addition, the Committee's meeting was widely publicized throughout the Florida avocado industry and all interested persons were invited to attend the meeting and participate in Committee deliberations on all issues. Like all Committee meetings, the January 13, 1999, meeting was a public meeting and all entities, both large and small, were able to express views on this issue.

This rule imposes no additional reporting or recordkeeping requirements on either small or large Florida avocado handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

The Department has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

A proposed rule concerning this action was published in the **Federal Register** on March 17, 1999 (64 FR 13123). Copies of the proposed rule were also mailed or sent via facsimile to all avocado handlers. Finally, the proposal was made available through the Internet by the Office of the Federal Register. A 30-day comment period ending April 16, 1999, was provided for interested persons to respond to the proposal. No comments in opposition were received.

After consideration of all relevant material presented, including the information and recommendation submitted by the Committee, the comment received, 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 that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because the 1999–2000 fiscal year began on April 1, 1999, and the marketing order requires that the rate of assessment for each fiscal year apply to all assessable avocados handled during such period. The Committee needs to have sufficient funds to pay its expenses which are incurred on a continuous basis. Further, handlers are aware of this rule which was recommended at a public meeting. Also, a 30-day comment period was provided for in the proposed rule.

List of Subjects in 7 CFR Part 915

Avocados, Marketing agreements, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 915 is amended as follows:

PART 915—AVOCADOS GROWN IN SOUTH FLORIDA

1. The authority citation for 7 CFR part 915 continues to read as follows:

Authority: 7 U.S.C. 601–674.

2. Section 915.235 is revised to read as follows:

§ 915.235 Assessment rate.

On and after April 1, 1999, an assessment rate of $0.16 per 55 pound bushel container or equivalent is established for avocados grown in South Florida.

Dated: May 10, 1999.

Robert C. Keeney,

Deputy Administrator, Fruit and Vegetable Programs.

[FR Doc. 99–12238 Filed 5–13–99; 8:45 am]

BILLING CODE 3410–02–P

SMALL BUSINESS ADMINISTRATION

13 CFR Part 120

Business Loan Program

AGENCY: Small Business Administration (SBA).

ACTION: Final rule.

SUMMARY: This final rule implements the Small Business Reauthorization Act of 1997, enacted on December 2, 1997, with respect to SBA financing in the pilot Premier Certified Lenders Program (PCLP). The final rule extends the authority of a Certified Development Company (CDC) participating in the PCLP (Premier CDC).

DATES: This rule is effective on May 14, 1999.

FOR FURTHER INFORMATION CONTACT: LeAnn M. Oliver, 202–205–6490.

SUPPLEMENTARY INFORMATION: On May 5, 1998 (63 FR 24739), SBA published in the **Federal Register** an interim final rule in order to implement Pub. L. 105–135, the ''Small Business Reauthorization Act of 1997'' (1997 legislation), enacted on December 2, 1997, which amends Section 504 of the Small Business Investment Act of 1958 (15 U.S.C. 661–697f) (Act). SBA promulgated the regulation in interim final rule form to enable qualified CDCs to participate in the PCLP Program as soon as possible. SBA received 4 timely comments on its interim final rule. These comments addressed several issues, each of which is discussed below.

The 1997 legislation established a goal of the PCLP to have each Premier CDC process 50% of its loans made under Section 504 of the Act (''504 loans'') under PCLP procedures. Two commenters suggested that SBA make it clear in the regulation that it is a goal and not a requirement. The commenters noted that SBA stated in an internal procedural notice that a Premier CDC was ''required'' to process 50% of its 504 loans under PCLP rather than correctly stating that the 50% level is a goal. SBA agrees with the commenters but believes that the issue should be addressed in a new procedural notice and not in SBA regulations.

One commenter suggested that we substitute the term ''loan'' in place of ''financing'' in several places in the rule. The commenter noted that in certain other sections of SBA regulations the term ''financing'' or ''504 financing'' refers to the combination of the CDC loan, the Third Party Lender's loan, and the Borrower's equity injection and not just the CDC loan. In order to eliminate any possible confusion, SBA will use the term ''loan'' or ''PCLP loan'' in place of ''financing'' throughout this preamble and the final rule.

One commenter objected to SBA's requirement in the interim final rule that a letter of credit comprising any portion of a Premier CDC's loss reserve must have a term ''equal to or longer than the term of the financings it secures''. The commenter stated that: ''While I understand that the intent of this provision is to protect SBA from excessive exposure or loss, I believe that this requirement is not commercially reasonable and that it imposes an unnecessary burden on both the CDC and ultimately the borrowing small business concerns.'' The commenter suggested that SBA amend the requirement so that each letter of credit supporting a PCLP loan (1) has a term of at least one year and (2) provides for at least 90 days prior written notice to SBA and the Premier CDC if the issuer intends to decline issuing a letter of credit on substantially similar terms for another term. While SBA has considered the commenter's suggestion, SBA believes that it is inappropriate to develop and implement regulations for the program that do not fully protect SBA from undue exposure to risk of non-reimbursement resulting from a mismatch in maturity of a PCLP loan and the period a letter of credit providing protection is outstanding. SBA will continue to require that a letter of credit have a term equal to or longer than the maturity of the PCLP loan which triggered the requirement for

the Premier CDC to contribute to the loss reserve.

The comments SBA received regarding the terms of letters of credit contributed to the loss reserve made it clear to SBA that it should clarify what SBA would do if an issuer of a letter of credit did not remain ''well capitalized'' throughout the term of the letter of credit it has issued. The interim final rule stated that an issuer of a letter of credit must be well-capitalized (as that term is defined in regulations of the Federal Deposit Insurance Corporation, as amended (12 CFR 325.103)), but did not say what SBA would do if the issuer became insolvent or otherwise failed to remain well-capitalized during the term of the letter of credit. Accordingly, the final rule expressly states that SBA may require an additional loss reserve contribution by a Premier CDC if an issuer of a contributed letter of credit fails to remain well-capitalized.

The last sentence of § 120.845 (c) (1) of the interim final rule stated that ''A loss reserve irrevocable letter of credit must * * *'' and then listed conditions applicable to the letters of credit. To clarify that all letters of credit contributed to the loss reserve must be irrevocable and that the listed conditions apply to all letters of credit, SBA moved the term ''irrevocable'' from the introductory phrase of that sentence and explicitly made it condition (iii).

A commenter requested clarification regarding the requirement to replenish withdrawn loss reserve assets with contributions ''equal to or greater than the amount of the assets withdrawn.'' The PCLP regulations require Premier CDCs to contribute 1% of each PCLP loan to the loss reserve. If there is a default on a PCLP loan, the Premier CDC must pay to SBA 10% of any loss, after recoveries, incurred by SBA as a result of the default by the Premier CDC on the Debenture issued under PCLP (the Premier CDC's ''Exposure''). The commenter suggested that the proper minimum amount a Premier CDC must replenish to the loss reserve is the amount realized from the loss reserve less the 1% the Premier CDC contributed to the loss reserve when it made the PCLP loan that defaulted. SBA understands the logic underlying the request but declines to make the change because the 1997 legislation explicitly requires Premier CDCs to reimburse at least what has been withdrawn.

The 1997 legislation permitted a Premier CDC to contribute letters of credit to its loss reserve. The legislation required the letters of credit to be assigned to SBA. It did not state how the Premier CDC should do so, for either loss reserve deposits or letters of credit. Commenters generally requested more guidance with respect to the loss reserve. In order to provide such guidance, SBA decided to clarify ''in a manner acceptable to SBA'' and state expressly in the final rule how a Premier CDC will ''assign'' its deposits and letters of credit to SBA. Accordingly, the final rule states, to secure its obligations to SBA under PCLP, a Premier CDC must grant SBA a first priority perfected security interest in any segregated funds comprising any portion of a Premier CDC's loss reserve. Since the letter of credit would be used as credit support for the Premier CDC's obligations to SBA, SBA normally would be the direct beneficiary of the letter of credit, rather than the assignee of a letter of credit naming the Premier CDC as beneficiary. Therefore, SBA has decided to require ''assignment'' of any letter of credit to SBA by having the Premier CDC directly name SBA as the beneficiary of the letter of credit.

A Premier CDC commenter questioned whether this final rule would apply to Premier CDCs already participating in the PCLP pilot, and whether their original agreements with SBA and SBA regulations in effect when they first entered the PCLP pilot would apply after promulgation of this final rule. This final rule applies to all Premier CDCs. This final rule supersedes all prior regulations applicable to the PCLP pilot. If any provision in any agreement between a Premier CDC and SBA relating to the PCLP pilot is inconsistent with any provision of this final rule, the provision of this final rule will govern. If SBA develops a new form of agreement for Premier CDCs, all Premier CDCs will have to enter that agreement, which then would govern all subsequent transactions under the PCLP pilot.

Finally, a commenter wanted to know what happens to a Premier CDC's loss reserve account if SBA suspends or removes the Premier CDC from the PCLP. SBA plans to release an SBA Procedural Notice to address the issue.

Compliance With Executive Orders 12612, 12988, and 12866, the Regulatory Flexibility Act (5 U.S.C. 601–612.), and the Paperwork Reduction Act (44 U.S.C. Ch. 35)

SBA certifies that this final rule does not constitute a significant rule within the meaning of Executive Order 12866, since it is not likely to have an annual effect on the economy of $100 million or more, result in a major increase in costs or prices, or have a significant adverse effect on competition or the U.S. economy.

SBA certifies that this final rule does not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601–612. Last year, SBA made approximately 4,000 504 loans. Currently there are approximately 300 CDCs, less than 25 of which are Premier CDCs. While the 1997 legislation removes the limit on the number of CDCs that can become Premier CDCs, SBA anticipates that, at most, only half of the CDCs would be affected by this rule. Thus the changes to the PCLP implementing the 1997 legislation do not constitute a significant impact on a substantial number of small businesses.

SBA certifies that this final rule does not impose any additional reporting or record-keeping requirements under the Paperwork Reduction Act, 44 U.S.C. chapter 35.

For purposes of Executive Order 12612, SBA certifies that this final rule has no federalism implications warranting preparation of a Federalism Assessment.

For purposes of Executive Order 12988, SBA certifies that this final rule is drafted, to the extent practicable, to accord with the standards set forth in section 3 of that Order.

List of Subjects in 13 CFR Part 120

Loan programs—business, Reporting and recordkeeping requirements, Small businesses.

Accordingly, pursuant to authority contained in section 5(b)(6) of the Small Business Act (15 U.S.C. 634(b)(6)), SBA amends part 120, chapter I, title 13, Code of Federal Regulations as follows:

PART 120—BUSINESS LOANS

1. The authority citation for part 120 continues to read as follows:

Authority: 15 U.S.C. 634(b)(6) and 636(a) and (h).

2. Revise § 120.845 to read as follows:

§ 120.845 Premier Certified Lenders Program (PCLP).

The SBA has established a pilot program (''Program'') to designate a number of CDCs as Premier Certified Lenders (''Premier CDCs''), and to authorize them to approve, close, service, foreclose, litigate, and liquidate 504 loans subject to SBA regulations, procedures, and policies. A Premier CDC's authority to approve loans under the Program is subject to SBA's determination that the loan and Borrower meet SBA's eligibility requirements.

(a) *PCLP Loan Approvals.* A Premier CDC notifies SBA of its approval of a

PCLP loan by submitting appropriate documentation to SBA's loan processing center. SBA will notify the Premier CDC of the SBA loan number (if it does not identify a problem with eligibility, and funds are available).

(b) *Premier CDC Exposure.* A Premier CDC must reimburse SBA for 10% of any loss (including attorney's fees and litigation costs and expenses) incurred by SBA as a result of a default by the Premier CDC on a Debenture issued under the PCLP (''Exposure'').

(c) *Loss Reserve.* A Premier CDC must establish a loss reserve to provide funds to pay its Exposure to SBA.

(1) *Assets.* (i) A Premier CDC's loss reserve must be composed of any combination of:

(A) Segregated funds on deposit in one or more federally insured depository institutions in which the Premier CDC has granted to SBA, in a manner acceptable to SBA, a first priority perfected security interest to secure the Premier CDC's obligations to SBA under the PCLP; or

(B) Irrevocable letters of credit.

(ii) SBA must be named as the beneficiary of all letters of credit. A Premier CDC's loss reserve deposits in an institution may exceed the institution's insured amount, but only if the institution is ''well-capitalized'' as defined in regulations of the Federal Deposit Insurance Corporation, as amended (12 CFR 325.103) (''well capitalized bank'').

(iii) A loss reserve letter of credit must:

(A) Be issued by a well-capitalized bank;

(B) Have a term equal to or longer than the maturity of the PCLP loan which triggered the requirement for the Premier CDC to contribute to the loss reserve;

(C) Be irrevocable;

(D) Be otherwise acceptable to the SBA;

(E) Have an issuer who remains well-capitalized throughout the term of the letter of credit, or SBA may require an additional loss reserve contribution by the contributing Premier CDC.

(2) *Contributions.* A Premier CDC's loss reserve must total 1 percent of the Debentures it issues under the PCLP Program. A Premier CDC must contribute 50 percent of the required loss reserve attributable to each PCLP loan when the Debenture it issues to fund the PCLP loan is closed, 25 percent within 1 year after the Debenture is closed, and 25 percent within 2 years after the Debenture is closed.

(3) *Reimbursement.* SBA determines a Premier CDC's Exposure on a loan and withdraws the amount necessary to cover the Exposure. If, after full use of any assets in the loss reserve, there are not enough loss reserve assets to cover a Premier CDC's Exposure, the Premier CDC must pay SBA any difference between the Exposure and the loss reserve assets withdrawn by SBA to cover the Exposure within 45 days of a demand for payment by SBA.

(4) *Replenishment.* If SBA withdraws assets from the loss reserve to cover a Premier CDC's Exposure, the Premier CDC must replace the withdrawn loss reserve assets within 30 days of the withdrawal with contributions equal to or greater than the amount of the assets withdrawn.

(5). *Withdrawal.* A Premier CDC may withdraw loss reserve assets attributable to any repaid Debenture upon written approval by SBA.

(d) *Review.* SBA will review a Premier CDC's PCLP loans annually.

(e) *Suspension and revocation.* The AA/FA may suspend or revoke a CDC's Premier designation upon written notice stating the reasons for the suspension or revocation at least 10 business days prior to the effective date of the suspension or revocation. Reasons for suspension or revocation may include loan performance unacceptable to SBA, failure to meet loss reserve or eligibility criteria, or violations of applicable statutes, regulations, or published SBA policies and procedures. A Premier CDC may appeal the suspension or revocation made under this section pursuant to the procedures set forth in part 134 of this chapter. The action of the AA/FA shall remain in effect pending resolution of the appeal.

(f) *Applications.* A CDC may obtain information concerning this pilot program from the Office of Program Development in the Office of Financial Assistance at SBA's Headquarters. A CDC may submit its application to the SBA field office in which it is most active. The SBA field office will send the application with its recommendation to the AA/FA for a final decision.

(g) *Acceptance into Program.* When determining a CDC's application, SBA will consider the CDC's ability to work with the local SBA office and the quality of past performance.

(h) *Program period.* The PCLP pilot program ends on October 1, 2000.

Dated: May 5, 1999.

Aida Alvarez,

Administrator.

[FR Doc. 99–12100 Filed 5–13–99; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

13 CFR Part 121

Small Business Size Standards; Engineering Services, Architectural Services, Surveying, and Mapping Services

AGENCY: Small Business Administration.

ACTION: Final rule.

SUMMARY: The Small Business Administration (SBA) is establishing a size standard of $4.0 million in average annual receipts for general Engineering Services (part of Standard Industrial Classification (SIC) code 8711), Architectural Services (SIC code 8712), Surveying (SIC code 8713) and Mapping Services (part of SIC code 7389). The current size standard for the general Engineering component of SIC code 8711 and all of SIC codes 8712 and 8713 is $2.5 million. For Mapping Services under SIC code 7389, the current size standard is $3.5 million. These revisions are made to more appropriately define the size of business in these industries that SBA believes should be eligible for Federal small business assistance programs.

DATES: This rule is effective on June 14, 1999.

FOR FURTHER INFORMATION CONTACT: Robert N. Ray, Office of Size Standards, (202) 205–6618.

SUPPLEMENTARY INFORMATION: On February 3, 1998, SBA proposed a revision to the size standard for general Engineering Services (part of SIC code 8711) from $2.5 million to $7.5 million (63 FR 5480). (The other size standards applicable to Engineering Services under SIC code 8711—Military and Aerospace Equipment, Military Weapons, Marine Engineering, and Naval Architecture—were not reviewed as part of the proposed rule and are not changed by this final rule.)

The proposed rule also revised the size standard for the Architectural Services industry (SIC code 8712), from $2.5 million to $5.0 million, and for the Surveying Services industry (SIC code 8713) from $2.5 million to $3.5 million. SBA proposed no change to the $3.5 million size standard for Mapping Services categorized within Business Services, Not Elsewhere Classified (SIC code 7389). SBA proposed that Mapping Services should have the same size standard as Surveying Services since they are closely related industries. Surveying Services was proposed for adjustment to $3.5 million, the standard already applicable to Mapping Services.

SBA proposed these size standards based on its analysis of the latest