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## DEPARTMENT OF AGRICULTURE

### Office of Energy Policy and New Uses

#### 7 CFR Part 2902

RIN 0503-AA29

#### Designation of Biobased Items for Federal Procurement

**AGENCY:** Office of Energy Policy and New Uses, USDA.

**ACTION:** Final rule; establishment of effective date.

**SUMMARY:** The U.S. Department of Agriculture (USDA) is amending 7 CFR part 2902, Guidelines for Designating Biobased Products for Federal Procurement, to establish the effective date by which procuring agencies must give a procurement preference for qualifying biobased water tank coatings and bedding, bed linens, and towels. These two items were designated for procurement preference in a final rule published by USDA on March 16, 2006 (71 FR 13686). At that time, however, the effective date by which procuring agencies were required to give these two designated items procurement preference was deferred until such time that additional manufacturers of products within these designated items were identified. This final rule announces that additional manufacturers have been identified for each item and establishes the effective date by which procuring agencies must give these two designated items procurement preference.

**DATES:** This rule is effective November 20, 2006.

**FOR FURTHER INFORMATION CONTACT:** Marvin Duncan, USDA, Office of the Chief Economist, Office of Energy Policy and New Uses, Room 4059, South Building, 1400 Independence Avenue, SW., MS-3815, Washington, DC 20250-3815; e-mail: [mduncan@oce.usda.gov](mailto:mduncan@oce.usda.gov); phone: (202) 401-0461. Information

regarding the Federal Biobased Products Preferred Procurement Program is available on the Internet at <http://www.biobased.oce.usda.gov>.

**SUPPLEMENTARY INFORMATION:** The information presented in this preamble is organized as follows:

- I. Authority
- II. Background
- III. Summary of Changes
- IV. Regulatory Information
  - A. Executive Order 12866: Regulatory Planning and Review
  - B. Executive Order 12630: Governmental Actions and Interference With Constitutionally Protected Property Rights
  - C. Executive Order 12988: Civil Justice Reform
  - D. Executive Order 13132: Federalism
  - E. Unfunded Mandates Reform Act of 1995
  - F. Executive Order 12372: Intergovernmental Review of Federal Programs
  - G. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments

#### I. Authority

The Guidelines for Designating Biobased Products for Federal Procurement (the Guidelines) were established under the authority of section 9002 of the Farm Security and Rural Investment Act of 2002 (FSRIA), 7 U.S.C. 8102 (referred to in this document as "section 9002"), as amended by the Energy Policy Act of 2005 (Pub. L. 109-58).

#### II. Background

On March 16, 2006, USDA published in the **Federal Register** (71 FR 13686) a final rule designating six items within which biobased products will be afforded procurement preference, as required by section 9002 of FSRIA. In that final rule, USDA established an effective date of March 16, 2007, as the date by which procuring agencies must give procurement preference to four of the six items. However, as discussed in the preamble to the March 16, 2006, final rule, USDA deferred establishing an effective date for the other two items because only one manufacturer of a biobased product within each of these items had been identified. The two items for which an effective date was deferred were water tank coatings and bedding, bed linens, and towels.

In the March 16, 2006, **Federal Register** notice, USDA announced that a preferred procurement effective date

would be established for water tank coatings and bedding, bed linens, and towels after two or more manufacturers of biobased products within these items were identified. With today's final rule, USDA is announcing that additional manufacturers of products within these two designated items have been identified. As it has done with all manufacturers of qualifying biobased products, USDA invites these manufacturers of qualifying products to post information on the product, contact information, and performance testing on its FB4P Web site, <http://www.biobased.oce.usda.gov>. Procuring agencies will be able to utilize this Web site as one tool to determine the availability of qualifying biobased products under a designated item.

#### III. Summary of Changes

This final rule amends subsections 2902.12(c) and 2902.15(c) to specify the dates by which procuring agencies must give procurement preference to biobased products within the water tank coatings and bedding, bed linens, and towels designated items, respectively. USDA is establishing a preference effective date of November 20, 2007 for these two designated items. This effective date allows procuring agencies a one-year period for the implementation of the procurement preference.

#### IV. Regulatory Information

##### A. Executive Order 12866: Regulatory Planning and Review

This rule has been reviewed under 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).

##### B. Executive Order 12630: Governmental Actions and Interference With Constitutionally Protected Property Rights

This final rule has been reviewed in accordance with Executive Order 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights, and does not contain policies that would have implications for these rights.

*C. Executive Order 12988: Civil Justice Reform*

This final rule has been reviewed in accordance with Executive Order 12988, Civil Justice Reform. This rule does not preempt State or local laws, is not intended to have retroactive effect, and does not involve administrative appeals.

*D. Executive Order 13132: Federalism*

This final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment. Provisions of this rule will not have a substantial direct effect on States or their political subdivisions or on the distribution of power and responsibilities among the various government levels.

*E. Unfunded Mandates Reform Act of 1995*

This final rule contains no Federal mandates under the regulatory provisions of Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), 2 U.S.C. 1531–1538, for State, local, and tribal governments, or the private sector. Therefore, a statement under section 202 of UMRA is not required.

*F. Executive Order 12372: Intergovernmental Review of Federal Programs*

For the reasons set forth in the Final Rule Related Notice for 7 CFR part 3015, subpart V (48 FR 29115, June 24, 1983), this program is excluded from the scope of the Executive Order 12372, which requires intergovernmental consultation with State and local officials. This program does not directly affect State and local governments.

*G. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments*

Today's final rule does not significantly or uniquely affect "one or more Indian tribes, \* \* \* the relationship between the Federal Government and Indian tribes, or \* \* \* the distribution of power and responsibilities between the Federal Government and Indian tribes." Thus, no further action is required under Executive Order 13175.

**List of Subjects in 7 CFR Part 2902**

Biobased products, Procurement.

■ For the reasons stated in the preamble, the Department of Agriculture is amending 7 CFR chapter XXIX as follows:

**CHAPTER XXIX—OFFICE OF ENERGY POLICY AND NEW USES, DEPARTMENT OF AGRICULTURE**

**PART 2902—GUIDELINES FOR DESIGNATING BIOBASED PRODUCTS FOR FEDERAL PROCUREMENT**

■ 1. The authority citation for part 2902 continues to read as follows:

**Authority:** 7 U.S.C. 8102.

■ 2. Revise paragraph (c) of § 2902.12 to read as follows:

**§ 2902.12 Water tank coatings.**

\* \* \* \* \*

(c) *Preference effective date.* No later than November 20, 2007, procuring agencies, in accordance with this part, will give a procurement preference for qualifying biobased water tank coatings. By that date, Federal agencies that have the responsibility for drafting or reviewing specifications for items to be procured shall ensure that the relevant specifications require the use of biobased water tank coatings.

■ 3. Revise paragraph (c) of § 2902.15 to read as follows:

**§ 2902.15 Bedding, bed linens, and towels.**

\* \* \* \* \*

(c) *Preference effective date.* No later than November 20, 2007, procuring agencies, in accordance with this part, will give a procurement preference for qualifying biobased bedding, bed linens, and towels. By that date, Federal agencies that have the responsibility for drafting or reviewing specifications for items to be procured shall ensure that the relevant specifications require the use of biobased bedding, bed linens, and towels.

Dated: November 14, 2006.

**Keith Collins,**

*Chief Economist, U.S. Department of Agriculture.*

[FR Doc. E6–19587 Filed 11–17–06; 8:45 am]

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**DEPARTMENT OF AGRICULTURE**

**Rural Business-Cooperative Service**

**Rural Utilities Service**

**7 CFR Part 4279**

**RIN 0570–AA54**

**Business and Industry Guaranteed Loan Program**

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

**ACTION:** Final rule.

**SUMMARY:** Rural Business-Cooperative Service (RBS) amends its regulations for the Business and Industry (B&I) Guaranteed Loan Program by modifying the regulation regarding personal and corporate guarantors. This action will standardize the guarantor process. The Agency has created a guarantor form which will be used to obtain the personal or corporate guarantee of anyone owning greater than 20 percent interest in the borrower. The effect of this rule is to allow the Agency to use all remedies available to pursue collection from guarantors, including offset under the Debt Collection Improvement Act.

**DATES:** This rule is effective December 20, 2006.

**FOR FURTHER INFORMATION CONTACT:** David Lewis, Business and Industry Loan Servicing Branch, Rural Business-Cooperative Service, U.S. Department of Agriculture, STOP 3224, 1400 Independence Avenue, SW., Washington, DC 20250–3224, telephone (202) 690–0797, or by e-mail to [david.lewis@wdc.usda.gov](mailto:david.lewis@wdc.usda.gov).

**SUPPLEMENTARY INFORMATION:**

**Classification**

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

**Programs Affected**

The Catalog of Federal Domestic Assistance number for the program impacted by this action is 10.768, Business and Industry Loans.

**Intergovernmental Review**

Business and Industry Guaranteed Loans are subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. Intergovernmental consultation is required in the manner delineated in RD Instruction 1940–J and 7 CFR part 3015, subpart V, "Intergovernmental Review of Rural Development Programs and Activities."

**Civil Justice Reform**

This 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 of the National Appeals Division (7 CFR part 11) must be exhausted before bringing suit in court challenging action taken under this rule.