

(1) Adopted any scheme or device that tends to defeat the purpose of the program;

(2) Made any fraudulent representation; or

(3) Misrepresented any fact affecting a program determination.

**§ 1480.21 Offsets, assignments and debt settlement.**

(a) Except as provided in paragraph (b) of this section, any payment or portion thereof to any person shall be made without regard to questions of title under State law and without regard to any claim or lien against the crop, or proceeds thereof, in favor of the owner or any other creditor except agencies of the U.S. Government. The regulations governing offsets and withholdings found at part 1403 of this chapter apply to payments.

(b) Any producer entitled to any payment may assign any payments in accordance with regulations governing the assignment of payments found at part 1404 of this chapter.

(c) A debt or claim may be settled according to part 1403 of this chapter.

**§ 1480.22 Compliance with highly erodible land and wetland conservation provisions.**

Part 12 of this title applies to this part.

Signed in Washington, DC, on June 20, 2003.

**James R. Little,**

*Executive Vice President, Commodity Credit Corporation.*

[FR Doc. 03-16161 Filed 6-23-03; 4:13 pm]

BILLING CODE 3410-05-P

**DEPARTMENT OF AGRICULTURE**

**Rural Utilities Service**

**7 CFR Parts 1710 and 1721**

**RIN 0572-AB79**

**Extensions of Payments of Principal and Interest**

**AGENCY:** Rural Utilities Service, USDA.

**ACTION:** Final rule.

**SUMMARY:** The Rural Utilities Service (RUS) is amending its regulation on extensions of payments of principal and interest, to include a maximum interest rate a RUS Borrower can charge on deferments for programs relating to consumer loans. The maximum interest rate will not be more than 300 basis points above the average interest rate on the note(s) being deferred. This limit would allow the Borrower to offset all or part of the administrative costs involved. In addition, this regulation will set forth the procedure for RUS

Borrowers to request a section 12(a) extension for distributed generation projects. These changes are intended to clarify the procedures Borrowers are to follow when requesting extensions of payments of principal and interest.

**DATES:** This rule will become effective on July 28, 2003.

**FOR FURTHER INFORMATION CONTACT:** Gail P. Salgado, Management Analyst, Rural Utilities Service, Electric Program, Room 4024, South Building, Stop 1560, 1400 Independence Avenue, SW., Washington, DC 20250-1560. Telephone (202) 205-3660.

**SUPPLEMENTARY INFORMATION:**

**Executive Order 12866**

This rule has been determined to be not significant for the purposes of Executive Order 12866 and, therefore, has not been reviewed by the Office of Management and Budget (OMB).

**Executive Order 12988**

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. RUS has determined that this rule meets the applicable standards provided in section 3 of the Executive Order. In addition, all State and local laws and regulations that are in conflict with this rule will be preempted; no retroactive effect will be given to this rule; and, in accordance with section 212(e) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6912(e)) administrative appeals procedures, if any, must be exhausted before an action against the Department or its agencies may be initiated.

**Regulatory Flexibility Act Certification**

It has been determined that the Regulatory Flexibility Act is not applicable to this rule since the Rural Utilities Service is not required by 5 U.S.C. 551 *et seq.* or any other provision of law to publish a notice of proposed rulemaking with respect to the matter of this rule.

**Information Collection and Recordkeeping Requirements**

The reporting and recordkeeping requirements contained in this rule have been approved by the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35) under OMB control number 0572-0123.

**Unfunded Mandates**

This rule contains no Federal mandates (under the regulatory provisions 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 sections 202 and 205 of the Unfunded Mandates Reform Act.

**National Environmental Policy Act Certification**

The Administrator of RUS has determined that this 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 rule is listed in the Catalog of Federal Domestic Assistance programs under number 10.850, Rural Electrification Loans and Loan Guarantees. This catalog is available on a subscription basis from the Superintendent of Documents, the United States Government Printing Office, Washington, DC 20402-9325, telephone number (202) 512-1800.

**Executive Order 12372**

This rule is excluded from the scope of Executive Order 12372, Intergovernmental Consultation, which may require consultation with State and local officials. See the final rule related notice entitled, "Department Programs and Activities Excluded from Executive Order 12372" (50 FR 47034) advising that RUS loans and loan guarantees are not covered by Executive Order 12372.

**Background**

On October 8, 2002, at 67 FR 62652, the Rural Utilities Service (RUS) published a proposed rule, 7 CFR parts 1710 and 1721, "Extensions of Payments of Principal and Interest," which proposed to amend its regulation on extensions of payment of principal and interest to include a maximum interest rate a RUS Borrower can charge on deferments for programs relating to consumer loans. The maximum interest rate will not be more than 300 basis points above the average interest rate on the note(s) being deferred. This limit would allow the Borrower to offset all or part of the administrative costs involved. In addition, the proposed rule set forth the procedure for RUS Borrowers to request a section 12(a) extension for distributed generation projects. These changes were intended to clarify the procedures Borrowers are to follow when requesting extensions of payments of principal and interest.

Written comments on the proposed rule were received and they are summarized as follows:

RUS received comments dated December 4, 2002, from the National Rural Electric Cooperative Association (NRECA) and Central Electric Power Cooperative (CEPC), December 6, 2002, from Sandia National Laboratories (Sandia), and December 9, 2002, from Denetsosie Law Office on behalf of the Navajo Tribal Utility Authority (NTUA).

NRECA recommended that RUS amend §§ 1721.101(b) and 1721.106(a) to clarify the language and ensure that it is consistent by removing the reference to principal in the first sentence of these two sections. RUS should also remove the reference to "level payment" in § 1721.101(b). These changes would make the language consistent and would help to eliminate questions regarding repayment of deferred payments. RUS agrees with these comments and has made the change to the final rule wording under §§ 1721.101(b) and 1721.106(a).

NRECA, Sandia, and NTUA recommend revising the definition of "Off-grid renewable energy system" and NRECA and CEPC recommend revising the definition of "Renewable energy systems," both to be more detailed. RUS is in agreement with these recommendations and has made the changes to the final rule wording under § 1710.2.

In addition, CEPC recommended that RUS give examples of the types of fuel that could qualify as renewable and stated it would also be beneficial to define the term "Green Power." RUS determined that the definition is clearly inclusive of all types of biomass including the examples recommended by CEPC, so no change was made. CEPC also recommended that RUS define Green Power so those organizations that offer Green Power as part of an energy portfolio could do so with certainty regarding acceptable green fuel types to that make a part of their energy mix. RUS did not define the term "Green Power" in its definitions. The definition of Green Power would require a new rulemaking. Renewable energy is considered a type of distributed generation. Additional eligibility purposes for renewable energy are included in 7 CFR 1721.104(c).

There was a typographical error in § 1710.2, On-grid renewable energy system, definition. The word "consumer's" in the second sentence has been corrected to "customer's".

#### List of Subjects

##### 7 CFR Part 1710

Electric power, Electric utilities, Loan programs—energy, Reporting and

recordkeeping requirements, Rural areas.

##### 7 CFR Part 1721

Electric power, Loan programs—energy, Rural areas.

■ For the reasons set forth in the preamble, RUS amends 7 CFR chapter XVII as follows:

#### PART 1710—GENERAL AND PRE-LOAN POLICIES AND PROCEDURES COMMON TO ELECTRIC LOANS AND GUARANTEES

■ 1. The authority citation for part 1710 continues to read:

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

##### Subpart A—General

■ 2. Amend § 1710.2(a) by adding a new definition of "Distributed generation" in alphabetical order and by revising the definitions of "Off-grid renewable energy system," "On-grid renewable energy system," and "Renewable energy system" as follows:

##### § 1710.2 Definitions and rules of construction.

\* \* \* \* \*

*Distributed generation* is the generation of electricity by a sufficiently small electric generating system as to allow interconnection of the electric generating system near the point of service at distribution voltages including points on the customer side of the meter. A distributed generating system may be operated in parallel or independent of the electric power system. A distributed generating system may be fueled by any source, including but not limited to renewable energy sources. A distributed generation project may include one or more distributed generation systems.

\* \* \* \* \*

*Off-grid renewable energy system* is a renewable energy system not interconnected to an area electric power system (EPS). An off-grid renewable energy system in areas without access to an area EPS may include energy consuming devices and electric wiring to provide for more effective or more efficient use of the electricity produced by the system.

*On-grid renewable energy system* is a renewable energy system interconnected to an area electric power system (EPS) through a normally open or normally closed device. It can be interconnected to the EPS on either side of a customer's meter.

\* \* \* \* \*

*Renewable energy system* is an energy conversion system fueled from any of the following energy sources: Solar, wind, hydropower, biomass, or geothermal. Any of these energy sources may be converted to heat or electricity, provided heat is a by-product of electricity generation. Non-renewable energy sources may be used by a renewable energy system for incidental and necessary means such as, but not limited to, system start up, flame stabilization, continuity of system processes, or reduction of the moisture content of renewable fuels. Energy from bio-mass may be converted from any organic matter available on a renewable basis, including dedicated energy crops and trees, agricultural food and feed crops, agricultural crop wastes and residues, wood wastes and residues, aquatic plants, animal wastes, municipal wastes, and other waste materials.

\* \* \* \* \*

#### PART 1721—POST LOAN POLICIES AND PROCEDURES FOR INSURED ELECTRIC LOANS

■ 3. The authority citation for part 1721 continues to read:

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

##### Subpart B—Extensions of Payments of Principal and Interest

■ 4. Amend § 1721.101 by revising paragraph (b) to read as follows:

##### § 1721.101 General.

\* \* \* \* \*

(b) The total amount of interest that has been deferred, including interest on deferred principal, will be added to the principal balance, and the total amount of principal and interest that has been deferred will be reamortized over the remaining life of the applicable note beginning in the first year the deferral period ends.

\* \* \* \* \*

■ 5. Amend § 1721.103 by adding paragraph (c) to read as follows:

##### § 1721.103 Policy.

\* \* \* \* \*

(c) The maximum interest rate a RUS Borrower can charge on deferments for programs relating to consumer loans, *e.g.*, energy resource conservation (ERC) program, contribution-in-aid of construction (CIAC), etc., will not be more than 300 basis points above the average interest rate on the note(s) being deferred. For example, if the RUS Borrower's average interest rate on the note(s) being deferred is 5 percent, the

RUS Borrower can charge a maximum interest rate of 8 percent.

■ 6. Amend § 1721.104 by:

- A. Revising paragraph (c)(1)(ii);
- B. Redesignating paragraph (d) as (e); and

■ C. Adding a new paragraph (d).

This revision and addition are to read as follows:

**§ 1721.104 Eligible purposes.**

\* \* \* \* \*

(c) \* \* \*

(1) \* \* \*

(ii) Electric power system interfaces;

\* \* \* \* \*

(d) *Deferments for distributed generation projects.*

(1) A Borrower may request that RUS defer principal payments to enable the Borrower to finance distributed generation projects. Amounts deferred under this program can be used to cover costs to install all or part of a distributed generation system that:

(i) The Borrower will own and operate, or

(ii) The consumer owns, provided the system owned by the consumer does not exceed 5KW.

(2) A distributed generation project may include one or more individual systems.

\* \* \* \* \*

■ 7. Amend § 1721.105 by redesignating paragraph (d) as (e) and by adding a new paragraph (d) to read as follows:

**§ 1721.105 Application documents.**

\* \* \* \* \*

(d) *Deferments for distributed generation projects.* A Borrower requesting principal deferments for distributed generation projects must submit the following information and approval is also subject to any applicable terms and conditions of the Borrower's loan contract, mortgage, or indenture:

(1) A letter from the Borrower's General Manager requesting an extension of principal payments for the purpose of financing distributed generation projects and describing the details of the project, and

(2) A copy of the board resolution establishing the distributed generation projects program.

\* \* \* \* \*

■ 8. Amend § 1721.106 by revising paragraph (a) and the heading of paragraph (b) to read as follows:

**§ 1721.106 Repayment of deferred payments.**

(a) *Deferments relating to financial hardship.* The total amount of interest that has been deferred, including

interest on deferred principal, will be added to the principal balance, and the total amount of principal and interest that has been deferred will be reamortized over the remaining life of the applicable note beginning in the first year the deferral period ends. For example: the amount of interest deferred in years 2003, 2004, 2005, 2006, and 2007, will be added to the principal balance and reamortized over the life of the applicable note for repayment starting in year 2008.

(b) *Deferments relating to the ERC loan program, renewable energy project(s), distributed generation project(s), and the contribution(s)-in-aid of construction.* \* \* \*

\* \* \* \* \*

Dated: May 30, 2003.

**Hilda Gay Legg,**

*Administrator, Rural Utilities Service.*

[FR Doc. 03-16041 Filed 6-25-03; 8:45 am]

**BILLING CODE 3410-15-P**

**DEPARTMENT OF AGRICULTURE**

**Food Safety and Inspection Service**

**9 CFR Parts 391, 590, and 592**

[Docket No. 02-034F]

**RIN 0583-AC94**

**Changes in Fees for Meat, Poultry, and Egg Products Inspection Services—Calendar Year (CY) 2003**

**AGENCY:** Food Safety and Inspection Service, USDA.

**ACTION:** Final rule.

**SUMMARY:** The Food Safety and Inspection Service (FSIS) is amending its regulations to change the fees that it charges meat and poultry establishments, egg products plants, importers, and exporters for providing voluntary inspection services, overtime and holiday inspection services, identification services, certification services, and laboratory services. The Agency is raising the fees for voluntary base time and holiday and overtime inspection services. These increases in fees reflect, among other factors, the national and locality pay raise for Federal employees (4.1 percent increase effective January 2003) and inflation. FSIS is also decreasing the fee for laboratory services because of greater efficiencies realized. The Agency is not changing the annual fee it charges for the Accredited Laboratory Program.

**DATES:** This final rule is effective on June 29, 2003.

**FOR FURTHER INFORMATION CONTACT:** For further information concerning policy

issues contact Lynn Dickey, Ph.D., Director, Regulations and Directives Development Staff, Office of Policy and Program Development, FSIS, U.S. Department of Agriculture, Room 112, Cotton Annex Building, 300 12th Street, SW., Washington, DC 20250-3700; telephone (202) 720-5627, fax (202) 690-0486.

For information concerning fees, contact Raymond M. Saunders, Director, Budget Division, Office of Management, FSIS, U.S. Department of Agriculture, 2158 South Building, 1400 Independence Avenue, SW., Washington, DC 20250-3700, (202) 720-3367, fax (202) 690-4155.

**SUPPLEMENTARY INFORMATION:**

**Background**

The Federal Meat Inspection Act (FMIA) (21 U.S.C. 601 *et seq.*), the Poultry Products Inspection Act (PPIA) (21 U.S.C. 451 *et seq.*), and the Egg Products Inspection Act (EPIA) (21 U.S.C. 1031 *et seq.*) provide for mandatory Federal inspection of livestock and poultry slaughter at official establishments, and meat and poultry processing at official establishments and egg products processing at official plants. FSIS bears the cost of mandatory inspection that occurs during an establishment or plant's regular hours of operation. Establishments and plants pay for inspection services performed on holidays or on an overtime basis.

In addition, under the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 *et seq.*) (AMA), FSIS provides a range of voluntary inspection, certification, and identification services to assist in the orderly marketing of various animal products and byproducts. These services include the certification of technical animal fats and the inspection of exotic animal products, such as antelope and elk. FSIS is required to recover the costs of voluntary inspection, certification, and identification services.

Under the AMA, FSIS also provides certain voluntary laboratory services that establishments and others may request the Agency to perform. Laboratory services are provided for four types of analytic testing: microbiological testing, residue chemistry tests, food composition tests, and pathology testing. FSIS must recover these costs.

Additionally, FSIS conducts an accreditation program for non-Federal analytical laboratories who are qualified under the Accredited Laboratory Program to conduct analyses of official meat and poultry samples. The Food,