

# Rules and Regulations

Federal Register

Vol. 68, No. 58

Wednesday, March 26, 2003

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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## DEPARTMENT OF AGRICULTURE

### Rural Business-Cooperative Service

### Rural Housing Service

### Rural Utilities Service

### Farm Service Agency

### 7 CFR Part 1940

RIN 0570-AA30

### Methodology and Formulas for Allocation of Loan and Grant Program Funds

**AGENCY:** Rural Business-Cooperative Service, USDA.

**ACTION:** Final rule.

**SUMMARY:** The Rural Business-Cooperative Service (RBS) is amending the regulations for allocating program funds to its State Offices. This action is needed to add the Rural Business Opportunity Grant (RBOG) Program and update the formulas used for the Rural Business Enterprise Grant (RBEG) and Business and Industry (B&I) Guaranteed and Direct Loan programs. The intended effect of this action is to update the formula used for allocating B&I and RBEG funds among State Offices and provide a regulatory formula for allocating RBOG funds.

**EFFECTIVE DATE:** April 25, 2003.

**FOR FURTHER INFORMATION CONTACT:** Diane Berger, Loan Specialist, Specialty Lenders Division, Rural Business-Cooperative Service, U.S. Department of Agriculture, STOP 3225, Room 6868, 1400 Independence Ave. SW., Washington, DC 20250-3225, Telephone (202) 720-2383. The TTD number is (800) 877-8339 or (202) 708-9300.

**SUPPLEMENTARY INFORMATION:**

### Classification

This rule has been determined to be not-significant and has not been reviewed by the Office of Management and Budget.

### Programs Affected

The Catalog of Federal Domestic Assistance numbers for the programs impacted by this action are 10.773, Rural Business Opportunity Grants; 10.769, Rural Business Enterprise Grants; and 10.768, Business and Industry loans.

### Intergovernmental Consultation

The Programs listed are subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with state and local officials.

### Paperwork Reduction Act

There are no reporting and recordkeeping requirements associated with this final rule.

### Executive Order 13132

The policies contained in this rule do not have any substantial direct effect on states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. Nor does this rule impose substantial direct compliance costs on state and local governments. This rule is intended to foster cooperation between the Federal Government and the states and local governments, and reduces, where possible, any regulatory burden imposed by the Federal Government that impedes the ability of states and local governments to solve pressing economic, social and physical problems in their state.

### Civil Justice Reform

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. In accordance with this rule: (1) All state and local laws and regulations that are in conflict with this rule will be preempted; (2) no retroactive effect will be given this rule; and (3) administrative proceedings in accordance with the regulations of the Agency at 7 CFR part 11 must be exhausted before bringing suit in court challenging action taken under this rule, unless those regulations specifically allow bringing suit at an earlier time.

### Environmental Impact Statement

This document has been reviewed in accordance with 7 CFR part 1940, subpart G, "Environmental Program." RBS 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.

### Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA) establishes requirements for Federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments and the private sector. Under section 202 of the UMRA, RBS must prepare a written statement, including a cost-benefit analysis, for proposed and final rules with "Federal mandates" that may result in expenditures to state, local or tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any 1 year. When such a statement is needed for a rule, section 205 of the UMRA generally requires RBS to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, more cost-effective, or least burdensome alternative that achieves the objectives of the rule.

This rule contains no Federal mandates (under the regulatory provisions of title II of the UMRA) 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 UMRA.

### Background

RBS is amending its regulations for allocating program funds among its State Offices. This action is necessary to provide a regulatory basis for allocating funds for a new program, RBOG. Also, adjustments need to be made in the formulas for allocating RBEG and B&I funds to reflect current policies and to add that one of the factors used for RBEG is the State percentage of national rural population with income below the poverty level.

### Discussion of Comments

This rule was published in the **Federal Register** as a proposed rule on