

Colorado Area III potato producers and handlers may be classified as small entities.

The budget of expenses for the 1995-96 fiscal period was prepared by the Colorado Potato Administrative Committee, Northern Colorado Office (Area III), the agency responsible for local administration of the marketing order, and submitted to the Department for approval. The members of the Committee are producers and handlers of Colorado Area III potatoes. They are familiar with the Committee's needs and with the costs for goods and services in their local area and are thus in a position to formulate an appropriate budget. The budget was formulated and discussed in a public meeting. Thus, all directly affected persons have had an opportunity to participate and provide input.

The assessment rate recommended by the Committee was derived by dividing anticipated expenses by expected shipments of Colorado Area III potatoes. Because that rate will be applied to actual shipments, it must be established at a rate that will provide sufficient income to pay the Committee's expenses.

In Colorado, both a State and a Federal marketing order operate simultaneously. The State order authorizes promotion, including paid advertising, which the Federal order does not. All expenses in this category are financed under the State order. The jointly operated programs consume about equal administrative time and the two orders continue to split administrative costs equally.

The Committee met on April 13, 1995, and unanimously recommended a 1995-96 budget of \$27,362.50, \$3,037.50 more than the previous year. Budget items for the 1995-96 Federal portion of the administrative budget which have increased compared to those budgeted for 1994-95 (in parentheses) are: Audit, \$450 (\$400), medical insurance, \$685 (\$620), office equipment, \$4,500 (\$2,000), payroll tax, \$902.50 (\$880), Federal meetings, \$500 (\$400), and \$300 for other salary for which no funding was recommended last year.

The Committee also unanimously recommended an assessment rate of \$0.02 per hundredweight, the same as last season. This rate, when applied to anticipated potato shipments of 1,200,500 hundredweight, will yield \$24,010 in assessment income. This, along with \$1,500 in interest income, \$1,200 in rent from the sublease of office space to the State inspection service, and \$652.50 from the Committee's authorized reserve will be adequate to cover budgeted expenses.

Funds in the reserve at the end of the 1995-96 fiscal period, estimated at \$35,195, will be within the maximum permitted by the order of two fiscal periods' expenses.

While this action will impose some additional costs on handlers, the costs are in the form of uniform assessments on all handlers. Some of the additional costs may be passed on to producers. However, these costs will be offset by the benefits derived by the operation of the marketing order. Therefore, the Administrator of the AMS has determined that this action will not have a significant economic impact on a substantial number of small entities.

After consideration of all relevant material presented, including the information and recommendation submitted by the Committee 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 upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect because: (1) The Committee needs to have sufficient funds to pay its expenses which are incurred on a continuous basis; (2) the fiscal period begins on July 1, 1995, and the marketing order requires that the rate of assessment for the fiscal period apply to all assessable potatoes handled during the fiscal period; (3) handlers are aware of this action which was unanimously recommended by the Committee at a public meeting and is similar to other budget actions issued in past years; and (4) this interim final rule provides a 30-day comment period, and all comments timely received will be considered prior to finalization of this rule.

#### List of Subjects in 7 CFR Part 948

Marketing agreements, Potatoes, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 948 is amended as follows:

#### PART 948—IRISH POTATOES GROWN IN COLORADO

1. The authority citation for 7 CFR part 948 continues to read as follows:

**Authority:** 7 U.S.C. 601-674.

2. A new §948.213 is added to read as follows:

**Note:** This section will not appear in the Code of Federal Regulations.

#### §948.213 Expenses and assessment rate.

Expenses of \$27,362.50 by the Colorado Potato Administrative Committee, Northern Colorado Office (Area III) are authorized, and an assessment rate of \$0.02 per hundredweight of assessable potatoes is established for the fiscal period ending June 30, 1996. Unexpended funds may be carried over as a reserve.

Dated: May 24, 1995.

**Sharon Bomer Lauritsen,**

*Deputy Director, Fruit and Vegetable Division.*

[FR Doc. 95-13237 Filed 5-30-95; 8:45 am]

BILLING CODE 3410-02-P

#### Rural Housing and Community Development Service

#### Rural Business and Cooperative Development Service

#### Rural Utilities Service

#### Consolidated Farm Service Agency

#### 7 CFR Parts 1955, 1962, and 1965

#### Administrative Changes to Provide Authority to Approve Releases of Liability in Connection with Voluntary Liquidations

**AGENCIES:** Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, Rural Utilities Service, and Consolidated Farm Service Agency, USDA.

**ACTION:** Final rule.

**SUMMARY:** The Consolidated Farm Service Agency (CFSA) is the successor to the Farmers Home Administration pursuant to Section 226 of the Department of Agriculture Reorganization Act of 1994 (Pub. L. 103-354, October 13, 1994). The CFSA amends its Property Management, Chattel Property, and Real Property regulations to conform with changes made to its debt settlement regulations in April 1993. These conforming changes are made to give State Directors release of liability authority for borrowers whose total indebtedness is less than one million dollars. The intended effect is to expedite the processing of requests from borrowers who are unable to repay all of their CFSA debts.

**EFFECTIVE DATE:** May 31, 1995.

**FOR FURTHER INFORMATION CONTACT:** Edward R. Yaxley, Jr., Senior Loan Officer, Farm Credit Programs Loan Servicing and Property Management Division, Consolidated Farm Service Agency, USDA, room 5449, South Agriculture Building, 14th and Independence Avenue SW.,

Washington, DC 20250, telephone (202) 720-4572.

**SUPPLEMENTARY INFORMATION:**

**Classification**

This action is not subject to the provisions of Executive Order 12866 because it involves only internal agency management and it has no impact on CFSA borrowers or other members of the public. This action is not published for notice and comment under the Administrative Procedure Act since the changes only involve internal processing of documents by CFSA employees which will expedite the administrative review process for releases of liability, permitting more timely debt relief to CFSA borrowers, and consequently reducing the Agency's portfolio of inactive uncollectible accounts. It is published so that CFSA borrowers will be aware of the authority of State Directors to execute releases from liability for certain debts.

**Paperwork Reduction Act**

The information collection requirements contained in these regulations have been approved by the Office of Management and Budget (OMB) under the provisions of 44 U.S.C. Chapter 35 and have been assigned OMB control numbers 057-0109 and 057-0086. This final rule does not revise or impose any new information collection requirement from those previously approved by OMB.

**Background**

The CFSA amends its Property Management, Chattel Property, and Real Property regulations to conform with changes made to its debt settlement regulations on April 21, 1993 (58 FR 21344). These conforming changes are made to give State Directors release of liability authority for borrowers whose total indebtedness (including principal, interest and other charges) is less than one million dollars. This action only involves internal processing of documents by CFSA employees which will expedite the administrative review process for releases of liability, permitting more timely debt relief to CFSA borrowers, and consequently reducing the Agency's portfolio of inactive uncollectible accounts. It is helpful to CFSA borrowers to know the authority levels for releases of liability by State Directors. The procedure for the release in all cases is set forth in 7 CFR part 1956, subpart B.

CFSA amends subpart A of part 1955: (1) Section 1955.10(f)(2) to give State Directors authority to accept and process offers to convey real property

when the unsatisfied CFSA indebtedness is less than \$1,000,000.

(2) Section 1955.20(b)(2) to give State Directors authority to accept and process offers to convey chattel property when the unsatisfied CFSA indebtedness is less than \$1,000,000.

CFSA amends subpart A of part 1962:

(1) Section 1962.34(h) to give State Directors authority to approve the transfer and assumption of CFSA accounts to eligible and ineligible transferees and release the transferors of liability when the CFSA debt secured by chattels minus their market value is less than \$1,000,000.

CFSA amends subpart A of part 1965:

(1) Section 1965.26(f)(5)(ii) to give State Directors authority to approve release of liability for borrowers whose outstanding CFSA debt after a cash sale of real property is less than \$1,000,000.

(2) Section 1965.27(f) to give State Directors authority to approve the transfer and assumption of CFSA accounts to eligible and ineligible transferees and release the transferors of liability when the CFSA debt secured by real property minus its market value is less than \$1,000,000.

**Programs Affected**

The programs are listed in the Catalog of Federal Domestic Assistance (CFDA) under:

- 10.404 Emergency Loans
- 10.406 Farm Operating Loans
- 10.407 Farm Ownership Loans
- 10.410 Low Income Housing Loans
- 10.411 Rural Housing Site Loans
- 10.415 Rural Rental Housing Loans
- 10.416 Soil and Water Loans
- 10.417 Very Low-Income Housing Repair Loans and Grants

**Environmental Impact Statement**

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

**List of Subjects**

7 CFR Part 1955

Foreclosure, Government acquired property.

7 CFR Part 1962

Crops, Government property, Livestock, Loan programs—Agriculture, Rural areas.

7 CFR Part 1965

Foreclosure, Loan programs—Agriculture, Rural areas.

Therefore, chapter XVIII, title 7, Code of Federal Regulations is amended as follows:

**PART 1955—PROPERTY MANAGEMENT**

1. The authority citation for part 1955 continues to read as follows:

**Authority:** 7 U.S.C. 1989; 42 U.S.C. 1480; 5 U.S.C. 301; 7 CFR 2.23 and 2.70.

**Subpart A—Liquidation of Loans Secured by Real Estate and Acquisition of Real and Chattel Property**

2. Section 1955.10 is amended by revising the third and the last sentences of paragraph (f)(2)(ii) to read as follows:

**§ 1955.10 Voluntary conveyance of real property by the borrower to the Government.**

\* \* \* \* \*

(f) \* \* \*

(2) \* \* \*

(ii) \* \* \* When the Agency debt less the market value and prior liens is \$1 million or more (including principal, interest and other charges), release of liability must be approved by the Administrator or designee; otherwise, the State Director must approve the release of liability. All cases requiring a release of liability will be submitted for review in accordance with exhibit A of subpart B of part 1956 of this chapter (available in any CFSA office).

\* \* \* \* \*

3. Section 1955.20 is amended by revising the third sentence of paragraph (b)(2) to read as follows:

**§ 1955.20 Acquisition of chattel property.**

\* \* \* \* \*

(b) \* \* \*

(2) \* \* \* When the Agency debt less the market value and prior liens is \$1 million or more (including principal, interest and other charges), release of liability must be approved by the Administrator or designee; otherwise, the State Director must approve the release of liability. \* \* \*

\* \* \* \* \*

**PART 1962—PERSONAL PROPERTY**

4. The authority citation for part 1962 continues to read as follows:

**Authority:** 7 U.S.C. 1989; 42 U.S.C. 1480; 5 U.S.C. 301; 7 CFR 2.23; 7 CFR 2.70.

**Subpart A—Servicing and Liquidation of Chattel Security**

5. Section 1962.34 is amended by revising the second sentence of paragraph (h) to read as follows:

**§ 1962.34 Transfer of chattel security and EO property and assumption of debts.**

\* \* \* \* \*

(h) \* \* \* When the Agency debt less the market value and prior liens is \$1 million or more (including principal, interest and other charges), release of liability must be approved by the Administrator or designee; otherwise, the State Director must approve the release of liability. \* \* \*

**PART 1965—REAL PROPERTY**

6. The authority citation for part 1965 continues to read as follows:

**Authority:** 7 U.S.C. 1989; 42 U.S.C. 1480; 5 U.S.C. 301; 7 CFR 2.23; 7 CFR 2.70.

**Subpart A—Servicing of Real Estate Security for Farmer Program Loans and Certain Note-Only Cases**

7. Section 1965.26 is amended by revising the first sentence of paragraph (f)(5)(ii) to read as follows:

**§ 1965.26 Liquidation action.**

\* \* \* \* \*

(f) \* \* \*

(5) \* \* \*

(ii) When the Agency debt less the market value and prior liens is \$1 million or more (including principal, interest and other charges), release of liability must be approved by the Administrator or designee; otherwise, the State Director must approve the release of liability. \* \* \*

\* \* \* \* \*

8. Section 1965.27 is amended by revising the second sentence of paragraph (f) to read as follows:

**§ 1965.27 Transfer of real estate security.**

\* \* \* \* \*

(f) \* \* \* When the Agency debt less the market value and prior liens is \$1 million or more (including principal, interest and other charges), release of liability must be approved by the Administrator or designee; otherwise, the State Director must approve the release of liability. \* \* \*

\* \* \* \* \*

Dated: May 3, 1995.

**Eugene Moos,**

*Under Secretary, Farm and Foreign Agricultural Services.*

Dated: May 3, 1995.

**Michael V. Dunn,**

*Acting Under Secretary, Rural Economic and Community Development.*

[FR Doc. 95-13243 Filed 5-30-95; 8:45 am]

BILLING CODE 3410-07-V

**7 CFR Part 1956**

**Reporting Discharged Debts to the Internal Revenue Service**

**AGENCIES:** Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, Rural Utilities Service, and Consolidated Farm Service Agency, USDA.

**ACTION:** Final rule.

**SUMMARY:** The Rural Housing and Community Development Service (RHCD), Rural Business and Cooperative Development Service (RBCDS), Rural Utilities Service (RUS), and Consolidated Farm Service Agency (CFSA), amends their debt settlement regulations. The intended effect is to remove debt settlement regulations concerning the Internal Revenue Service (IRS) requirement that certain agency discharges of indebtedness be reported to the IRS. This action is necessary to remove strictly internal procedural requirements from the debt settlement regulation.

**EFFECTIVE DATE:** May 31, 1995.

**FOR FURTHER INFORMATION CONTACT:** Debra A. Deters, Accountant, Operations Division, Rural Housing and Community Development Service, USDA, Finance Office, Room 3529, 1520 Market Street, St. Louis, Missouri 63103, Telephone (314) 539-2492.

**SUPPLEMENTARY INFORMATION:**

**Classification**

This final rule has been determined to be not-significant for purposes of Executive Order 12866 because it has no adverse impact on borrowers or other members of the public and involves only internal Agency management. Since this rule relates only to internal agency procedures, notice of proposed rulemaking and opportunity for

comment are not required. For the same reason, this rule is exempt from the provisions of Executive Order No. 12778, 56 FR 55195 (1991), and the Regulatory Flexibility Act, Pub. L. No. 96-354. This rule is being made effective immediately upon publication in the **Federal Register** since it concerns internal management and public loans, grants, benefits, or contracts. These subjects are exempted from 5 U.S.C. 553 requirements. The Agencies are amending their debt settlement regulations to remove internal procedures for reporting discharges of indebtedness to the Internal Revenue Service (IRS). These procedures will be covered by internal instructions consistent with IRS policy.

**Paperwork Reduction Act**

The information collection requirements contained in these regulations have been previously approved by the Office of Management and Budget (OMB) under the provisions of 44 U.S.C. Chapter 35 and have been assigned OMB control numbers 0575-0118 and 0575-0124 in accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3507). This rule does not revise or impose any new information collection requirement from those approved by OMB.

**Environmental Impact Statement**

This document has been reviewed in accordance with 7 CFR part 1940, subpart G, "Environmental Program." It is the determination of RHCD, RBCDS, RUS, and CFSA 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.

**Intergovernmental Consultation**

1. This activity is not subject to Executive Order (EO) 12372 which requires intergovernmental consultation with State and local officials and is not listed in the Catalog of Federal Domestic Assistance, however, affected programs 10.411, 10.416, and 10.437 are subject to the provisions of EO 12372.

**Program Affected**

These changes affect the following USDA programs listed in the Catalog of Federal Domestic Assistance under numbers:

- 10.404 Emergency Loans
- 10.406 Farm Operating Loans
- 10.407 Farm Ownership Loans
- 10.411 Rural Housing Site