assessment revenue for the 1998–99 fiscal period as a percentage of total producer revenue would range between 0.017 and 0.046 percent.

This action would increase the assessment obligation imposed on handlers. While assessments impose some additional costs on handlers, the costs are minimal and uniform on all handlers. Some of the additional costs may be passed on to producers. However, these costs would be offset by the benefits derived by the operation of the order. In addition, the Committee's meeting was widely publicized throughout the Walla Walla Sweet Onion industry and all interested persons were invited to attend the meeting and participate in Committee deliberations on all issues. Like all Committee meetings, the February 17, 1998, meeting was a public meeting and all entities, both large and small, were able to express views on this issue. Finally, interested persons are invited to submit information on the regulatory and informational impacts of this action on small businesses.

This proposed rule would impose no additional reporting or recordkeeping requirements on either small or large Walla Walla Sweet Onion 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 30-day comment period is provided to allow interested persons the opportunity to respond to this request for information and comments. Thirty days is deemed appropriate because: (1) The Committee needs to have sufficient funds to pay its expenses which are incurred on a continuous basis; (2) the 1998–99 fiscal period begins on June 1, 1998, and the order requires that the rate of assessment for each fiscal period apply to all assessable sweet onions handled during such fiscal period; and (3) handlers are aware of this action which was recommended by the Committee at a public meeting and is similar to other assessment rate actions issued in past years.

List of Subjects in 7 CFR Part 956

Sweet onions, Marketing agreements, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 956 is proposed to be amended as follows:

PART 956—SWEET ONIONS GROWN IN THE WALLA WALLA VALLEY OF SOUTHEAST WASHINGTON AND NORTHEAST OREGON

1. The authority citation for 7 CFR part 956 continues to read as follows:

Authority: 7 U.S.C. 601–674.

2. Section 956.202 is proposed to be revised to read as follows:

§ 956.202 Assessment rate.

On and after June 1, 1998, an assessment rate of $0.21 per 50-pound bag or equivalent is established for Walla Walla Sweet Onions.

Dated: April 2, 1998.

Robert C. Keeny,

Deputy Administrator, Fruit and Vegetable Programs.

[FR Doc. 98–9200 Filed 4–7–98; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

7 CFR Parts 1710 and 1714

Prioritizing the Queue for Hardship Rate and Municipal Rate Loans to Electric Borrowers

AGENCY: Rural Utilities Service, USDA.

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The Rural Utilities Service (RUS) makes hardship rate and municipal rate loans to electric borrowers who meet certain statutory requirements. All applications from borrowers for these loans are usually considered for approval on a first-come first-served basis. RUS now has a significant shortfall between the total dollar amount of qualified applications and loan authority for both hardship rate and municipal rate loans. This shortfall has resulted in long waits in the queues for loan approval. RUS is considering making changes to its administrative procedures to prioritize the applications for hardship rate and municipal rate loans, separately, in order to offer these loans to borrowers in greater need of assistance before offering them to other borrowers in the loan queues.

DATES: Written comments must be received by RUS or bear a postmark or equivalent not later than May 8, 1998.

ADDRESSES: Submit written comments to F. Lamont Heppe, Jr., Director, Program Development and Regulatory Analysis, U.S. Department of Agriculture, Rural Utilities Service, Stop 1522, 1400 Independence Avenue, SW, Washington, DC 20250–1522. RUS requires, in hard copy, a signed original and 3 copies of all comments (7 CFR 1700.30(e)). Comments will be available for public inspection during regular business hours (7 CFR 1.27(b)).

FOR FURTHER INFORMATION CONTACT: Alex M. Cockey, Jr., Deputy Assistant Administrator—Electric Program, U.S. Department of Agriculture, Rural Utilities Service, Stop 1560, 1400 Independence Avenue, SW., Washington, DC 20250–1560. Telephone: 202–720–9545. FAX: 202–690–0717.

SUPPLEMENTARY INFORMATION:

Background

Under section 305(c) of the Rural Electrification Act of 1936, as amended (RE Act), RUS makes insured electric loans at either a 5 percent hardship rate or a municipal rate to borrowers engaged primarily in providing retail electric service in rural areas. The criteria and related procedures for making these loans are codified primarily in 7 CFR part 1714. Under current practice, applications from borrowers for either hardship rate or municipal rate loans that meet the eligibility criteria are usually considered for approval on a first-come first-served basis, as provided in 7 CFR 1710.119(a).

The administrative procedure of processing hardship and municipal rate loans on a first-come first-served basis has worked reasonably well when there have been sufficient appropriations to process all or nearly all the loan applications during the fiscal year. When appropriations are adequate, no borrower eligible for these loans has to wait more than a few months to receive financing. Under those circumstances it makes less difference in terms of meeting needs for financing and protecting the government's loan security interests if a more needy borrower has to wait in the loan queue a few months longer than a less needy borrower. But when appropriations become inadequate to finance all hardship and municipal rate loans pending during the year, it becomes even more of a problem if borrowers with greater need for financing must wait several months longer than other borrowers in the queue with lesser need.

The substantial need for RUS loan funds to improve and maintain reliable rural electric infrastructure, coupled with fiscally limited loan authority, have more recently left RUS with a significant shortfall between the total dollar amount of qualified applications and loan authority. Based on loan applications currently on hand and those projected to come in during the

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.

[FR Doc. 98–9204 Filed 4–7–98; 8:45 am]

BILLING CODE 3410–15–P

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.