

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.

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■ 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.* * * *

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Dated: May 30, 2003.

Hilda Gay Legg,

Administrator, Rural Utilities Service.

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

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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,

Agriculture, Conservation, and Trade Act of 1990, as amended, mandates laboratory accreditation fees that cover the costs of the Accredited Laboratory Program. The same Act mandates annual payment of the fees on the anniversary date of each accreditation.

Every year, FSIS reviews the fees that it charges for providing overtime and holiday inspection services; voluntary inspection, identification, and certification services; and laboratory services. The Agency performs a cost analysis to determine whether the fees that it has established are adequate to recover the costs that it incurs in providing these services. In the Agency's analysis of projected costs for January 12, 2003 to January 10, 2004, the Agency has identified increases in the costs of providing voluntary base time inspection services and overtime and holiday inspection services. FSIS has also identified decreases in the costs of providing laboratory services because of greater efficiencies. The Agency is not changing the annual fee it charges for the Accredited Laboratory Program.

FSIS calculated the new fees for base time and overtime and holiday inspection services by adding the projected increase in salaries and inflation for 2003 to the actual cost of the services in 2002. The national and locality pay raise for Federal employees was a 4.1 percent increase effective January 2003. The Agency calculated inflation to be 2.1% for 2003. Section 10703 of the 2002 Farm bill authorizes the Secretary of Agriculture to set the hourly rate of compensation for FSIS employees exempt from the Fair Labor Standards Act (*i.e.*, veterinarians) working in establishments subject to the FMIA and PPIA at one and one-half times the employee's hourly rate of base pay. FSIS has adjusted the overtime fees to include the costs of time-and-a-half for all in-plant employees doing overtime work. Previously, veterinarians were limited to the time-and-a-half rate paid to employees at grade level GS-10, step 1. Finally, because of improvements in accessing data from the accounting system, the Agency has been able to estimate the employee benefits ascribable to overtime work and include these in the fee calculation. These costs were formerly only included in the base rate.

The previous and new fees are listed by type of service in Table 1.

TABLE 1.—PREVIOUS AND NEW FEES—PER HOUR PER EMPLOYEE—BY TYPE OF SERVICE

Service	Previous rate	New rate
Base time	\$42.64	\$43.64
Overtime & holiday	44.40	50.04
Laboratory	68.32	61.80

The differing proposed fee increase for each type of service is the result of the different amount that it costs FSIS to provide these three types of services. The differences in costs stem from various factors, including different salary levels of the program employees who perform the services. *See* Table 2.

TABLE 2.—CALCULATIONS FOR THE DIFFERENT TYPES OF SERVICES

Base time	Amount
Actual CY 2002 cost	\$22.54
Pay raise (4.1%)	0.92
Benefits	6.10
Travel, operating & lab costs, & inflation	2.26
Program overhead	4.27
Agency overhead	7.03
Allowance for bad debt	0.52
Total	43.64
Overtime and Holiday Inspection Services:	
Actual CY 2002 cost	30.10
Time & a half for veterinarians	2.73
Pay raise (4.1%)	1.35
Benefits	1.71
Travel, operating & lab costs, & inflation	2.26
Program overhead	4.27
Agency overhead	7.03
Allowance for bad debt	0.60
Adjustment for divisibility into quarter hours	(0.01)
Total	50.04
Laboratory Services:	
FY 2001 hourly salaries & benefits	32.05
Pay raises in 2002 & 2003	2.85
Travel & operating costs for 2002 & 2003	5.72
Program overhead	14.13
Agency overhead	6.32
Allowance for bad debt	0.74
Adjustment for divisibility by quarter hours	(0.01)
Total	61.80

The Agency must recover the actual cost of the services covered by this final rule. These fee increases are essential for the continued sound financial management of the Agency's costs. FSIS announced in its February 26, 2003, proposed rule [68 FR 8858] the fee changes provided for in this final rule.

The Agency believes that adequate notice has been given to affected parties. The Administrator has determined that these amendments should be effective less than 30 days after publication in the **Federal Register** in order for FSIS to recover the costs of the services provided and reduce the possibility of monetary losses for the Agency. Therefore, the changes in fees will be effective on June 29, 2003.

Proposed Rule and Comments

FSIS published a proposed rule [68 FR 8858] on February 26, 2003, stating that it was proposing changing fees for inspection services for CY 2003. The Agency provided for a thirty day comment period, ending March 28, 2003. FSIS received two comments on the proposed rule; one from a government employee and one from an industry group.

Comment: The Government commenter said that changes made in the administration of the Accredited Laboratory Program have depleted the surplus of funds in the Accredited Laboratory Program account. Consequently, the Agency should not decrease the amount it charges for the Accredited Laboratory Program.

Response: The Agency agrees with the comment and, therefore, will not amend its regulations to decrease the fee charged Accredited Laboratories.

The industry commenter raised several objections to raising fees for voluntary inspection services.

Comment: Contrary to the Agency's assertion, the increase for overtime and holiday inspection service is well beyond what the industry would anticipate for inflation and wage increases.

Response: The increase in fees result from inflation and greater salary costs that are not dissimilar to industry's. FSIS will now be reimbursing veterinarians a full time and half over their base rate of pay for holiday and overtime. This accounts in part for the size of the increase for overtime and holiday pay. The change in holiday and overtime pay for veterinarians was authorized by the 2002 Farm Bill.

Comment: FSIS has not considered the incremental cost per pound for mandatory overtime and holiday inspection.

Response: FSIS has considered the incremental cost per pound and acknowledges that it will differ from establishment to establishment, depending upon how much overtime and holiday inspection they use, and whether they use voluntary inspection services. This has been discussed in the economic analysis.

Comment: More information is needed to fully assess the economic impact of the proposed increases.

Response: The Agency believes it has presented adequate information to explain the assessment of the economic impact of the fee increases.

Comment: Automatic fee increases for mandatory inspection eliminate any pressure to optimize the use of limited inspection services.

Response: FSIS appropriations do not cover voluntary inspection services or overtime and holiday inspection services. The Agency is required by statute to recover the full cost of voluntary and overtime and holiday inspection services.

Comment: FSIS should fulfill its goal of implementing risk-based inspection and eliminate fees for overtime and holiday inspection.

Response: FSIS is moving toward a more risk-based allocation of inspection resources. However, a risk-based inspection approach does not mean the elimination of holiday and overtime inspection fees. These fees are required by statute.

Executive Order 12866 and Regulatory Flexibility Act

Because this final rule has been determined to be not significant, the Office of Management and Budget (OMB) did not review it under Executive Order 12866.

The Administrator, FSIS, has determined that this final rule will not have a significant economic impact, as defined by the Regulatory Flexibility Act (5 U.S.C.601), on a substantial number of small entities.

Establishments and plants that seek FSIS services are likely to have calculated that the incremental costs of overtime and holiday inspection services will be less than the incremental expected benefits of additional revenues that they would realize from additional production.

Economic Effects

As a result of the new fees, the Agency expects to collect an estimated \$119 million in revenues for 2003, compared to \$101 million under the previous fee structure. The costs that industry will experience by the raise in fees are similar to other increases that the industry faces because of inflation and wage increases.

The total volume of meat and poultry slaughtered under Federal inspection in 2001 was about 83 billion pounds (Livestock, Dairy, Meat, and Poultry Outlook Report, Economic Research Service, USDA, August 15, 2002). The total volume of U.S. egg product

production in 2001 was about 2.319 billion pounds (2002 Agriculture Statistics, USDA). The increase in cost per pound of product associated with the new fees increases is, in general, \$.0002. Even in competitive industries like meat, poultry, and egg products, this amount of increase in costs would have an insignificant impact on profits and prices.

The industry is likely to pass through a significant portion of the new fee increases to consumers because of the inelastic nature of the demand curve facing these firms. Research has shown that consumers are unlikely to reduce demand significantly for meat and poultry products, including egg products, when prices increase. Huang estimates that demand would fall by .36 percent for a one percent increase in price (Huang, Kao S., A Complete System of U.S. Demand for Food. USDA/ERS Technical Bulletin No 1821, 1993, p.24). Because of the inelastic nature of demand and the competitive nature of the industry, individual firms are not likely to experience any change in market share in response to an increase in inspection fees.

Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This final rule: (1) preempts State and local laws and regulations that are inconsistent with this rule; (2) has no retroactive effect; and (3) does not require administrative proceedings before parties may file suit in court challenging this rule. However, the administrative procedures specified in 9 CFR 306.5, 381.35, and 590.300 through 590.370, respectively, must be exhausted before any judicial challenge of the application of the provisions of this proposed rule, if the challenge involves any decision of an FSIS employee relating to inspection services provided under the FMIA, PPIA, or EPIA.

Additional Public Notification

Public awareness of all segments of rulemaking and policy development is important. Consequently, in an effort to better ensure that minorities, women, and persons with disabilities are aware of this final rule, FSIS will announce it and make copies of this **Federal Register** publication available through the FSIS Constituent Update. FSIS provides a weekly Constituent Update, which is communicated via Listserv, a free e-mail subscription service. In addition, the update is available on-line through the FSIS Web page located at <http://www.fsis.usda.gov>. The update is used to provide information regarding

FSIS policies, procedures, regulations, **Federal Register** notices, public meetings, recalls, and any other types of information that could affect or would be of interest to our constituents/stakeholders. The constituent Listserv consists of industry, trade, and farm groups, consumer interest groups, allied health professionals, scientific professionals, and other individuals that have requested to be included. Through the Listserv and Web page, FSIS is able to provide information to a much broader, more diverse audience than would otherwise be possible.

For more information contact the Congressional and Public Affairs Office, at (202) 720-9113. To be added to the free e-mail subscription service (Listserv) go to the "Constituent Update" page on the FSIS Web site at <http://www.fsis.usda.gov/oa/update/update.htm>. Click on the "Subscribe to the Constituent Update Listserv" link, then fill out and submit the form.

List of Subjects

9 CFR Part 391

Fees and charges, Government employees, Meat inspection, Poultry products.

9 CFR Part 590

Eggs and egg products, Exports, Food labeling, Imports.

9 CFR Part 592

Eggs and egg products, Exports, Food labeling, Imports.

■ For the reasons set forth in the preamble, FSIS is amending 9 CFR Chapter III as follows:

PART 391—FEES AND CHARGES FOR INSPECTION AND LABORATORY ACCREDITATION

■ 1. The authority citation for part 391 continues to read as follows:

Authority: 7 U.S.C. 138f; 7 U.S.C. 394, 1622 and 1624; 21 U.S.C. 451 *et. seq.*; 21 U.S.C. 601-695; 7 CFR 2.18 and 2.53.

■ 2. Sections 391.2, 391.3, and 391.4, are revised to read as follows:

Sec.
391.2 Base time rate.
391.3 Overtime and holiday rate.
391.4 Laboratory service rate.

§ 391.2 Base time rate.

The base time rate for inspection services provided pursuant to §§ 350.7, 351.8, 351.9, 352.5, 354.101, 355.12, and 362.5 is \$43.64 per hour per program employee.

§ 391.3 Overtime and holiday rate.

The overtime and holiday rate for inspection services provided pursuant

to §§ 307.5, 350.7, 351.8, 351.9, 352.5, 354.101, 355.12, 362.5 and 381.38 is \$50.04 per hour per program employee.

§ 391.4 Laboratory services rate.

The rate for laboratory services provided pursuant to §§ 350.7, 351.9, 352.5, 354.101, 355.12, and 362.5 is \$61.80 per hour per program employee.

PART 590—INSPECTION OF EGGS AND EGG PRODUCTS (EGG PRODUCTS INSPECTION ACT)

■ 3. The authority citation for Part 590 continues to read as follows:

Authority: 21 U.S.C. 1031–1056.

■ 4. Section 590.126 is revised to read as follows:

§ 590.126 Overtime inspection service.

When operations in an official plant require the services of inspection personnel beyond their regularly assigned tour of duty on any day or on a day outside the established schedule, such services are considered as overtime work. The official plant must give reasonable advance notice to the inspector of any overtime service necessary and must pay the Agency for such overtime at an hourly rate of \$50.04.

■ 5. In § 590.128, paragraph (a) is revised to read as follows:

§ 590.128 Holiday inspection service.

(a) When an official plant requires inspection service on a holiday or a day designated in lieu of a holiday, such service is considered holiday work. The official plant must, in advance of such holiday work, request the inspector in charge to furnish inspection service during such period and must pay the Agency for such holiday work at an hourly rate of \$50.04.

PART 592—VOLUNTARY INSPECTION OF EGG PRODUCTS

■ 6. The authority citation for Part 592 continues to read as follows:

Authority: 7 U.S.C. 1621–1627.

■ 7. Sections 592.2, 592.3, and 592.4 are revised to read as follows:

- 592.2 Base time rate.
- 592.3 Overtime rate.
- 592.4 Holiday rate.
- 592.2 Base time rate.

The base time rate for voluntary inspection services of egg products is \$43.64 per hour per program employee.

§ 592.3 Overtime rate.

When operations in an official plant require the services of inspection personnel beyond their regularly

assigned tour of duty on any day or on a day outside the established schedule, such services are considered as overtime work. The official plant must give reasonable advance notice to the inspector of any overtime service necessary and must pay the Agency for such overtime at an hourly rate of \$50.04.

§ 592.4 Holiday rate.

When an official plant requires voluntary inspection service on a holiday or a day designated in lieu of a holiday, such service is considered holiday work. The official plant must, in advance of such holiday work, request the inspector in charge to furnish inspection service during such period and must pay the Agency for such holiday work at an hourly rate of \$50.04.

Done at Washington, DC on: June 23, 2003.

Garry L. McKee,

Administrator.

[FR Doc. 03–16167 Filed 6–25–03; 8:45 am]

BILLING CODE 3410–DM–P

FEDERAL RESERVE SYSTEM

12 CFR Part 229

[Regulation CC; Docket No. R–1150]

Availability of Funds and Collection of Checks; Correction

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; correction.

SUMMARY: The Board of Governors is correcting the supplementary information that it provided in connection with a final rule updating the routing numbers for Federal Reserve Banks and Federal Home Loan Banks, which was published in the **Federal Register** of May 28, 2003.

DATES: The final rule is effective July 28, 2003.

FOR FURTHER INFORMATION CONTACT:

Adrienne G. Threatt, Counsel, 202–452–3554, Legal Division. For users of Telecommunications Device for the Deaf (TDD) only, contact 202–263–4869.

SUPPLEMENTARY INFORMATION: The Board published a final rule in the **Federal Register** of May 28, 2003, that amended the Federal Reserve Bank and Federal Home Loan Bank routing information listed in appendix A of Regulation CC, effective July 28, 2003. The supplementary information for this final rule also included detailed information about an upcoming series of amendments to appendix A that will reflect the transfer of check processing

activities within the Federal Reserve system. The Board specifically described which routing symbols in appendix A would be affected by the upcoming restructuring, indicating both the current office to which each affected routing symbol is assigned and the office to which it will be assigned after the restructuring. Inadvertently, the Board omitted from this supplementary information two routing symbols that will be transferred from the Richmond head office to the Baltimore branch. This document corrects the error by adding the two previously omitted routing symbols, 0514 and 2514, to the Baltimore branch routing symbol list in the supplementary information.

In the final rule, FR Doc. 03–13030 (68 FR 31592 (May 28, 2003)), make the following corrections in the **SUPPLEMENTARY INFORMATION** section. On page 31595, in the first column, replace routing symbol list 3. with the following:

3. Baltimore.

The operations of the Richmond head office will be transferred such that banks with the following Federal Reserve routing symbols will be local to the Baltimore branch:

0510	2510
0514	2514
0520	2520
0521	2521
0522	2522
0540	2540
0550	2550
0560	2560
0570	2570

By order of the Board of Governors of the Federal Reserve System, June 19, 2003.

Jennifer J. Johnson,

Secretary of the Board.

[FR Doc. 03–16051 Filed 6–25–03; 8:45 am]

BILLING CODE 6210–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2003–SW–26–AD; Amendment 39–13198; AD 2003–12–13]

RIN 2120–AA64

Airworthiness Directives; Agusta S.p.A. Model A109K2 Helicopters

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This amendment adopts a new airworthiness directive (AD) for