

remainder of this fiscal year, RUS now projects a backlog of applications at the beginning of fiscal year 1999 of \$1.3 billion for municipal rate loans and up to \$70 million for hardship loans. The effects of these backlogs on the rural electric community would be partially offset if the Congress enacts the new Treasury rate loan program proposed by the Administration, at its proposed lending level of \$400 million in fiscal year 1999.

To address the projected backlog of applications for loans, RUS is considering changes to its administrative procedures to prioritize hardship and municipal rate loan applications so as to make more effective use of limited appropriations by funding borrowers with greater need for subsidized financing before funding those with lesser need. Every borrower eligible for financing would remain eligible, but those in greater need would receive their financing before borrowers of lesser need. RUS invites comments from the public on what criteria and procedures to use to prioritize the queues for hardship and municipal rate loans. We are especially interested in comments on the following questions:

- Since sections 305(c)(1) and 305(c)(2)(B)(ii) of the RE Act establish eligibility criteria for hardship and municipal rate loans, should the criteria for prioritizing the loan queues be based on those statutory criteria?
- For example, should the prioritization criteria include measures of (1) the difference between a borrower's average revenue per kWh sold and 120 percent of the average revenue per kWh sold by all electric utilities in the state served by the borrower; (2) the difference between a borrower's average residential revenue per kWh sold and 120 percent of the average residential revenue per kWh sold by all electric utilities in the state served by the borrower; (3) the difference between the average per capita income of the residents in the borrower's service territory and the average per capita income of all residents of the state in which the borrower serves; (4) the difference between the median household income of the residents in the borrower's service territory and the median household income of all residents in the state served by the borrower; and (5) the difference between the average number of consumers served by the borrower per mile of line and some standard, such as 5.5 consumers per mile, as cited in section 305(c)(2)(B)(ii) of the RE Act?
- Should other criteria be used to reflect the relative need for subsidized financing based on differences among

borrowers in the inherent cost of providing service and the strength of the demand in the borrower's service territory? If so, what criteria should be used, for example, plant investment per consumer or per mile of line, cost of power per kWh, growth in borrower's kWh sales, borrower size reflecting economies of scale, or other measures?

- Should some priority be given to borrowers serving in Empowerment Zones or Enterprise Communities, areas that have been officially designated as having a special need for economic development and job creation?
- Should some priority be given to borrowers for financing of facilities located in counties of persistently high poverty and counties experiencing outward migration, as defined by the Department of Agriculture?
- Should an application receive credit for the time it has been in the queue to ensure that even the lowest priority applications eventually receive a loan? If the average (median) application had to wait, say, 6 months, based on its ranking in terms of need, would it be reasonable if the lowest ranked applications had to wait 1, 2, or 3 years, or should they be moved up more quickly based on time spent in the queue?
- Should the Administrator exercise authority to move an application up in the queue if the borrower faces an extreme hardship based on the factors set forth in 7 CFR 1714.8(c)?

Dated: April 2, 1998.

Wally Beyer,

Acting Under Secretary, Rural Development.

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DEPARTMENT OF AGRICULTURE

Rural Utilities Service

7 CFR Part 1728

Specifications and Drawings for Underground Electric Distribution

AGENCY: Rural Utilities Service, USDA.

ACTION: Proposed rule.

SUMMARY: The Rural Utilities Service (RUS) proposes to revise its regulations on Specifications and Drawings for Underground Electric Distribution, RUS Bulletin 50-6. This bulletin is currently incorporated by reference in RUS regulations and, will continue to be incorporated by reference. This proposed rule is necessary to provide RUS electric borrowers with the latest specifications for RUS electric borrowers to construct their rural

underground electric distribution systems using state-of-the-art materials, equipment, and construction methods. RUS proposes store number and reformat this bulletin in accordance with the Agency's new publications and directives system.

DATES: Written comments must be received by RUS or bear a postmark or equivalent no later than June 8, 1998.

ADDRESSES: Submit written comments to Mr. George J. Bagnall, Director, Electric Staff Division, U.S. Department of Agriculture, Rural Utilities Service, STOP 1569, 1400 Independence Avenue, SW., Washington, DC 20250-1569. RUS requires a signed original and 3 copies of all comments (7 CFR 1700.30(e)). Comments received will be made available for public inspection during regular business hours (7 CFR 1.27(b)).

FOR FURTHER INFORMATION CONTACT: Mr. Trung V. Hiu, Electrical Engineer, Electric Staff Division, Distribution Branch, U.S. Department of Agriculture, Rural Utilities Service, STOP 1569, 1400 Independence Avenue, SW., Washington, DC 20250-1569. Telephone: (202) 720-1877. FAX: (202) 720-7491.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This proposed rule has been determined to be not significant for purposes of Executive Order 12866 and, therefore, has not been reviewed by OMB.

Executive Order 12372

This proposed rule is excluded from the scope of Executive Order 12372, Intergovernmental Consultation, which may require consultation with state and local officials. A Final Rule Related Notice entitled, "Department Programs and Activities Excluded from Executive Order 12372," (50 FR 47034) exempted RUS loans and loan guarantees from coverage under this order.

Executive Order 12988

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. RUS has determined that this proposed rule meets the applicable standards provided in sec. 3 of the Executive Order.

Regulatory Flexibility Act Certification

The Administrator of RUS has determined that a rule relating to the RUS electric loan program is not a rule as defined in the Regulatory Act (5 U.S.C. 601 *et seq.*) and, therefore the Regulatory Flexibility Act does not apply to this proposed rule.

Information Collection and Recordkeeping Requirements

This proposed rule contains no reporting or recordkeeping provisions requiring Office of Management and Budget (OMB) approval under the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35).

National Performance Review

This regulatory action is being taken as part of the National Performance Review program to eliminate unnecessary regulations and improve those that remain in force.

National Environmental Policy Act Certification

The Administrator of RUS has determined that this proposed rule will not significantly affect the quality of the human environment as defined by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*). Therefore, this action does not require an environmental impact statement or assessment.

Catalog of Federal Domestic Assistance

The program described by this proposed rule is listed in the Catalog of Federal Domestic Assistance Programs under No. 10.850, Rural Electrification Loans and Loan Guarantees. This catalog is available on a subscription basis for the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402-9325.

Unfunded Mandates

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

Background

Pursuant to the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 *et seq.*), the Rural Utilities Service (RUS) proposes to amend 7 CFR 1728, Electric Standards and Specifications for Materials and Construction, by revising RUS Bulletin 50-6, Specifications and Drawings for Underground Electric Distribution. This revised bulletin will be renumbered as RUS Bulletin 1728F-806. RUS maintains a system of bulletins that contain construction standards and specifications for materials and equipment which must be complied with when system facilities are constructed by RUS electric and telecommunication borrowers in accordance with the RUS loan contract.

These standards and specifications contain standard construction units and material items and equipment units commonly used in RUS electric and telecommunication borrowers' systems.

RUS Bulletin 50-6 provides standard underground electric distribution construction drawings and specifications of 12.5/7.2 kV and 24.9/14.4 kV underground electric distribution lines. RUS proposes to change the bulletin number from RUS Bulletin 50-6 to RUS Bulletin 1728F-806. The change in the bulletin number and reformatting is necessary to conform to RUS's new publications and directives system. This action will incorporate the bulletin by reference in 7 CFR 1728.

The following are proposed changes to RUS Bulletin 50-6 (D-806):

(1) To new drawings, UC2-1 and UC2-2, have been added as alternative construction to existing drawing UC2.

(2) RUS has determined that the URD INSPECTION FORM and 23 drawings are no longer practical. Therefore, RUS has removed the following drawings: UC3, UC4, UG9A, UG23, UM3-47, UM3-48, UM8-3, UM12-1, UM12-2, UM50, UX8 through UX10, and UX12 through UX26.

(3) Some of the specifications in the Preface have been altered to comply with the latest codes and regulations and to improve field construction.

(4) The titles of the drawings in the Index Of Drawings have been modified to have better descriptions of the corresponding drawings.

Approximately 60 drawings have been revised with one or more of the following changes:

(1) Clearance distance "B" has been changed to be the distance between open vertical conductors (outer edge nearest to pole) and pole center in accordance to the latest codes.

(2) A "B" MINIMUM table has been added to appropriate drawings to show proper clearances corresponding to different voltages.

(3) Ground rods have been redrawn to proper grade.

(4) The installation of "CAUTION", "WARNING", AND "DANGER" signs have been changed to meet the latest codes.

(5) In the material tables, item U hw, "CAUTION" sign, has been changed to "WARNING" signs.

(6) In the material tables, item U hp, elbow termination, has been added.

(7) Ground wires between ground rods and connectors have been redrawn as dotted lines.

(8) In boxes label "B" MINIMUM, the "v" "kv" has been capitalized.

(9) Some notes below the "DESIGNATE AS" headings have been deleted where appropriate.

(10) In the material tables, "(load break type)" has been removed from item af, cutout descriptions.

(11) The term "OVERHEAD SOURCE" has been added to some drawings were appropriate.

(12) Several conductor routes have been redrawn for easier construction and increased performance.

(13) Devices, such as surge arresters, have been redrawn and relocated to reflect the improved designs and to meet the latest safety codes.

(14) Crossarms, penta-head bolts, one-line diagrams, grounding pads, and pin insulators have been added to certain drawings where appropriate.

(15) Blowups have been added to several drawings to emphasize details.

(16) The notes on some drawings have been revised to remove ambiguity and to meet the latest safety codes and construction standards.

List of Subjects in 7 CFR Part 1728

Electric power, Incorporation by reference, Loan programs-energy, Rural areas.

For the reasons set out in the preamble, 7 CFR part 1728 is proposed to be amended as follows:

PART 1728—ELECTRIC STANDARDS AND SPECIFICATIONS FOR MATERIALS AND CONSTRUCTION

1. The authority citation for part 1728 is amended to read as follows:

Authority: 7 U.S.C. 901 *et seq.*, 7 U.S.C. 1921 *et seq.*; 7 U.S.C. 6941 *et seq.*

2. Section 1728.97(b) is amended by removing the entry for Bulletin 50-6, and adding to the list of bulletins in numerical order the entry for Bulletin 1728F-D806 to read as follows:

§ 1728.97 Incorporation by reference of electric standards and specifications.

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(b) List of bulletins.

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Bulletin 1728F-D806, Specifications and Drawings for Underground Electric Distribution [*Month and year of publication of final rule*].

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Dated: April 2, 1998.

Wally Beyer,

Acting Under Secretary, Rural Development.

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