DEPARTMENT OF EDUCATION

Federal Family Education Loan Program

AGENCY: Department of Education.

ACTION: Notice to guaranty agencies of invitation to participate in Voluntary Flexible Agreements.

SUMMARY: The Secretary invites Federal Family Education Loan (FFEL) guaranty agencies to submit an application to participate under a Voluntary Flexible Agreement. This notice specifies the criteria that the Secretary will use to select not more than six guaranty agencies (initial guaranty agencies) that will be invited to negotiate a Voluntary Flexible Agreement (VFA). Although the Higher Education Act limits the Secretary to entering into not more than six VFAs, a guaranty agency with which the Secretary has a VFA may provide the benefits derived through that agreement to other guaranty agencies. The Secretary encourages a guaranty agency submitting a VFA proposal to identify, in its application, other guaranty agencies that may benefit from the agreement. In addition, a guaranty agency is urged to consult with schools and lenders that participate in its program in developing its proposal.

DEADLINE FOR TRANSMITTAL OF APPLICATIONS: August 27, 1999.

ADDRESSES: All guaranty agencies are invited to apply. Applications may be sent to: Mr. George Harris, U.S. Department of Education, 400 Maryland Avenue, SW., room 3045, ROB–3, Washington, DC 20202–5449. If you use a telecommunications device for the deaf (TDD) you may call the Federal Information Relay Service (FIRS) at 1–800–877–8339.

SUPPLEMENTARY INFORMATION:

Background

On October 7, 1998, President Clinton signed the Higher Education Amendments of 1998 (Pub. L. 105–244, referred to as the ''1998 Amendments''), which amended the Higher Education Act of 1965 (the ''HEA''). The 1998 Amendments added a new section 428A to the HEA, authorizing the Secretary to enter into VFAs during fiscal years 1999, 2000, and 2001 with up to six guaranty agencies. Beginning in fiscal year 2002, any guaranty agency or consortium thereof may enter into a VFA with the Secretary.

Scope of the VFA

A VFA incorporates and modifies the guaranty agreements under sections 428 (b) and (c) of the HEA, and is intended to enhance program integrity, increase cost efficiencies, and improve the availability and delivery of student financial aid. Each VFA will be developed by the Secretary, in consultation with the agency, on a case-by-case basis, and, in accordance with the HEA, may include provisions concerning—

- The issuance of insurance on FFEL loans;
- Monitoring FFEL insurance commitments;
- Default aversion activities;
- Review of default claims from lenders;
- Payment of default claims;
- Collection of defaulted loans;
- Adoption of internal systems of accounting and auditing, and reporting the result thereof to the Secretary in a timely manner, and on an accurate, and auditable basis;
- Timely and accurate collection and reporting of such other data as the Secretary may require to carry out the purposes of the Title IV programs;
- Monitoring schools and lenders participating in the FFEL Program;
- Informational outreach to schools and students in support of access to higher education; and
- Such other provisions as the Secretary may determine to be necessary to protect the United States from the risk of unreasonable loss and to promote the purposes of the FFEL Program.

It is not the intent of the Secretary to use VFAs to redistribute market share among guaranty agencies or lenders. Accordingly, the Secretary would have serious reservations about a proposal where a redistribution of market share appears to be the primary goal.

Information To Be Included With the Application

An agency wishing to enter into a VFA with the Secretary should submit a short (not to exceed 10 pages) written application that describes the substance of the proposal and addresses the following criteria:

- *Transferability*—Explain how the agency's proposed VFA could be extrapolated and easily used by other FFEL participants.
- *Customer/partner benefits*—Explain how the proposal would improve the ''system'' for delivery and servicing of loans for borrowers and schools. What impact would it have on delinquencies and defaults? Who would benefit from the proposal and how?
- *New technology*—Explain if and how the proposal uses new technology.
- *Efficiency*—Explain the impact the proposal would have on overall operating costs for the agency and its partners, including the Department. Would the proposed VFA encourage standardization? How would efficiency and customer satisfaction be measured?
- *Inducements waiver*—Include a description of any proposed waiver of the prohibited inducement restrictions contained in section 428(b)(3) of the HEA.

Other Information That the Secretary Will Consider

Based upon an evaluation of the applications received, the Secretary will select the initial guaranty agencies with which to negotiate VFAs. Those negotiations will include:

- The fees the Secretary will pay, in lieu of revenues that the agency may otherwise receive, and other funds that the agency may receive or retain under the VFA.
- The use of net revenues for other activities in support of postsecondary education.
- The standards by which the agency's performance of the agency's responsibilities under the VFA will be assessed, and the consequences for an agency's failure to achieve a specified level of performance on one or more performance standards.
- The circumstances in which an agency's VFA may be ended in advance of its expiration date.
- The involvement of other businesses, previously purchased or developed with reserve funds, that relate to the FFEL Program, and in which the Secretary permits the agency to engage.
- The uniform ability of lenders to participate in the agency's program.
- The ability for borrowers to select a lender of their choice, subject to the prohibitions and restrictions under the HEA.
- Other provisions that the Secretary may determine to be necessary to protect the United States from the risk of unreasonable loss and to promote the purposes of the FFEL Program.

Outline of Planned Evaluation and Selection Process

The following outline identifies the general sequence of activities and projected target dates that will be followed by the Department in negotiating agreements:

- *By September 10, 1999:* Evaluate proposals received in response to this notice and invite promising candidates to make oral presentations to a Department of Education evaluation panel. (Guaranty agencies are encouraged to include school and lender representatives, and other parties in support of their proposals). After the oral presentations, up to six VFA proposals will be selected for further development.

- *September 10 to October 1, 1999:* Negotiate tentative agreements with the six initial agencies and publish the tentative agreements on the Department's web site for two weeks.
- *By November 1, 1999:* Modify agreements as necessary to reflect public comments and notify congressional committees of proposed agreements.
- *December 1, 1999:* Sign agreements.

If the Secretary and an initial guaranty agency are unable to reach agreement on the terms and conditions of a VFA, the Secretary may select another guaranty agency with which to enter negotiations.

FOR FURTHER INFORMATION CONTACT: Mr. George Harris at the address listed in the **ADDRESSES** section of this notice. Telephone: (202) 708–8242.

Individuals with disabilities may obtain this document in an alternate format (e.g., Braille, large print, audiotape, or computer diskette) on request to the contact person listed in the **ADDRESSES** section of this notice.

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(Catalog of Federal Domestic Assistance Number 84.032 Federal Family Education Loan Program)

List of Subjects in 34 CFR Part 682

Administrative practice and procedure, Colleges and universities, Education, Loan programs—education, Reporting and recordkeeping requirements, Student aid, Vocational education.

Dated: July 22, 1999.

Richard W. Riley,

Secretary of Education.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RP99–444–000]

Carnegie Interstate Pipeline Company; Notice of Proposed Changes in FERC Gas Tariff

July 22, 1999.

Take notice that on July 19, 1999, Carnegie Interstate Pipeline Company (CIPCO), tendered for filing as part of its FERC Gas Tariff Original Volume No. 1, the following tariff sheets, to be effective August 1, 1999:

Third Revised Sheet No. 102
First Revised Sheet No. 105A
Second Revised Sheet No. 106
Second Revised Sheet No. 146

CIPCO states that this filing is being made in compliance with Commission Order No. 587–K, issued by the Commission on April 2, 1999. CIPCO requests a waiver of the Commission's regulations to allow the filing to become effective on less than thirty-days' notice.

Any person desiring to be heard or to protest such filing should file a motion to intervene or a protest with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, in accordance with Sections 385.214 or 385.211 of the Commission's Rules and Regulations. All such motions or protests must be filed in accordance with Section 154.210 of the Commission's Rules and Regulations. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room. This filing may be viewed on the web at http://www.ferc.fed.us/online/rims.htm (call 202–208–2222 for assistance).

Linwood A. Watson, Jr.,

Acting Secretary.

[FR Doc. 99–19220 Filed 7–27–99; 8:45 am]

BILLING CODE 6717–01–M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP96–152–015]

Kansas Pipeline Company; Notice of Revised Tariff Filing

July 22, 1999.

Take notice that on July 1, 1999, Kansas Pipeline Company (Applicant) tendered for filing corrections to the FERC Gas Tariff, Original Volume No. 1 to be effective May 11, 1999.

Applicant states that the corrected tariff includes changes directed by the Commission's April 2, 1999, order in the above-captioned docket (87 FERC ¶ 61,020 (1999)). Applicant further states that a copy of this filing is available for public inspection during regular business hours at Applicant's offices located at 8325 Lenexa Drive, Lenexa 66214. Applicant indicates that copies of this filing are being served on all parties to the proceeding in Docket No. CP96–152.

Any person desiring to be heard or to protest this filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make Protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. All such motions or comments should be filed on or before August 2, 1999. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room. This application may be viewed on the Commission's web site at http://ferc.fed.us/online/rims.htm (call 202–208–2222 for assistance).

Linwood A. Watson, Jr.,

Acting Secretary.

[FR Doc. 99–19222 Filed 7–27–99; 8:45 am]

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