their appeal rights under subpart B of part 1900 of this title.

(5) If at any time prior to grant approval it is decided that favorable action will not be taken on a preapplication or application, the RDA will notify the applicant in writing of the reasons why the request was not favorably considered. The notification will advise the applicant of appeal rights under subpart B of part 1900 of this title.

(6) Applicants eligible for funding within the available funds will be provided forms and instructions for filing a complete application.

Applicants should be advised against incurring obligations which cannot be fulfilled without RDA funds.

(b) *Applications.* Upon notification on Form AD–622 that the applicant is eligible for funding, the following will be submitted to the RDA by the applicant:

(1) SF 424.1.

(2) Proposed scope of work, detailing the proposed activities to be accomplished and timeframes for completion of each activity.

(3) Proposed budget, including source and amount of applicant contribution and any other funding sources for the proposed project.

(4) Other requested information needed by RDA to make a grant award determination.

(c) *Applicant response.* If the applicant fails to submit the application and related material by the date shown on Form AD–622 (normally 30 days from the date of Form AD–622), RDA may discontinue consideration of the application. Appeal rights will be given in accordance with subpart B of part 1900 of this title.

§§ 4284.529–4284.539 [Reserved]

§ 4284.540 Grant selection criteria.

Grants will be awarded under this subpart on a competitive basis. The priorities described below will be used by the RDA to rate preapplications and applications. Points will be distributed as indicated in paragraph (a) of this section. Points will be distributed according to ranking as compared with other preapplications/applications on hand. A copy of the score sheet (available in any FmHA State Office) should be placed in the casefile for future reference.

(a) The selection criteria are as follows:

(1) *Economic conditions.* Preference will be given to proposed projects which will serve a rural area(s) that has few rural industries and agribusinesses; high levels of unemployment or underemployment; high rates of outmigration of people, businesses, and industries; and low levels of per capita income. RDA will consider data supporting these demographics from the United States Bureau of the Census or other reliable data from recognized local, regional, State or Federal sources or from surveys conducted by reliable, impartial sources. Outmigration of businesses and industries, for example, may be supported by county business patterns data available from the Bureau of the Census. Data to support all categories must be for the most current full calendar year for which the data is available and the 3 calendar years prior to that year. The competitive range for proposed projects is as follows:

(i) Number of rural industries and agribusinesses in comparison with the population of the area(s) to be served: 1 or less per 5,000 residents—25 points; 1 or less per 3,000 residents—15 points; or 1 or less per 1,000 residents—5 points.

(ii) Unemployment rate in the area(s) to be served: Exceeds the State rate by 25 percent or more—15 points; or exceeds the State rate by less than 25 percent but more than 5 percent—10 points.

(iii) Underemployment in the area(s) to be served exceeds the State rate of underemployment by 25 percent or more—20 points; exceeds the State rate by less than 25 percent—10 points; or is equal to or less than State rate—0 points.

(iv) Outmigration of rural residents from the area(s) as evidenced by a population loss in the last full calendar year of at least 20 percent—20 points.

(v) Outmigration of business and industry and/or business and industry closures in the area(s) of at least 20 percent in the last 3 years—20 points.

(vi) Average per capita income of the area(s) is less than the State average by: 50 percent—25 points; or 25 percent—10 points.

(2) *Project proposal.* The project proposal will contribute the most to the improvement of economic conditions of the rural area(s) by:

(i) Creation of industries or agribusinesses in the area(s): 1 or more per 5,000 residents—20 points; 1 or more per 10,000 residents—10 points; or 1 or more per 20,000 residents—5 points.

(ii) Increasing employment by 10 percent or more—10 points.

(iii) Stemming the flow of outmigration of people, businesses, or industries by 10 percent or more—10 points.

(iv) Increasing the tax base of the area(s) by 2 percent or more—5 points.

(3) *Applicant experience.* The applicant demonstrates capability to transfer for practical application in rural areas the technology generated and demonstrates the ability to commercialize products, processes, services, and enterprises in rural areas—15 points.

(b) *Review of decision.* Each application for assistance will be carefully reviewed in accordance with the priorities established in this section. A priority rating will be assigned to each application. Applications selected for funding will be based on the priority rating assigned each application and the total funds available. All applications submitted for funding should contain sufficient information to permit RDA to complete a thorough priority rating. When a determination is made that favorable action will not be taken on a preapplication or application, the applicant will be notified in writing of the reasons why the request was not favorably considered. The notification to the applicant will state that a review of this decision by RDA may be requested by the applicant in accordance with subpart B of part 1900 of this title.

§ 4284.541 Grant approval, fund obligation, grant closing, and third-party financial assistance.

(a) [Reserved]

(b) [Reserved]

(c) A copy of the executed Form FmHA 1940–1, "Request for Obligation of Funds," and the approved scope of work will be sent to the applicant on the obligation date. The grant will be considered closed on the obligation date. Exhibit A of this subpart, shall become a permanent part of Form FmHA 1940–1 when grant funds are involved, and the following paragraphs will appear in the comment section of that form as appropriate:

(1) "The grantee understands the requirements for receipt of funds under the Rural Technology Development Grant program. The grantee assures and certifies that it is in compliance with all applicable laws, regulations, Executive Orders, and other generally applicable requirements, including those set forth in exhibit A of subpart F of part 4284 of this chapter, 7 CFR parts 3015, 3016, 3017, and 3018 (including revisions through ______________ (date of grant approval)); and the Letter of Conditions and the approved scope of work."

(2) For grants involving the establishment of a revolving loan program to benefit third parties, the following statement shall also be added to the comment section of Form FmHA 1940–1: "The grantee furthermore agrees to use grant funds for the purposes outlined in the Scope of Work approved by RDA."

§§ 4284.542–4284.555 [Reserved]

§ 4284.556 Docket preparation and Letter of Conditions.

(a) The following forms and documents will be part of the grant docket:

(1) Form FmHA 400–4 for the applicant and recipients of the technical assistance or loans under a revolving loan fund.

(2) Scope of work and budget prepared by the applicant.

(3) Form FmHA 1940–1.

(4) Resolution of the Board, if appropriate, approving the grant application.

(5) Evidence of authority for individual, in the applicant's organization, to execute grant documents.

(6) Evidence of fidelity bond coverage.

(7) Form FmHA 1942–43, "Project Summary—Community Facilities (Other Than Utility-Type Projects)."

(8) Executed Forms AD–1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions," and AD–1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I—For Grantees Other Than Individuals."

(9) Executed certification in accordance with part 3018, appendix A of this title, that no Federal appropriated funds have been paid or will be paid for lobbying activities and Form LLL, "Disclosure of Lobbying Activities."

(10) Proposed agreement between applicant and ultimate recipient as required in § 4284.528(a)(2)(xiv) of this subpart (if applicable).

(11) Class II Environmental Assessment (if applicable).

(12) Finding of No Significant Impact (if applicable).

(13) Form FmHA 400–8, "Compliance Review (Nondiscrimination by Recipients of Financial Assistance through Farmers Home Administration.)"

(b) The RDA representative will prepare a Letter of Conditions outlining the conditions under which the grant will be made. It will include those matters necessary to ensure that the proposed grant is completed in accordance with the terms of the scope of work and budget, that the grant funds are expended for authorized purposes, and that the requirements prescribed in parts 3015, 3016, 3017, and 3018 of this title are complied with. Each Letter of Conditions will contain the following paragraphs:

(1) "This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application."

(2) "This letter is not to be considered as grant approval nor as a representation as to the availability of funds. The docket may be completed on the basis of a grant not to exceed $__________ and a matching share by the applicant in the amount of $__________."

(3) "Please complete and return the attached Form FmHA 1942–46, 'Letter of Intent to Meet Conditions,' if you desire further consideration be given your application."

(4) "You must certify that the activities provided under the grant will benefit a rural area."

(5) "You must certify that at least 25 percent of the total funds for this project are provided as the grantee's share and meet the matching fund requirements of 7 CFR parts 3015 and 3016."

(6) "You must certify that no Federal appropriated funds have been paid or will be paid for lobbying activities in accordance with 7 CFR part 3018, Appendix A, and execute Form LLL."

(7) "You must execute Form AD–1047, 'Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions,' to certify that your organization is not debarred or suspended from Government assistance. You also must obtain a certification on Form AD–1048, 'Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions,' from any person or entity you do business with as a result of this Government assistance that they are not debarred or suspended from Government assistance."

(8) "You must execute Form AD–1049, 'Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I—For Grantees Other Than Individuals,' to certify that you will provide a drug-free awareness program for employees."

(9) "You must obtain prior approval for any change to the scope or objectives of the approved project. Failure to obtain prior approval of changes to the scope of work or budget can result in suspension/termination of grant funds."

(10) Other items in the Letter of Conditions should include those appropriate items relative to: maximum amount of grant; contributions; required project audit; evidence of compliance with all applicable Federal, State, and local requirements; closing instructions; DOL certifications; compliance with any required environmental mitigation measures; and other requirements.

§ 4284.557 Fund disbursement.

Grantees will be reimbursed as follows:

(a) An SF–270, "Request for Advance or Reimbursement," will be completed by the applicant and submitted to RDA not more frequently than monthly.

(b) Upon receipt of a properly completed SF–270, the funds will be requested through the field office terminal system. Ordinarily, payment will be made within 30 days after receipt of a proper request for reimbursement.

(c) Grantees are encouraged to use minority banks (a bank which is owned by at least 50 percent minority group members) for the deposit and disbursement of funds. A list of minority owned banks can be obtained from the Office of Minority Business Enterprise, Department of Commerce, Washington, DC 20230.

(d) The grantee's share in the cost of the project will be disbursed in advance of grant funds or on a pro-rata distribution basis with grant funds during the disbursement period. The grantee will not be permitted to provide its contribution at the end of the grant period.

§ 4284.558 Reporting.

An SF–269, "Financial Status Report," and a project performance activity report will be required of all grantees on a quarterly basis. A final project performance report will be required with the last SF–269. The final report may serve as the last quarterly report. The final report must include a final evaluation of the project. Grantees shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, and other performance objectives are being achieved. Grantees are to submit an original of each report to RDA. The project performance reports shall include, but not be limited to, the following:

(a) A comparison of actual accomplishments to the objectives established for that period;

(b) Reasons why established objectives were not met;

(c) Problems, delays, or adverse conditions which will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established time periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation; and

(d) Objectives and timetable established for the next reporting period.

§§ 4284.559–4284.570 [Reserved]

§ 4284.571 Audit requirements.

The grantee will provide an audit report in accordance with subpart A of part 1942 of this title. The audit requirements only apply to the year(s) in which grant funds are received. Audits must be prepared in accordance with generally accepted Government auditing standards using the publication, "Standards for Audit of Governmental Organizations, Programs, Activities and Functions."

§ 4284.572 Grant servicing.

Grants will be serviced in accordance with subpart E of part 1951 of this title.

§ 4284.573 Programmatic changes.

The grantee shall obtain prior approval for any change to the scope or objectives of the approved project. Failure to obtain prior approval of changes to the scope or budget can result in suspension/termination of grant funds.

§ 4284.574 Subsequent grants.

Subsequent grants will be processed in accordance with the requirements set forth in this subpart.

§ 4284.575 Grant suspension, termination, and cancellation.

Grants may be cancelled by RDA by use of Form FmHA 1940–10, "Cancellation of U.S. Treasury Check and/or Obligation." The RDA will notify the applicant, by letter, that the grant has been cancelled. A copy of the letter will be sent to the Regional Attorney, OGC, if the Regional Attorney has been involved. The applicant will be provided appeal rights, as appropriate, in accordance with subpart B of part 1900 of this title. Grants may be suspended or terminated for cause or convenience, in accordance with parts 3015 and 3016 of this title.

§§ 4284.576–4284.586 [Reserved]

§ 4284.587 Exception authority.

The Administrator may, in individual cases, make an exception to any requirement or provision of this subpart which is not inconsistent with the authorizing statute, an applicable law, or a decision of the Comptroller General if the Administrator determines that application of the requirement or provision would adversely affect the Government's interest and shows how the adverse impact will be eliminated or minimized if the exception is made.

§ 4284.588 Forms and exhibits.

Exhibits A and B and forms referenced (all available in any FmHA State Office) are for use in administering grants made under this subpart.

§§ 4284.589–4284.599 [Reserved]

§ 4284.600 OMB control number.

The reporting and recordkeeping requirements contained in this regulation have been approved by the Office of Management and Budget (OMB) and have been assigned OMB control number 0570–0006. Public reporting burden for this collection of information is estimated to vary from 30 minutes to 8 hours per response, with an average of 1.85 hours per response, including 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, AG Box 7630, Washington, D.C. 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0570–0006), Washington, D.C. 20503.

Exhibit A of Subpart F—Agreement of Administrative Requirements for Rural Technology Development Grants

This exhibit contains information regarding the responsibilities of the grantee for receipt of grant funds under the Rural Technology Development Grant (RTDG) program. These requirements do not supersede the requirements for receipt of Federal funds as stated in 7 CFR parts 3015 and 3016; however, specific areas related to the program are cited below.

In consideration for the RTDG grant by RDA, grantee agrees to:

1. Cause the RTDG program to be completed within the total sums available to it, including grant funds, in accordance with the scope of work and any necessary modifications thereof prepared by grantee and approved by grantor.

2. Permit periodic inspection of the program operations by a representative of grantor.

3. Make the program available to all persons in grantee's service area without regard to race, color, national origin, religion, sex, marital status, age, physical or mental handicap.

4. Not use grant funds to replace any financial support previously provided or assured from any other source. The grantee agrees that the general level of expenditure by the grantee for the benefit of program area and/or program covered by this agreement shall be maintained and not reduced as a result of the Federal share funds received under this grant.

5. Provide financial management systems which will include:

(a) Accurate, current, and complete disclosure of the financial result of each grant.

(b) Records which identify adequately the source and application of funds for grant-supporting activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

(c) Effective control over and accountability for all funds. Grantee shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.

(d) Accounting records supported by source documentation.

6. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least 3 years after grant closing except that the records shall be retained beyond the 3-year period if audit findings have not been resolved. Microfilm copies may be substituted in lieu of original records. The grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the grantee which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts, and transcripts.

7. Provide an audit report prepared in accordance with generally accepted Government auditing standards using the publication, "Standards for Audit of Governmental Organizations, Programs, Activities and Functions."

8. Provide grantor with such periodic reports as it may require and permit periodic inspection of its operations by a designated representative of the grantor.

9. Execute Form FmHA 400–4, "Assurance Agreement," and any other agreements required by grantor to implement the civil rights requirements. If any such form has been executed by grantee as a result of a grant being made to grantee by grantor contemporaneously with the making of this grant, another form of the same type need not be executed in connection with this grant.

10. That upon any default under its representations or agreements set forth in this instrument, grantee, at the option and the demand of grantor, will, to the extent legally permissible, repay to grantor forthwith the original principal amount of the grant stated herein above, with interest equal to the rate of interest paid on U.S. 26-week Treasury Bills adjusted quarterly from the date of the default. The provisions of this exhibit may be enforced by grantor at its option and without regard to prior waivers by it of previous defaults of grantee, by judicial proceedings to require specific performance of the terms of this exhibit, or by such other proceedings in the law or equity in either Federal or State

courts as may be deemed necessary by grantor to assure compliance with the provisions of this exhibit and the laws and regulations under which this grant is made.

11. That no member of Congress shall be admitted to any share or part of this grant or any benefit that may arise therefrom; but this provision shall not be construed to bar, as a contractor under the grant, a publicly held corporation whose ownership might include a member of Congress.

12. That all non-confidential information resulting from its activities shall be made available to the general public on an equal basis.

13. That the purpose and scope of work for which this grant is made shall not duplicate programs for which monies have been received, are committed, or are applied to from other sources (public or private).

14. That grantee shall relinquish any and all copyrights and/or privileges to the materials developed under this grant as published in whole or in part. The material shall contain a notice and be identified by language to the following effect: "The material is the result of tax-supported research and as such is not copyrightable. It may be freely reprinted with the customary crediting of the source."

15. That the grantee shall abide by the policies promulgated in the USDA Uniform Assistance Regulations, 7 CFR Parts 3015 and 3016, which provides standards for use by grantee in establishing procedures for the procurement of supplies, equipment, and other services with Federal grant funds.

16. Obtain prior approval from grantor for use of grant funds for uses or amounts not consistent with the approved scope of work and budget.

17. That the grantee, except for States, will remit interest earned on grant funds deposited in an interest bearing account in accordance with the USDA Uniform Assistance Regulation, 7 CFR Parts 3015 and 3016.

18. Grantee will comply with property management standards established by 7 CFR Parts 3015 and 3016 for personal property. "Personal property" means property of any kind except real property. It may be tangible—having physical existence—or intangible—having no physical existence; such as patents, inventions, and copyrights. "Nonexpendable personal property" means tangible personal property having a useful life of more than 1 year and an acquisition cost of $300 or more per unit. A grantee may use its own definition of nonexpendable personal property provided that such definition would at least include all tangible personal property as defined above. "Expendable personal property" refers to all tangible personal property other than nonexpendable property. When nonexpendable property is acquired by a grantee with project funds, title shall not be taken by the Federal Government but shall be vested in the grantee subject to the following conditions.

(a) Right to transfer title. For items of real or nonexpendable personal property having a unit acquisition cost of $1,000 or more, RDA may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such reservation shall be subject to the following standards:

(i) The property shall be appropriately identified in the grant or otherwise made known to the grantee in writing.

(ii) RDA shall issue disposition instructions within 120 calendar days after the end of the Federal support of the project for which it was acquired. If RDA fails to issue disposition instructions within the 120 calendar day period, the grantee shall apply the standards of paragraph 18. (b) of this exhibit.

(iii) When RDA exercises its right to take title, the personal property shall be subject to the provisions for federally owned nonexpendable property discussed in paragraphs 18. (b) and (c) of this exhibit.

(iv) When title is transferred either to the Federal Government or to a third party and the grantee is instructed to ship the property elsewhere, the grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the grantee's participation in the cost of the original grant project or program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

(b) Use of other nonexpendable personal property for which the grantee has title.

(i) The grantee shall use the property in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When it is no longer needed for the original project or program, the grantee shall use the property in connection with its other federally sponsored activities, in the following order of priority:

(*1*) Activities sponsored by RDA.

(*2*) Activities sponsored by other Federal agencies.

(ii) Shared use. During the time that nonexpendable personal property is held for use on the project or program for which it was acquired, the grantee shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the property was originally acquired. First preference for such other use shall be given to projects or programs sponsored by RDA; second preference shall be given to projects or programs sponsored by other Federal agencies. If the property is owned by the Federal Government, use for other activities not sponsored by the Federal Government shall be permissible if authorized by RDA. User charges should be considered, if appropriate.

(c) Disposition of nonexpendable personal property. When the grantee no longer needs the property as provided in paragraph 18(b) of this exhibit, the property may be used for other activities in accordance with the following standards:

(i) Personal property with a unit acquisition cost of less than $1,000. The grantee may use the property for other activities without reimbursement to the Federal Government or sell the property and retain the proceeds.

(ii) Nonexpendable personal property with a unit acquisition cost of $1,000 or more. The grantee may retain the property for other use provided that compensation is made to RDA or its successor. The amounts of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to current fair market value of the property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from the original grantor agency.

(iii) RDA shall determine whether the property can be used to meet the Agency's requirements. If no need exists within RDA, the General Services Administration Federal Property Management Regulations will be used by RDA to determine whether a need for the property exists in other Federal *agencies. RDA shall issue instructions to the grantee no later than 120 days after the grantee request and the following procedures shall govern:

(*1*) If so instructed or if disposition instructions are not issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse RDA an amount computed by applying the percentage of the grantor participation in the grant program to the sales proceeds. However, the grantee shall be permitted to deduct and retain from the Federal share $100 or 10 percent of the proceeds, whichever is greater, for the grantee's selling and handling expenses.

(*2*) If the grantee is instructed to dispose of the property other than as described in paragraphs 18. (b) and (c) of this exhibit, the grantee shall be reimbursed by RDA for such costs incurred in its disposition.

(*3*) Property management standards for nonexpendable personal property. The grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:

(*a*) Property records shall be maintained accurately and shall include:

(*i*) A description of the property.

(*ii*) Manufacturer's serial number, model number, Federal stock number, National stock number, or other identification number.

(*iii*) Sources of the property including grant or other agreement number.

(*iv*) Whether title vests in the grantee or the Federal Government.

(*v*) Acquisition date (or date received, if the property was furnished by the Federal Government) and costs.

(*vi*) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired. (Not applicable to property furnished by the Federal Government).

(*vii*) Location, use, and condition of the property and the date the information was reported.

(*viii*) Unit acquisition cost.

(*ix*) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a grantee compensates the Federal agency for its share.

(*b*) Property owned by the Federal Government must be marked to indicate Federal ownership.

(*c*) A physical inventory of property shall be taken and the results reconciled with the property records at least once every 2 years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall, in connection with the inventory, verify the existence, current utilization, and continued need for the property.

(*d*) A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or the theft of nonexpendable property shall be investigated and fully documented; if the property was owned by the Federal Government, the grantee shall promptly notify RDA.

(*e*) Adequate maintenance procedures shall be implemented to keep the property in good condition.

(*f*) Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.

(*g*) Expendable personal property shall vest in the grantee upon acquisition. If there is a residual inventory of such property exceeding $1,000 in total aggregate fair market value upon termination or completion of the grant and if the property is not needed for any other federally sponsored project or program, the grantee shall retain the property for use on nonfederally sponsored activities or sell it, but must in either case compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.

This exhibit covers the following described personal property and any additional property acquired wholly or in part with grant funds (use continuation sheets as necessary):

19. To the following termination provisions:

(a) Termination for cause: The grantor agency may terminate any grant in whole, or in part, at any time before the date of completion, whenever it is determined that the grantee has failed to comply with the conditions of the grant. The grantor agency shall promptly notify the grantee in writing of the determination and the reasons for the termination, together with the effective date.

(b) Termination for convenience: The grantor agency or grantee may terminate grants in whole, or in part, when both parties agree that the continuation of the program would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The grantor agency shall allow full credit to the grantee for the Federal share of the noncancelable obligations properly incurred by the grantee prior to termination.

RDA agrees that it will:

1. Assist grantee, within available appropriations, with such technical assistance as grantor deems appropriate in planning the program and coordinating the plan with local official comprehensive plans and with any State or area plans for the area in which the program is located.

2. At its sole discretion, RDA may at any time give any consent, deferment, subordination, release, satisfaction, or termination of any or all of grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as RDA may determine to be:

(a) Advisable to further the purposes of the grant or to protect the Government's financial interest therein; and

(b) Consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

____
Name of Grantee

____
Title

____
Date

____
RDA Approval Official

____
Title

____
Date

Dated: August 4, 1994.

Bob J. Nash,

Under Secretary, Small Community and Rural Development.

[FR Doc. 94-19686 Filed 8-11-94; 8:45 am]

BILLING CODE 3410-07-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 93-ANE-83]

Revocation of Class E Airspace; Bozrah, CT

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This action revokes Class E airspace at Bozrah, CT. This action is a result of the cancellation of the Special Instrument Approach Procedures for Runway 2 and Runway 20 at Gager Field. The intended effect of this action is to remove the controlled airspace extending upward from 700 feet above the surface at Bozrah, CT. This airspace is no longer needed for instrument flight rules operation at Bozrah, CT.

EFFECTIVE DATE: 0901 UTC, October 13, 1994.

FOR FURTHER INFORMATION CONTACT: