

each class of oil, including whether the estimated season average price to producers is likely to exceed parity.

Based on its review, the Committee believes that the salable quantities and allotment percentages established in this rule will achieve the objectives sought. The Committee also believes that, should there be no volume regulation in effect for the upcoming marketing year, the Far West spearmint oil industry will return to the pronounced cyclical price patterns that occurred prior to the promulgation of the Order. As previously stated, annual salable quantities and allotment percentages have been issued for both classes of spearmint oil since the Order's inception. The salable quantities and allotment percentages established herein are expected to facilitate the goal of maintaining orderly marketing conditions for Far West spearmint oil for the 2020–2021 and future marketing years.

Costs to producers and handlers, large and small, resulting from this action are expected to be offset by the benefits derived from a more stable market and increased returns. The benefits of this rule are expected to be equally available to all producers and handlers regardless of their size.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the Order's information collection requirements have been previously approved by OMB and assigned OMB No. 0581–0178, Vegetable and Specialty Crops. No changes are necessary in those requirements as a result of this action. Should any changes become necessary, they would be submitted to OMB for approval.

This rule establishes the salable quantities and allotment percentages for Scotch spearmint oil and Native spearmint oil produced in the Far West during the 2020–2021 marketing year. Accordingly, this rule does not impose any additional reporting or recordkeeping requirements on either small or large spearmint oil producers or 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. USDA has not identified any relevant Federal rules that duplicate, overlap, or conflict with this final rule.

AMS is committed to complying with the E-Government Act, to promote the use of the internet and other information technologies to provide increased opportunities for citizen

access to Government information and services, and for other purposes.

A proposed rule concerning this action was published in the **Federal Register** on February 20, 2020 (85 FR 9699). Copies of the proposed rule were also mailed or sent via facsimile to all Far West spearmint oil handlers. The proposal was made available through the internet by USDA and the Office of the Federal Register. A 60-day comment period ending April 20, 2020, was provided for interested persons to respond to the proposal. No comments were received during the comment period. Accordingly, no changes will be made to the rule as proposed.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: <https://www.ams.usda.gov/rules-regulations/moa/small-businesses/>. Any questions about the compliance guide should be sent to Richard Lower at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

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 will tend to effectuate the declared policy of the Act.

#### List of Subjects in 7 CFR Part 985

Marketing agreements, Oils and fats, Reporting and recordkeeping requirements, Spearmint oil.

For the reasons set forth in the preamble, 7 CFR part 985 is amended as follows:

#### **PART 985—MARKETING ORDER REGULATING THE HANDLING OF SPEARMINT OIL PRODUCED IN THE FAR WEST**

- 1. The authority citation for 7 CFR part 985 continues to read as follows:

**Authority:** 7 U.S.C. 601–674.

- 2. Add § 985.235 to read as follows:

#### **§ 985.235 Salable quantities and allotment percentages—2020–2021 marketing year.**

The salable quantity and allotment percentage for each class of spearmint oil during the marketing year beginning on June 1, 2020, shall be as follows:

(a) Class 1 (Scotch) oil—a salable quantity of 838,404 pounds and an allotment percentage of 38 percent.

(b) Class 3 (Native) oil—a salable quantity of 1,230,531 pounds and an allotment percentage of 49 percent.

**Bruce Summers,**  
*Administrator, Agricultural Marketing Service.*

[FR Doc. 2020–10945 Filed 6–10–20; 8:45 am]

**BILLING CODE 3410–02–P**

## **SMALL BUSINESS ADMINISTRATION**

### **13 CFR Parts 120 and 121**

**[Docket Number SBA–2020–0034]**

**RIN 3245–AH48**

#### **Business Loan Program Temporary Changes; Paycheck Protection Program—Eligibility of Certain Telephone Cooperatives**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Interim final rule.

**SUMMARY:** On April 2, 2020, the U.S. Small Business Administration (SBA) posted an interim final rule announcing the implementation of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act temporarily adds a new program, titled the “Paycheck Protection Program,” to the SBA’s 7(a) Loan Program. The CARES Act also provides for forgiveness of up to the full principal amount of qualifying loans guaranteed under the Paycheck Protection Program (PPP). The PPP is intended to provide economic relief to small businesses nationwide adversely impacted by the Coronavirus Disease 2019 (COVID–19). This interim final rule supplements previously published interim final rules by providing guidance on additional eligibility requirements for certain telephone cooperatives, and requests public comment.

#### **DATES:**

*Effective date:* This rule is effective June 8, 2020.

*Applicability date:* This interim final rule applies to applications submitted under the Paycheck Protection Program through June 30, 2020, or until funds made available for this purpose are exhausted.

*Comment date:* Comments must be received on or before July 13, 2020.

**ADDRESSES:** You may submit comments, identified by number SBA–2020–0034 through the Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments. SBA will post all comments on [www.regulations.gov](http://www.regulations.gov). If you wish to submit confidential business

information (CBI) as defined in the User Notice at [www.regulations.gov](http://www.regulations.gov), please send an email to [ppp-ifr@sba.gov](mailto:ppp-ifr@sba.gov). Highlight the information that you consider to be CBI and explain why you believe SBA should hold this information as confidential. SBA will review the information and make the final determination whether it will publish the information.

**FOR FURTHER INFORMATION CONTACT:** A Call Center Representative at 833-572-0502, or the local SBA Field Office; the list of offices can be found at <https://www.sba.gov/tools/local-assistance/districtoffices>.

**SUPPLEMENTARY INFORMATION:** SBA posted additional interim final rules on April 3, 2020, April 14, 2020, April 24, 2020, April 28, 2020, April 30, 2020, May 5, 2020, May 8, 2020, May 13, 2020, May 14, 2020, May 18, 2020, May 20, 2020, and May 22, 2020; SBA and Treasury posted an additional interim final rule on May 22, 2020; and the Department of the Treasury posted an additional interim final rule on April 28, 2020. This interim final rule supplements the previously posted interim final rules by providing guidance on additional eligibility requirements for certain telephone cooperatives, and requests public comment.

## I. Background Information

On March 13, 2020, President Trump declared the ongoing Coronavirus Disease 2019 (COVID-19) pandemic of sufficient severity and magnitude to warrant an emergency declaration for all States, territories, and the District of Columbia. With the COVID-19 emergency, many small businesses nationwide are experiencing economic hardship as a direct result of the Federal, State, tribal, and local public health measures that are being taken to minimize the public's exposure to the virus. These measures, some of which are government-mandated, are being implemented nationwide and include the closures of restaurants, bars, and gyms. In addition, based on the advice of public health officials, other measures, such as keeping a safe distance from others or even stay-at-home orders, are being implemented, resulting in a dramatic decrease in economic activity as the public avoids malls, retail stores, and other businesses.

On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) (Pub. L. 116-136) to provide emergency assistance and health care response for individuals, families, and businesses

affected by the coronavirus pandemic. The Small Business Administration (SBA) received funding and authority through the CARES Act to modify existing loan programs and establish a new loan program to assist small businesses nationwide adversely impacted by the COVID-19 emergency. Section 1102 of the CARES Act temporarily permits SBA to guarantee 100 percent of 7(a) loans under a new program titled the "Paycheck Protection Program." Section 1106 of the CARES Act provides for forgiveness of up to the full principal amount of qualifying loans guaranteed under the Paycheck Protection Program (PPP). On April 24, 2020, the President signed the Paycheck Protection Program and Health Care Enhancement Act (Pub. L. 116-139), which provided additional funding and authority for the PPP.

Among the categories of entities that are eligible PPP borrowers are business concerns and certain nonprofit organizations described in section 501(c)(3) of the Internal Revenue Code (the Code). This interim final rule addresses the eligibility of mutual or cooperative telephone companies that are described in section 501(c)(12) of the Internal Revenue Code (telephone cooperatives) as PPP borrowers. Existing SBA regulations define "business concern" as "a business entity organized for profit," subject to certain limitations. 13 CFR 121.105(a)(1). Generally, telephone cooperatives are organizations that are owned and controlled by members who receive telecommunications services from the cooperative. Telephone cooperatives periodically return any excess of net operating revenues over their cost of operations—such as through "capital credits"—to their member-owners. In addition, telephone cooperatives meeting the description of section 501(c)(12) of the Code may be exempt from federal income taxation under section 501(a) of the Code. To qualify for the exemption, a telephone cooperative must receive at least 85 percent of its income each year from its members. The 85 percent member income test is computed annually. A telephone cooperative may be exempt in one year, lose exemption in another year if it does not derive at least 85 percent of its income from members, and become exempt in a third year. Because of their potential tax exemption under section 501(c)(12) of the Code, telephone cooperatives have faced uncertainty about their eligibility to receive PPP loans.

The Administrator, in consultation with the Secretary, understands that telephone cooperatives are unusual in

that they may be exempt from taxation or organized under state nonprofit statutes in certain jurisdictions, while they operate as businesses. For example, telephone cooperatives provide telecommunications services and distribute capital credits to their member-owners.

On May 14, 2020, SBA posted an interim final rule providing that certain electric cooperatives, which may also be exempt from taxation or organized under state nonprofit statutes, but which return any excess of net operating revenues over their cost of operations to their member-owners, will be considered to be "a business entity organized for profit" under 13 CFR 121.105(a)(1) for purposes of the PPP and therefore eligible to receive PPP loans, provided they meet other eligibility criteria. *See* 85 FR 29847. Because telephone cooperatives also operate as businesses, as described below, and to provide certainty to potential PPP applicants, this interim final rule provides that, for purposes of the PPP, a telephone cooperative that is exempt from federal income taxation under section 501(c)(12) of the Code also will be considered to be "a business entity organized for profit" under 13 CFR 121.105(a)(1). As a result, such telephone cooperatives are eligible PPP borrowers, as long as other eligibility requirements are met.

## II. Comments and Immediate Effective Date

The intent of the Act is that SBA provide relief to America's small businesses expeditiously. This intent, along with the dramatic decrease in economic activity nationwide, provides good cause for SBA to dispense with the 30-day delayed effective date provided in the Administrative Procedure Act. Specifically, it is critical to meet lenders' and borrowers' need for clarity concerning program requirements as rapidly as possible because the last day eligible borrowers can apply for and receive a loan is June 30, 2020.

This interim final rule supplements previous regulations and guidance on an important, discrete issue. The immediate effective date of this interim final rule will benefit lenders so that they can swiftly close and disburse loans to small businesses. This interim final rule is effective without advance notice and public comment because section 1114 of the Act authorizes SBA to issue regulations to implement Title I of the Act without regard to notice requirements. This rule is being issued to allow for immediate implementation of this program. Although this interim final rule is effective immediately,

comments are solicited from interested members of the public on all aspects of the interim final rule, including section III below. These comments must be submitted on or before July 13, 2020. SBA will consider these comments and the need for making any revisions as a result of these comments.

### III. Paycheck Protection Program Additional Eligibility Criteria

#### Overview

The CARES Act was enacted to provide immediate assistance to individuals, families, and organizations affected by the COVID-19 emergency. Among the provisions contained in the CARES Act are provisions authorizing SBA to temporarily guarantee loans under the PPP. Loans under the PPP will be 100 percent guaranteed by SBA, and the full principal amount of the loans and any accrued interest may qualify for loan forgiveness. Additional information about the PPP is available in interim final rules published by SBA and the Department of the Treasury in the **Federal Register** (85 FR 20811, 85 FR 20817, 85 FR 21747, 85 FR 23450, 85 FR 23917, 85 FR 26321, 85 FR 26324, 85 FR 27287, 85 FR 29845, 85 FR 29842, 85 FR 29847, 85 FR 30835, 85 FR 31357, 85 FR 33004, and 85 FR 33010), collectively, the PPP Interim Final Rules.

#### 1. Eligibility of Certain Telephone Cooperatives

*Are telephone cooperatives that are exempt from federal income taxation under section 501(c)(12) of the Internal Revenue Code eligible for a PPP loan?*

Yes. Telephone cooperatives provide telecommunications services and return any excess of net operating revenues over their cost of operations to their member-owners, such as through capital credits. Accordingly, for purposes of the PPP, the Administrator, in consultation with the Secretary, has determined that a telephone cooperative that is exempt from federal income taxation under section 501(c)(12) of the Internal Revenue Code will be considered to be “a business entity organized for profit” for purposes of 13 CFR 121.105(a)(1). As a result, such entities are eligible PPP borrowers, as long as other eligibility requirements are met. To be eligible, a telephone cooperative must satisfy the employee-based size standard established in the CARES Act, SBA’s employee-based size standard corresponding to its primary industry, if higher, or both tests in SBA’s “alternative size standard.”<sup>1</sup> The

Administrator, in consultation with the Secretary, has determined that this treatment is appropriate to effectuate the purposes of the CARES Act to provide assistance to eligible PPP borrowers, including business concerns, affected by the COVID-19 emergency.

#### 2. Additional Information

SBA may provide further guidance, if needed, through SBA notices that will be posted on SBA’s website at [www.sba.gov](http://www.sba.gov). Questions on the Paycheck Protection Program may be directed to the Lender Relations Specialist in the local SBA Field Office. The local SBA Field Office may be found at <https://www.sba.gov/tools/local-assistance/districtoffices>.

*Compliance With Executive Orders 12866, 12988, 13132, 13563, and 13771, the Paperwork Reduction Act (44 U.S.C. Ch. 35), and the Regulatory Flexibility Act (5 U.S.C. 601–612)*

Executive Orders 12866, 13563, and 13771

This interim final rule is economically significant for the purposes of Executive Orders 12866 and 13563, and is considered a major rule under the Congressional Review Act. SBA, however, is proceeding under the emergency provision at Executive Order 12866 Section 6(a)(3)(D) based on the need to move expeditiously to mitigate the current economic conditions arising from the COVID-19 emergency. This rule’s designation under Executive Order 13771 will be informed by public comment.

#### Executive Order 12988

SBA has drafted this rule, to the extent practicable, in accordance with the standards set forth in section 3(a) and 3(b)(2) of Executive Order 12988, to minimize litigation, eliminate ambiguity, and reduce burden. The rule has no preemptive or retroactive effect.

#### Executive Order 13132

SBA has determined that this rule will not have substantial direct effects on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various layers of government. Therefore,

qualify for the PPP as a small business concern if, as of March 27, 2020: (1) The maximum tangible net worth of the business was not more than \$15 million; and (2) the average net income after Federal income taxes (excluding any carry-over losses) of the business for the two full fiscal years before the date of the application is not more than \$5 million. For a telephone cooperative that does not have net income, the telephone cooperative’s capital credits distributed to its owner-members will be considered its net income.

SBA has determined that this rule has no federalism implications warranting preparation of a federalism assessment.

Paperwork Reduction Act, 44 U.S.C. Chapter 35

SBA has determined that this rule will not impose new or modify existing recordkeeping or reporting requirements under the Paperwork Reduction Act.

Regulatory Flexibility Act (RFA)

The Regulatory Flexibility Act (RFA) generally requires that when an agency issues a proposed rule, or a final rule pursuant to section 553(b) of the APA or another law, the agency must prepare a regulatory flexibility analysis that meets the requirements of the RFA and publish such analysis in the **Federal Register**. 5 U.S.C. 603, 604. Specifically, the RFA normally requires agencies to describe the impact of a rulemaking on small entities by providing a regulatory impact analysis. Such analysis must address the consideration of regulatory options that would lessen the economic effect of the rule on small entities. The RFA defines a “small entity” as (1) a proprietary firm meeting the size standards of the Small Business Administration (SBA); (2) a nonprofit organization that is not dominant in its field; or (3) a small government jurisdiction with a population of less than 50,000. 5 U.S.C. 601(3)–(6). Except for such small government jurisdictions, neither State nor local governments are “small entities.” Similarly, for purposes of the RFA, individual persons are not small entities. The requirement to conduct a regulatory impact analysis does not apply if the head of the agency “certifies that the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities.” 5 U.S.C. 605(b). The agency must, however, publish the certification in the **Federal Register** at the time of publication of the rule, “along with a statement providing the factual basis for such certification.” If the agency head has not waived the requirements for a regulatory flexibility analysis in accordance with the RFA’s waiver provision, and no other RFA exception applies, the agency must prepare the regulatory flexibility analysis and publish it in the **Federal Register** at the time of promulgation or, if the rule is promulgated in response to an emergency that makes timely compliance impracticable, within 180 days of publication of the final rule. 5 U.S.C. 604(a), 608(b). Rules that are exempt from notice and comment are also exempt from the RFA requirements, including conducting a regulatory flexibility analysis, when among other

<sup>1</sup> Under the alternative size standard, a business concern, including a telephone cooperative, can

things the agency for good cause finds that notice and public procedure are impracticable, unnecessary, or contrary to the public interest. SBA Office of Advocacy guide: How to Comply with the Regulatory Flexibility Act, Ch.1. p.9. Accordingly, SBA is not required to conduct a regulatory flexibility analysis.

**Jovita Carranza,**  
Administrator.

[FR Doc. 2020-12623 Filed 6-8-20; 2:00 pm]

BILLING CODE 8026-03-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA-2020-0546; Project Identifier 2020-CE-001-AD; Amendment 39-21137; AD 2020-03-50]

RIN 2120-AA64

#### Airworthiness Directives; Cirrus Design Corporation Airplanes

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule; request for comments.

**SUMMARY:** The FAA is adopting a new airworthiness directive (AD) for certain Cirrus Design Corporation (Cirrus) Model SF-50 airplanes. This AD was sent previously as an emergency AD to all known U.S. owners and operators of these airplanes. This AD requires disconnecting and removing the headset amplifier and microphone interface circuit card assemblies for the 3.5 mm audio and microphone jacks. This AD was prompted by a cabin fire incident that occurred on a Cirrus Model SF50 airplane during ground operations where the operator observed smoke exiting from behind the right sidewall interior panel. The FAA is issuing this AD to address the unsafe condition on these products.

**DATES:** This AD is effective June 11, 2020 to all persons except those persons to whom it was made immediately effective by Emergency AD 2020-03-50, issued on February 14, 2020, which contained the requirements of this amendment.

The Director of the Federal Register approved the incorporation by reference of a certain publication identified in this AD as of June 11, 2020.

The FAA must receive comments on this AD by July 27, 2020.

**ADDRESSES:** You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- **Federal eRulemaking Portal:** Go to <https://www.regulations.gov>. Follow the instructions for submitting comments.

- **Fax:** 202-493-2251.

- **Mail:** U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, Washington, DC 20590.

- **Hand Delivery:** Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this final rule, contact Cirrus Design Corporation; 4515 Taylor Circle Duluth, MN 55811; phone: (800) 279-4322; email: [info@cirrusaircraft.com](mailto:info@cirrusaircraft.com); internet: <https://cirrusaircraft.com>. You may view the referenced service information at the FAA, Airworthiness Products Section, Operational Safety Branch, 901 Locust, Kansas City, Missouri 64106. For information on the availability of this material at the FAA, call (816) 329-4148. It is also available on the internet at <https://www.regulations.gov> by searching for and locating Docket No. FAA-2020-0546.

#### Examining the AD Docket

You may examine the AD docket on the internet at <https://www.regulations.gov> by searching for and locating Docket No. FAA-2020-0546; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, the regulatory evaluation, any comments received, and other information. The street address for Docket Operations is listed above. Comments will be available in the AD docket shortly after receipt.

#### FOR FURTHER INFORMATION CONTACT:

Joseph Dubusky, Aerospace Engineer, Chicago ACO Branch, FAA, 2300 East Devon Avenue, Room 107, Des Plaines, Illinois 60018; phone: 847-294-7543; fax: 847-294-7834; email: [joseph.dubusky@faa.gov](mailto:joseph.dubusky@faa.gov).

#### SUPPLEMENTARY INFORMATION:

##### Discussion

On February 14, 2020, the FAA issued Emergency AD 2020-03-05, which requires disconnecting and removing the headset amplifier and microphone interface circuit card assemblies. This emergency AD was sent previously to all known U.S. owners and operators of these airplanes. This action was prompted by a cabin fire incident that occurred on a Cirrus Model SF50 airplane during ground operations. The operator observed smoke exiting from behind the right sidewall interior panel

located behind crew seat 2 and forward of passenger seat 5. The investigation into the incident determined the probable root cause was a malfunction of the headset amplifier (part number (P/N) 38849-001) and the microphone interface (P/N 35809-001) circuit card assemblies for the 3.5 millimeter (mm) audio and microphone jacks. This malfunction can result in an electrical short and subsequent uncontained cabin fire without activating circuit protection.

This condition, if not addressed, could lead to an uncontained cabin fire, resulting in possible occupant injury or loss of airplane control.

#### Related Service Information Under 14 CFR Part 51

The FAA reviewed Cirrus Alert Service Bulletin Number SBA5X-23-03, dated February 7, 2020 (SBA5X-23-03). The service information contains instructions to disconnect and remove the headset amplifier and microphone interface circuit card assemblies for the 3.5 mm audio and microphone jacks. This service information is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

#### FAA's Determination

The FAA is issuing this AD because it evaluated all the relevant information and determined the unsafe condition described previously is likely to exist or develop in other products of the same type design.

#### AD Requirements

This AD requires accomplishing the actions specified in SBA5X-23-03 as described previously.

#### FAA's Justification and Determination of the Effective Date

An unsafe condition exists that required the immediate adoption of Emergency AD 2020-03-50, issued on February 14, 2020, to all known U.S. owners and operators of these airplanes. The FAA found that the risk to the flying public justified waiving notice and comment prior to adoption of this rule because immediate corrective action was necessary to prevent an electrical short and subsequent uncontained cabin fire, which could result in occupant injury or loss of airplane control. These conditions still exist and the AD is hereby published in the **Federal Register** as an amendment to section 39.13 of the Federal Aviation Regulations (14 CFR 39.13) to make it effective to all persons. Therefore, the FAA finds good cause that notice and