

# Rules and Regulations

Federal Register

Vol. 60, No. 4

Friday, January 6, 1995

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

## DEPARTMENT OF AGRICULTURE

### Office of the Secretary

#### 7 CFR Part 6

#### Dairy Tariff-Rate Import Quota Licensing

**AGENCY:** Office of the Secretary, USDA.

**ACTION:** Interim rule.

**SUMMARY:** This rule amends Import Regulation 1, Revision 7 which governs the administration of the import licensing system for certain dairy products which will be subject to in-quota tariff rates proclaimed in the Harmonized Tariff Schedule of the United States (HTS), resulting from entry into force of the Uruguay Round Agreement on January 1, 1995. Most of these products were subject to quotas proclaimed under section 22 of the Agricultural Adjustment Act of 1933, as amended (Section 22).

**DATES:** This interim rule will be effective on January 1, 1995. Comments should be submitted on or before February 21, 1995 to be assured of consideration.

**ADDRESSES:** Comments should be sent to Richard Warsack, Dairy Import Quota Manager, Import Policies and Programs Division, Room 5531-S, Foreign Agricultural Service, U.S. Department of Agriculture, 14th and Independence Avenue, SW., Washington, DC 20250-1000. All comments received will be available for public inspection in room 5541-S at the above address.

**FOR FURTHER INFORMATION CONTACT:** Diana Wanamaker, Group Leader, Import Programs Group, Import Policies and Programs Division, Room 5531-S, Foreign Agricultural Service, U.S. Department of Agriculture, 14th and Independence Avenue, SW., Washington, DC 20250, or telephone (202) 720-2916.

#### SUPPLEMENTARY INFORMATION:

##### Executive Order 12866

This interim rule is issued in conformance with Executive Order 12866. It has been determined to be significant for the purposes of E.O. 12866 and, therefore, has been reviewed by the Office of Management and Budget (OMB).

##### Regulatory Flexibility Act

It has been determined that the Regulatory Flexibility Act is not applicable to this interim rule since the Office of the Secretary is not required by 5 U.S.C. 553 or any other provision of law to publish a notice of proposed rulemaking with respect to the subject matter of this rule.

##### Executive Order 12372

This program is not subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. See notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115 (June 24, 1983).

##### Environmental Evaluation

It has been determined by an environmental evaluation that this action will not have a significant impact on the quality of the human environment. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

##### Paperwork Reduction Act

This Interim Final Rule amends the existing information collection as approved by the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et. seq.), under OMB control number 0551-0001, expiring June 30, 1997.

Due to the time constraints of implementing the rule immediately, the agency has requested emergency clearance of this addendum from OMB. Comments on the information collection may be sent to the Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10202, NEOB, Washington, DC 20503. Attention: Desk Officer for USDA.

##### Executive Order 12778

This interim rule has been reviewed under Executive Order 12778. The

provisions of this interim rule would have preemptive effect with respect to any state or local laws, regulations, or policies which conflict with such provisions or which otherwise impede their full implementation. The rule would not have retroactive effect.

#### Background

An Advance Notice of Proposed Rulemaking (the ANPR) was published in the **Federal Register** on June 2, 1994, seeking suggestions and comments on methods for allocating imported dairy products subject to the in-quota tariff rates to be proclaimed in the HTS as a result of the entry into force of the Uruguay Round Agreement. The ANPR also sought suggestions on various other changes intended to update and make more enforceable the provisions of Import Regulation 1, Revision 7, codified at 7 CFR §§ 6.20-6.24 (the Import Regulation). Because of time constraints this rule will deal only with modifications of the existing rule necessary to implement the U.S. Uruguay Round commitments and will become effective January 1, 1995. A proposed rule making further changes as envisaged in the ANPR will be published in the future.

This interim rule issues the Import Regulation under the authority of section 111 of the Uruguay Round Agreements Act and Chapter 4 and General Note 15 of the Harmonized Tariff Schedule of the United States (HTS), and amends that regulation to establish the import licensing system for the quantities of cheese and certain other dairy products subject to in-quota tariff rates in the HTS. These quantities include both the quantities which have been subject to an absolute quota under Section 22 as well as the additional quantities of cheese articles and certain non-cheese articles negotiated under the Uruguay Round of multilateral trade negotiations. Certain Uruguay Round country tariff-rate quotas or increments do not appear in Appendix 3 of this regulation as they will only take effect when those countries implement their respective schedules of concessions. The interim rule also establishes new eligibility requirements and allocation methods for the new quantities of non-cheese items. In addition, it deletes obsolete provisions and updates all the references in the regulation to the HTS

to conform to the tariff schedule which becomes effective on January 1, 1995.

Throughout the regulation, the term "annual quota" is replaced by "annual tariff-rate quota," and references to the TSUS are now to the Harmonized Tariff Schedule of the United States, the Harmonized Tariff Schedule, or the HTS.

The definitions in section 6.21 are amended to: (1) replace the term "annual quota" with "annual tariff-rate quota," (2) add a definition of "Appendix 3" which sets forth the increments in the tariff-rate quota quantities for 1995 for certain cheese and non-cheese articles and the total 1995 tariff-rate quota for butter substitutes to be administered under this regulation, (3) define the term "Harmonized Tariff Schedule of the United States," (4) change the reference to the Licensing Authority, which has moved within the Foreign Agricultural Service agency structure, (5) add the term "any country" which will apply to in-quota amounts for which there is no country allocation and to country of origin adjustments provided for in section 6.30, and (6) change all references to the TSUS to read the HTS.

Section 6.23, which establishes exceptions to the requirement for a license to enter certain products, is amended to conform with the exceptions in General Note 15 of the Harmonized Tariff Schedule of the United States.

The eligibility provisions in section 6.25 are changed to: (1) eliminate all one-time provisions establishing eligibility for new historical and non-historical licenses which resulted from the Tokyo Round Agreement, (2) provide that the eligibility requirements for supplementary licenses be applied to Appendix 3 cheese articles and provide eligibility criteria for non-cheese dairy article Appendix 3 supplementary import licenses, and (3) provide for an application period for licenses to import all 1995 Uruguay Round increments in cheese and certain non-cheese dairy articles. The eligibility requirements for the non-cheese articles are significantly more stringent than the existing cheese requirements. This is to ensure that licenses are awarded to import/distribution or manufacturing operations. There is, however, an alternative eligibility requirement for non-cheese items which requires a greater number of shipments spread throughout the year than the standard criteria. The alternative is intended to allow small companies or those seeking less than a container-load to qualify for license.

Section 6.26 is amended to: (1) eliminate all one-time provisions establishing the allocation of new historical licenses which resulted from the Tokyo Round Agreement, (2) update the table of minimum non-historical license sizes to show the HTS number and quantity in kilograms, and (3) apply the allocation methods for supplementary licenses to Appendix 3 cheese articles and establish allocation methods for Appendix 3 non-cheese articles. The minimum and maximum supplementary license sizes for non-cheese articles are being set at higher levels than those which currently apply to cheese articles to reflect current shipping practices. The allocation method for the new amounts of non-cheese articles will be a rank-order lottery, in which applicants are requested to number each license request in a rank order. Once a license is awarded from among the non-cheese articles to an applicant, no other non-cheese license will be awarded to that applicant until all the other applicants have received at least one non-cheese license for which they applied, provided that the licenses for which they applied are not already fully allocated.

Section 6.27 is amended to delete the references to Customs Form 7505 which is no longer in use. Sections 6.28, 6.29, and 6.30 are amended solely to bring them up-to-date and into conformance with the HTS effective as of January 1, 1995, and to provide coverage for Appendix 3 articles where appropriate. Section 6.34 is deleted as it is unnecessary in the body of the rule.

#### List of Subjects in 7 CFR Part 6

Agricultural commodities, Cheese, Dairy products, Imports, and Reporting and record keeping requirements.

#### Interim Rule

Accordingly, 7 CFR Part 6, Subpart—Section 22 Import Quotas, §§ 6.20–6.34, and Appendix 1 and Appendix 2 thereto, are amended as follows:

1. The heading for §§ 6.20–6.34 is revised to read as follows: "Subpart—Tariff-Rate Quotas".
2. The authority citation for sections 6.20–6.34 and the appendices thereto is revised to read as follows:

**Authority:** Additional U.S. Notes 6, 7, 12, 14, and 16–25 to Chapter 4 and General Note 15 of the Harmonized Tariff Schedule of the United States (19 U.S.C. 1202), Pub. L. 97–258, 96 Stat. 1051 (31 U.S.C. 9701), and sec. 111, Pub. L. 103–465, 108 Stat. 4819.

3. Section 6.20 is revised to read as follows:

#### § 6.20 Determination.

Additional U.S. Notes 6, 7, 12, 14, and 16 through 25 to Chapter 4 of the Harmonized Tariff Schedule of the United States provide that imports of the articles enumerated in those notes require import licenses issued by the U.S. Department of Agriculture. Additional U.S. Notes 16 through 25 also provide that unfiled allocations may be reallocated in accordance with regulations issued by the U.S. Department of Agriculture. General Note 15 provides for certain exceptions that require the approval of the Secretary of Agriculture. These regulations shall apply to all articles subject to tariff-rate quotas, and the exceptions thereto, in accordance with these notes.

4. Section 6.21 is revised to read as follows:

#### § 6.21 Definitions.

*Affiliate* means any person or legal entity which owns or is owned by, in total or in part, directly or indirectly, or controls or is controlled by another person, persons or legal entity. For a corporation, ownership interest will be the controlling criterion. If 5 percent or more equity interest in the aggregate is owned or controlled in a corporation, partnership, estate, or trust by or for a person, a corporation, a partnership, or a beneficiary of an estate or a trust, the interest will be considered as owned or controlled by the person, partnership, corporation, estate or trust. Ownership interest in any person or legal entity may be attributed to another person or entity in accordance with § 6.25(b)(3), thereby causing the person or entity to whom the ownership interest has been attributed to be defined as an "affiliate" even though such persons or legal entities have no direct relation with each other.

*Annual tariff-rate quota* means the quantity of an article which may be entered in a quota year as provided for in Appendix 1, Appendix 2 and Appendix 3 at the in-quota tariff rate.

*Any country* means those countries or territories listed in Annex A, Schedule C of the Harmonized Tariff Schedule.

*Appendix 1* means Appendix 1 to this subpart. Definitions of articles in this appendix are the same as those provided for in the Additional U.S. Notes to Chapter 4 of the Harmonized Tariff Schedule.

*Appendix 2* means Appendix 2 to this subpart. Definitions of articles in this appendix are the same as those provided for in the Additional U.S. Notes to Chapter 4 of the Harmonized Tariff Schedule.

*Appendix 3* means Appendix 3 to this subpart. Definitions of articles in this

appendix are the same as those provided for in the Additional U.S. Notes to Chapter 4 of the Harmonized Tariff Schedule.

*Article* means any Harmonized Tariff Schedule article referred to in Appendix 1, Appendix 2, or Appendix 3 of this subpart.

*Associate* means a party connected with one or more parties, formally or informally, directly or indirectly, with the common purpose of obtaining eligibility for additional licenses, one party intending to use, (and benefit economically from such use) directly or indirectly the licenses that the other may acquire. Two or more associates of a third party shall not be deemed to be associates of one another due to such third-party association only.

*Authorized agent* means an agent as used in 19 CFR 141.31(a) for whom the licensee has filed with the District Director of Customs a limited power of attorney using Customs Form 5291 authorizing such agent to act for, but only in, the licensee's name.

*Basic annual allocation* refers to historical quota shares only and means the quota share of a licensee for an article before any reduction as authorized under § 6.26(d) has been effected. It will be calculated on the basis of the annual average amount entered by a licensee during a predetermined representative base period.

*Cheese or cheese products* means those cheeses and cheese products for which standards of identity have been promulgated by the Food and Drug Administration and/or which are encompassed within 21 CFR part 133.

*Country of origin and/or Supplying country* mean the country in which the article subject to the regulation was produced or manufactured as defined under 19 CFR 134.1(b).

*Date of entry* is the date when the specified Customs entry form is properly executed and deposited, together with estimated duties and any related documents required by law or regulation to be filed with such form at the time of entry, with the appropriate Customs Officer.

*Department* means the United States Department of Agriculture.

*EC* means the twelve European Community countries, viz., Belgium, Denmark, the Federal Republic of Germany, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom, which for the purposes of this regulation shall be deemed as one country of origin.

*Eligible applicant* means a person applying for a license to enter an article who has established, to the satisfaction

of the Licensing Authority, eligibility to enter such article, in accordance with § 6.25.

*Enter* means to make entry, or withdrawal from warehouse, for consumption by deposit with, and acceptance by, the appropriate Customs officer of the properly executed entry documents, including invoices, bills of lading and payment of estimated duties.

*Entire dairy products business* means the total assets and operations of the foreign and domestic aspects of a business pertaining to articles subject to the provisions of this regulation.

*Entrepreneurial use* means the processing or sale of the article entered pursuant to the license as a part of the ordinary conduct of business by a licensee who is managing and assuming the risk of such business. Such term does not include one who is functioning as a mere supplier of license.

*Harmonized Tariff Schedule* means the Harmonized Tariff Schedule of the United States.

*Licensee* means any person to whom a license has been issued under the regulation.

*Licensing Authority* means the Dairy Import Quota Manager, Import Policies and Programs Division, Foreign Agricultural Service, U.S. Department of Agriculture, or any other officer or employee of the Department acting in his or her behalf.

*Other countries* refers to countries sharing a common tariff-rate quota which are not listed as having separate tariff-rate quota allocations in the Additional U.S. Notes to Chapter 4 of the Harmonized Tariff Schedule and for the purposes of the regulation are deemed as one country of origin.

*Person* includes any individual, firm, corporation, partnership, association, or other legal entity. It also includes any national government (other than the Government of the United States and any agency thereof).

*Postmark* means the postage cancellation mark applied by the U.S. Post Office showing the post office and date of mailing. This does not include metered postage affixed by the applicant or any other private entity.

*Quota* means the articles and quantities of such articles subject to an in-quota rate of duty provided for in the Additional U.S. Notes to Chapter 4 of the Harmonized Tariff Schedule and covered by this regulation.

*Quota share* means that part of the annual tariff-rate quota of an article listed in Appendix 1, Appendix 2, or Appendix 3 of this subpart for which a person is eligible.

*Quota year* means the 12-month period beginning on January 1 of any given year.

*Regulation* means the provisions contained in the Licensing Regulation of this subpart.

*United States* means the Customs Territory of the United States, which is limited to the United States, the District of Columbia and Puerto Rico.

5. Section 6.22 is amended by revising paragraph (a) to read as follows:

**§ 6.22 Prohibitions and restrictions on importers.**

(a) No person may enter or cause to be entered any article listed in Appendix 1, Appendix 2, or Appendix 3, except as provided in § 6.23 or as authorized by a license issued pursuant to this regulation.

\* \* \* \* \*

6. Section 6.23 is revised to read as follows:

**§ 6.23 Exceptions.**

Licenses are not required for the entry of:

(a) Products imported by or for the account of any agency of the U.S. Government.

(b) Products imported for the personal use of the importer, provided that the net quantity of such product in any one shipment does not exceed five kilograms.

(c) Products, which will not enter the commerce of the United States, imported as samples for taking orders, for exhibition, display or sampling at a trade fair, for research, for use by embassies of foreign governments or for testing of equipment, provided that written approval of the Licensing Authority is obtained.

7. Section 6.24 is revised to read as follows:

**§ 6.24 Application for license.**

Applications of the Licensing Authority for the issuance of licenses to enter articles must be made in writing, addressed to the Import Licensing Group, Room 5531-S, Import Policies and Programs Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250-1000. Each application must indicate the Additional U.S. Note number of the Harmonized Tariff Schedule and the country of origin of the article. Unpostmarked applications will not be approved by the Licensing Authority.

8. Section 6.25 is amended by revising paragraph (a), the introductory text of paragraph (c)(1), paragraphs (c)(1)(ii), (c)(1)(iii), (c)(2) and (c)(3) to read as follow:

**§ 6.25 Eligibility.**

(a) Historical eligibility. Historical eligibility for licenses to enter in-quota shares of articles subject to tariff-rate quotas which are shown in Appendix 1 and Appendix 2 of this subpart, has already been established.

\* \* \* \* \*

(c)(1) Supplementary license eligibility for specific articles of cheese listed in Appendix 2 and Appendix 3 of this subpart will be established:

(i) \* \* \*

(ii) By application by a person having historical eligibility for a particular article shown in Appendix 2 of this subpart from the country of origin for which such person is seeking supplementary license; or

(iii) By being endorsed in writing by the government of the supplying country as a preferred importer, with such endorsement being sent directly from the government of the supplying country through appropriate channels to the Licensing Authority, and for articles in Appendix 2 of this subpart by meeting one or both of qualifications in paragraphs (c)(1)(i) and (ii) of this section. For articles in Appendix 3 of this subpart such qualifications must be met beginning with the 1996 quota year. Endorsement by the government of a supplying country of a person who is known to the Licensing Authority to have at any time violated any provision of this or any other regulation or law of the United States applicable to international commerce will not be recognized by the Licensing Authority.

(2) Notwithstanding paragraph (b)(4) of this section, certification required to establish supplementary eligibility for license for articles under Appendix 3 of this subpart, must be postmarked no earlier than January 30, 1995 and no later than February 20, 1995. Importers who may have already submitted supplementary license certification for cheese during the application period which ended November 1, 1994 may request license for cheese articles under Appendix 3 of this subpart by submitting an application, provided by the Licensing Authority upon request, without further documentation, postmarked as required in this paragraph.

(3) Supplementary eligibility for specific non-cheese articles listed in Appendix 3 of this subpart will be established by:

(i) Submission of documentary evidence acceptable to the Licensing Authority as required under paragraphs (b)(2)(i) and (ii) of this section, and

(ii) Providing documentary evidence that the applicant has made at least two

separate commercial entries or exports of any dairy product totaling not less than 38,000 kilograms during the 1994 calendar year; or at least eight separate commercial entries or exports totaling not less than 18,000 kilograms, each entry or export being a minimum of 2,200 kilograms, with a minimum of two transactions taking place in each of at least three quarters of the 1994 calendar year. U.S. Customs Service Consumption entry documents (Entry Summary Form 7501) and proof of payment in the applicant's name for the entered product and the duty must be provided showing that such person has made the above commercial entries or in the case of a person seeking eligibility on the basis of exports, U.S. Department of Commerce, Bureau of the Census Form 7525-V and the invoice or other proof that the applicant has made the exports of dairy products must be provided; or

(iii)(A) Being listed in the Dairy Plants Surveyed and Approved for USDA Grading Service, and

(B) certifying that the product will be used directly in the plant's own manufacturing or sales/distribution program.

\* \* \* \* \*

9. Section 6.26 is amended by removing paragraphs (a)(3) through (a)(6) and revising the table in paragraph (b)(1) to read as follows:

**§ 6.26 Allocation of annual quota and issuance of licenses.**

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

Article	HTS note No.	Minimum quantity (kilograms)
Dried buttermilk and whey .....	12	1,133
Dried skimmed milk .....	7	2,267
Dried whole milk .....	8	453
Butter .....	6	453
Blue-mold cheese .....	17	2,267
Cheddar cheese .....	18	4,535
American-type cheese ..	19	4,535
Edam and Gouda cheese .....	20	3,175
Italian-type cow's milk cheese .....	21	2,267
Swiss or Emmentaler cheese with eye formation .....	25	4,535
Swiss or Emmentaler cheese other than eye-formation Gruyere Process .....	22	4,535
Other cheese NSPF .....	16	18,143
Other cheese low fat .....	23	4,535

\* \* \* \* \*

**§ 6.26 [Amended]**

10. Section 6.26 is further amended by removing paragraph (b)(5) and revising the introductory text of paragraph (c) and the introductory text of paragraph (c)(3) to read as follows:

(c) Supplementary licenses (pertaining to articles in Appendix 2 and Appendix 3 of this subpart) for cheese articles:

\* \* \* \* \*

(c)(3) A supplementary quota share for a cheese article in Appendix 2 or Appendix 3 of this subpart from a particular country of origin other than those provided for in paragraph (c)(2) of this section will be determined on the following basis:

\* \* \* \* \*

11. Section 6.26 is further amended by removing paragraph (f) and by redesignating paragraphs (d) and (e) as paragraphs (e) and (f). A new paragraph (d) is added to read as follows:

**§ 6.26 Allocation of annual quota and issuance of licenses.**

\* \* \* \* \*

(d) Supplementary licenses (pertaining to articles in Appendix 3 of this subpart) for non-cheese articles:

(1) A person with its affiliate(s) or associate(s) will be considered only as one person for the purpose of allocation of such supplementary quota shares. However, a person with an Appendix 1 historical license for such article initially issued for a quota year prior to 1995 is not precluded from applying for such supplementary quota shares.

(2) The size of a supplementary quota share issued to an eligible applicant shall not exceed 57,000 kilograms.

(3) If, after applications for supplementary licenses have been evaluated and tabulated, the Licensing Authority determines that eligible applicants for shares of a particular non-cheese tariff-rate quota in Appendix 3 of this subpart have appropriately requested amounts which together exceed the amount available for allocation, the Licensing Authority shall first assign quota shares of not less than the minimum share as indicated below to each applicant and then prorate the remaining portion available for allocation among them. The minimum share shall be as follows:

(i) 19,000 kilograms where the total amount available for allocation is less than 550,000 kilograms;

(ii) 38,000 kilograms where the total amount available for allocation is greater than 550,001 kilograms.

(4) If applying for more than one supplementary license for non-cheese articles covered by this regulation, the

applicant must rank order these requests by the applicable U.S. Additional Note number for the article being requested. If, after applications for supplementary licenses have been evaluated and tabulated according to the rank order submitted, the Licensing Authority determines that the number of eligible applicants for a minimum tariff-rate quota share for a particular article from a particular country in Appendix 3 of this subpart exceeds the number of available minimum tariff-rate quota shares for that article, the Licensing Authority will then allocate the licenses by random selection. However, once a license is awarded from among the non-cheese articles to an applicant, no other non-cheese license will be awarded to that applicant until all the other applicants have at least received one such license for which they applied, provided that the licenses for which they applied are not already fully allocated. A single tariff-rate quota share for a particular article of less than the minimum may be issued, if appropriate, to facilitate full allocation of a particular tariff-rate quota.

**§ 6.27 [Amended]**

12. Section 6.27 is amended in paragraph (f) by removing "7505" and adding "7501"; and in paragraph (h) by removing the words "entry Form 7501 or Customs warehouse withdrawal Form 7505" and adding in their place "Form 7501" and removing the words "or 7505".

13. Section 6.28 is amended by revising the first sentence to read as follows:

**§ 6.28 Records and inspection.**

Any person making an entry, except as provided in § 6.23, of an article listed in Appendix 1, Appendix 2, or Appendix 3 of this subpart is required to retain all records, including invoices of all purchases, entries, withdrawals, sales and deliveries of such articles for a period of not less than two years subsequent to the end of the quota year during which entry was made.

**§ 6.29 [Amended]**

14. Section 6.29 is amended by removing all references in paragraph (b)(3) to the "Dairy, Livestock and

Poultry Division" and adding "Import Policies and Programs Division" in its place.

**§ 6.30 [Amended]**

15. Section 6.30 is amended in paragraph (a) by removing paragraphs (a) (1) and (2) and the colon at the end of the introductory text and by adding the following text:

**§ 6.30 Adjustment of countries of origin.**

(a) \* \* \* any country of origin (global) except where Uruguay Round commitments require the consent of the supplying country. In such case, consent will be sought and action taken only if it is granted for portions of the tariff-rate quota subject to this requirement.

**§ 6.34 [Removed]**

16. Section 6.34 is removed.

17. Appendix 1 and Appendix 2 of the subpart following § 6.34 are revised and a new Appendix 3 is added as follows:

APPENDIX 1—ARTICLES SUBJECT TO THE HISTORICAL AND NONHISTORICAL LICENSING PROVISIONS OF THE IMPORT REGULATION 1, REVISION 7, AND RESPECTIVE ANNUAL TARIFF-RATE QUOTAS FOR EACH QUOTA YEAR

Article by HTS Note No.	Annual historical/ nonhistorical quota (kilograms)
<b>Group I:</b>	
(a) Butter (Note 6) .....	320,689
EC .....	96,161
New Zealand .....	150,593
Other Countries .....	73,935
(b) Dried whole milk (Note 8) .....	3,175
(c) Dried skimmed milk (Note 7) .....	819,641
(d) Dried buttermilk and whey (Note 12) .....	224,981
<b>Group II:</b>	
(a) Edam and Gouda cheese (Note 20) .....	5,606,401
EC .....	5,248,000
Norway .....	167,000
Argentina .....	125,000
Sweden .....	41,000
Other countries .....	25,401
(b) Blue-mold cheese (except Stilton made in England) and cheese and substitutes for cheese containing or processed from blue-mold cheese (Note 17) .....	2,257,001
EC .....	2,255,000
Argentina .....	2,000
Other countries .....	1
<b>Group III:</b>	
(a) Cheddar cheese and cheese and substitutes for cheese containing or processed from Cheddar cheese (Note 18) .....	3,667,889
EC .....	263,000
Australia .....	769,000
New Zealand .....	2,496,000
Other countries .....	139,889
(b) American-type cheese, including Colby, washed curd, and granular cheese (but not including cheddar) and cheese and substitutes for cheese containing or processed from such American-type cheese (Note 19) .....	2,708,556
EC .....	254,000
Australia .....	762,000
New Zealand .....	1,524,000
Other countries .....	168,556
<b>Group IV:</b>	
(a) Italian-type cheese made from cow's milk (Romano made from cow's milk, Reggiano, Parmesano, Provolone, Provolette, Sbrinz, and Goya not in original loaves) (Note 21) .....	5,625,064
EC .....	1,810,000

APPENDIX 1—ARTICLES SUBJECT TO THE HISTORICAL AND NONHISTORICAL LICENSING PROVISIONS OF THE IMPORT REGULATION 1, REVISION 7, AND RESPECTIVE ANNUAL TARIFF-RATE QUOTAS FOR EACH QUOTA YEAR—Continued

Article by HTS Note No.	Annual historical/ nonhistorical quota (kilograms)
Argentina .....	3,802,000
Other countries .....	13,064
Group V:	
(a) Swiss or Emmenthaler cheese with eye formation (Note 25) .....	9,260,276
EC .....	1,767,000
Austria .....	3,729,000
Finland .....	2,772,000
Israel .....	27,000
Norway .....	758,000
Switzerland .....	122,000
Other countries .....	85,276
(b) Swiss or Emmenthaler cheese other than with eye formation. Gruyere-process cheese, and cheese and substitutes for cheese containing, or processed from such cheese (Note 22) .....	5,061,833
EC .....	2,603,000
Austria .....	638,000
Finland .....	728,000
Switzerland .....	1,013,000
Other countries .....	79,833
(c) Cheese and substitutes for cheese (except cheese not containing cow's milk; soft ripened cow's milk cheese; cheese (except cottage cheese) containing 0.5 percent or less by weight of butterfat), and articles within the scope of other tariff-rate quotas provided for in additional U.S. Notes 17 through 25, inclusive, to this chapter (Note 16) .....	18,448,859
EC .....	10,724,000
Austria .....	90,000
Australia .....	56,000
Canada .....	1,141,000
Finland .....	562,000
Iceland .....	294,000
Israel .....	66,000
New Zealand .....	3,427,000
Norway .....	150,000
Poland .....	936,224
Sweden .....	774,000
Switzerland .....	98,000
Other countries .....	130,635
(d) Cheese and substitutes for cheese, containing 0.5 percent or less by weight of butterfat (except articles within the scope of other tariff-rate quotas provided for in additional U.S. Notes 16 through 22, inclusive, or additional U.S. Notes 24 and 25 to this chapter) and margarine cheese (Note 23) .....	3,951,908
EC .....	3,777,000
Poland .....	174,907
Other countries .....	1

APPENDIX 2—ARTICLES SUBJECT TO THE HISTORICAL AND SUPPLEMENTARY LICENSING PROVISIONS OF IMPORT REGULATION 1, REVISION 7, AND RESPECTIVE ANNUAL TARIFF-RATE QUOTAS FOR EACH QUOTA YEAR

Article by HTS Note No.	Annual historical/ supplementary quota (kilograms)
Group II:	
(c) Blue-mold cheese (except stilton made in England), and cheese and substitutes for cheese containing, or processed from Blue-mold cheese (Note 17) .....	224,000
EC .....	224,000
Group III:	
(a) Cheddar cheese, and cheese and substitutes for cheese containing, or processed from Cheddar cheese (Note 18) ...	1,035,000
New Zealand .....	604,000
Australia .....	431,000
(b) American-type cheese, including Colby, washed curd, and granular cheese (but not including Cheddar) and cheese and substitutes for cheese containing, or processed from such American-type cheese (Note 19) .....	714,000
New Zealand .....	476,000
Australia .....	238,000
Group IV:	
(a) Italian-type cheese made from cow's milk, (Romano made from cow's milk, Reggiano, Parmesano, Provolone, Provolette, Sbrinz and Goya not in original loaves) (Note 21) .....	2,691,000
Argentina .....	691,000
EC .....	1,572,000
Uruguay .....	428,000
Group V:	
(a) Swiss or Emmenthaler cheese with eye formation (Note 25) .....	22,595,000

## APPENDIX 2—ARTICLES SUBJECT TO THE HISTORICAL AND SUPPLEMENTARY LICENSING PROVISIONS OF IMPORT REGULATION 1, REVISION 7, AND RESPECTIVE ANNUAL TARIFF-RATE QUOTAS FOR EACH QUOTA YEAR—Continued

Article by HTS Note No.	Annual historical/ supplementary quota (kilograms)
EC .....	4,233,000
Argentina .....	80,000
Austria .....	2,551,000
Australia .....	500,000
Canada .....	70,000
Finland .....	5,428,000
Iceland .....	300,000
Norway .....	6,125,000
Switzerland .....	3,308,000
(b) Swiss or Emmentaler cheese other than with eye formation. Gruyere-process cheese; and cheese and substitutes for cheese containing, or processed from such cheese (Note 22) .....	2,413,000
EC .....	1,022,000
Austria .....	282,000
Finland .....	272,000
Switzerland .....	837,000
(c) Cheese and substitutes for cheese (except cheese not containing cow's milk; soft ripened cow's milk cheese; cheese (except cottage cheese) containing 0.5 percent or less by weight of butterfat), and articles within the scope of other import quotas provided for in additional U.S. Notes 17 through 25, inclusive, to this chapter) (Note 16) .....	22,383,000
EC .....	9,732,000
(of which 353,000 are reserved for Portugal)	
Argentina .....	100,000
Australia .....	1,244,000
Austria .....	560,000
Finland .....	738,000
Iceland .....	29,000
Israel .....	607,000
New Zealand .....	7,895,000
Sweden .....	285,000
Switzerland .....	1,122,000
Other Countries .....	71,000
(d) Cheese and substitutes for cheese, containing 0.5 percent or less by weight of butterfat (except articles within the scope of other import quotas provided for in additional U.S. Notes 16 through 22, inclusive, or additional U.S. Notes 24 and 25 to this chapter) and margarine cheese (Note 23) .....	1,523,000
EC .....	223,000
Israel .....	50,000
New Zealand .....	1,000,000
Sweden .....	250,000

## APPENDIX 3—CERTAIN ARTICLES SUBJECT TO THE SUPPLEMENTARY LICENSING PROVISIONS OF IMPORT REGULATION 1, REVISION 7, AND RESPECTIVE ANNUAL TARIFF-RATE IMPORT QUOTAS FOR 1995

Article by HTS Annual Note No.	Annual Supple- mentary quota (kilograms)
Butter (Note 6) .....	3,656,311
Dried Skim Milk (Note 7) .....	441,359
Dried Whole Milk (Note 8) .....	368,125
Butter Substitutes Containing over 45% by weight of butterfat and butteroil (Note 14) .....	3,480,500
Cheese and substitutes for cheese (except cheese not containing cow's milk; soft ripened cow's milk cheese; cheese (except cottage cheese) containing 0.5 percent or less by weight of butterfat), and articles within the scope of other tariff-rate quotas provided for in additional U.S. Notes 17 through 25, inclusive, to this chapter) (Note 16) .....	2,441,666
Australia .....	291,666
Costa Rica .....	1,000,000
Czech Republic .....	200,000
Slovak Republic .....	600,000
Uruguay .....	250,000
Any Country .....	100,000
Blue-mold cheese (except Stilton made in England) and cheese and substitutes for cheese containing or processed from blue-mold cheese (Note 17) .....	63,333
Chile .....	13,333
Czech Republic .....	50,000
Cheddar cheese and cheese and substitutes for cheese containing or processed from Cheddar cheese (Note 18) .....	1,245,000
Australia .....	208,333
Chile .....	36,667
Czech Republic .....	50,000
New Zealand .....	850,000
Any Country .....	100,000

APPENDIX 3—CERTAIN ARTICLES SUBJECT TO THE SUPPLEMENTARY LICENSING PROVISIONS OF IMPORT REGULATION 1, REVISION 7, AND RESPECTIVE ANNUAL TARIFF-RATE IMPORT QUOTAS FOR 1995—Continued

Article by HTS Annual Note No.	Annual Supplementary quota (kilograms)
Edam and Gouda cheese, and cheese and substitutes for cheese, containing, or processed from, Edam and Gouda Cheese (Note 20) .....	210,000
Argentina .....	110,000
Czech Republic .....	100,000
Italian-Type cheese made from cow's milk (Romano made from cow's milk, Reggiano, Parmesano, Provolone, Provolette, Sbrinz, and Goya not in original loaves) and cheese and substitutes for cheese containing, or processed from, such Italian-type cheese, whether or not in original loaves (Note 21) .....	3,123,333
Argentina .....	1,890,000
Uruguay .....	750,000
Hungary .....	400,000
Romania .....	83,333
Swiss-Emmenthaler cheese with eye formation (Note 25) .....	800,000
Czech Republic .....	400,000
Hungary .....	400,000

Signed at Washington, D.C., on December 27, 1994.

**Mike Espy,**

*Secretary of Agriculture.*

[FR Doc. 95-298 Filed 1-3-95; 3:51 pm]

BILLING CODE 3410-10-P

**Federal Crop Insurance Corporation**

**7 CFR Part 400**

**Subpart T—Federal Crop Insurance Reform Act of 1994; Regulations for Implementation**

**RIN 0563-AB11**

**AGENCY:** Federal Crop Insurance Corporation.

**ACTION:** Interim rule.

**SUMMARY:** The Federal Crop Insurance Corporation ("FCIC") hereby amends its General Administrative Regulations located at 7 CFR part 400 by adding subpart T. The intended effect of this interim rule is to provide noninsured producers, policyholders and insurance companies the policies and regulations applicable to the Catastrophic Risk Protection Program and provide other changes in FCIC insurance programs to comply with the statutory mandates of the Federal Crop Insurance Act as amended by the Federal Crop Insurance Reform Act of 1994.

**DATES:** This rule is effective January 6, 1995. Written comments, data, and opinions on this rule will be accepted until close of business March 7, 1995 and will be considered when the rule is to be made final.

**ADDRESSES:** Written comments, data, and opinion on this interim rule should be sent to Diana Moslak, Regulatory and Procedural Development Staff, Federal Crop Insurance Corporation, USDA,

Washington, D.C. 20250. Hand or messenger delivery may be made to Suite 500, 2101 L Street, N.W., Washington D.C. Written comments will be available for public inspection and copying in the Office of the Manager, 2101 L Street, N.W., 5th Floor, Washington, D.C., during regular business hours, Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** For further information and a copy of the Regulatory Impact Analysis to the regulations for implementation of the Federal Crop Insurance Reform Act of 1994, contact Diana Moslak, Federal Crop Insurance Corporation, U.S. Department of Agriculture, Washington, D.C. 20250. Telephone (202) 254-8314.

**SUPPLEMENTARY INFORMATION:** This action has been reviewed under United States Department of Agriculture ("USDA") procedures established by Executive Order 12866 and Departmental Regulation 1512-1. This action constitutes a review as to the need, currency, clarity, and effectiveness of these regulations under those procedures. The sunset review date established for these regulations is December 1, 1999.

This rule has been determined to be "economically significant" for the purposes of Executive Order 12866, and therefore, has been reviewed by the Office of Management and Budget ("OMB").

A Regulatory Impact Analysis has been completed and is available to interested persons at the address listed above. In summary, the analysis finds that crop insurance reform generally is expected to result in net positive benefits to producers, taxpayers, and society. The effects on individual producers compared to payments under ad hoc disaster programs depends primarily on the farm program payment

yield compared to the farm's actual yield and market prices. In general, however, the reform is expected to result in less volatility of producer's incomes and lesser risk of no income due to adverse weather events. Rural communities and farmers will benefit from the certainty of payments in times of catastrophic yield losses. The Government and taxpayers will benefit from a single disaster protection program and consequent reduced Federal outlays. Although some producers (previous non-participants in crop insurance) will have an added burden to make application and report yields and acreage, the benefits in terms of greater risk protection outweigh the costs.

The information collection and record-keeping requirements set forth in this interim rule have been submitted to OMB for emergency clearance under 7 CFR part 402.

It has been determined under section 6(a) of Executive Order 12612, Federalism, that this rule does not have sufficient federalism implication to warrant the preparation of a Federalism Assessment. The provisions and procedures contained in 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 levels of government.

Under the Regulatory Flexibility Act (5 U.S.C. § 605), this regulation will not have a significant impact on a substantial number of small entities. Producers will be able to certify to their historical production levels at the time of application based on existing records, or they may elect to base their insurance on assigned yields, which will not require maintenance of production records by the insurance agent. The