

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

7 CFR Part 6

Dairy Tariff-Rate Import Quota Licensing

AGENCY: Office of the Secretary, USDA.

ACTION: Public hearing.

SUMMARY: The Department of Agriculture will hold a public hearing on March 10, 1995, to permit interested persons to present their views and comments on changes to the Import Regulation on dairy products subject to import licensing.

DATES: The hearing will be held on March 10, 1995, at 9:30 a.m. Interested persons wishing to testify at the hearing must make a written request to testify to the address indicated below by noon on March 8, 1995. Following the hearing, persons may submit written rebuttal statements to the address indicated below by noon March 17, 1995.

ADDRESSES: The hearing will be held in Room 107, Administration Building, the U.S. Department of Agriculture, 14th and Independence Avenue, SW, Washington, D.C.

Address requests to testify 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, D.C. 20250 1000. Requests to testify may also be submitted to Mr. Warsack via FAX, (202) 720-6556.

All written material received in response to this notice will be available for public inspection in Room 5531, South Building, 14th and Independence Avenue, SW, Washington, D.C. between 8:00 a.m. and 4:00 p.m.

FOR FURTHER INFORMATION CONTACT: Diana Wanamaker, Group Leader, Import Programs Group, Import Policies and Programs Division, Room 5531-A, Foreign Agricultural Service, U.S. Department of Agriculture, 14th and Independence Avenue, SW, Washington, DC 20250-1000, or telephone (202) 720-2916.

SUPPLEMENTARY INFORMATION: In the request to testify, the following information must be provided: name, address, telephone number, and firm or affiliation of each witness. Testimony at the hearing will be limited to 10 minutes. Written rebuttal statements must be in English and should be strictly limited to demonstrating errors of fact or analysis not pointed out in the hearing, and should be as concise as possible.

Certain cheese and non-cheese dairy products may only be imported into the United States by or for the account of a person or firm to whom an import license has been issued by the Department of Agriculture (the Department) and only in accordance with the terms and conditions of a license issued pursuant to Import Regulation 1, Revision 7 (7 CFR 6.20-6.34) (Import Regulation), and the Harmonized Tariff Schedule of the United States (HTS). On June 2, 1994, an Advanced Notice of Proposed Rulemaking (ANPR) was published in the **Federal Register** that the Department was considering revising the Import Regulation to implement commitments undertaken by the United States under the Uruguay Round of Multilateral Trade Negotiations and to make various changes. The comment period on the ANPR concluded on August 1, 1994. The Department received 44 submissions which provided a wide range of views including methods of allocating licenses for imported dairy products and suggestions on various other changes intended to update and strengthen the Import Regulation. The Department is scheduling a public hearing for the presentation of views and comments by interested persons with respect to the ANPR.

As described in the ANPR, the Import Regulation provided for the issuance of licenses to importers of certain dairy products which were subject to import quotas proclaimed by the President pursuant to section 22 of the Agricultural Adjustment Act of 1933, as amended (7 U.S.C. 624) (Section 22). The absolute quotas on dairy products pursuant to Section 22 were converted to tariff-rate quotas under the HTS on January 1, 1995 under Presidential Proclamation 6763 of December 23, 1994 which implemented trade agreements resulting from the Uruguay

Round of Multilateral Trade Negotiations. That Proclamation also allocated the in-quota quantity of dairy products subject to tariff-rate quotas among supplying countries. The importation of most dairy products subject to the in-quota tariff rates will be administered by the Department through a licensing system in accordance with the Import Regulation. The Department published an Interim Rule in the **Federal Register** on January 6, 1995, which amended the Import Regulation to make import licensing applicable to the quantities of dairy products subject to in-quota tariff rates as of January 1, 1995 under the HTS including quantities of dairy products that had been subject to quotas under Section 22 and new quantities negotiated in the Uruguay Round for the 1995 quota year. The Interim Rule also established eligibility standards for non-cheese dairy products to ensure that licenses are granted to commercial operations importing, exporting, or manufacturing dairy products, and established a rank-order lottery system for non-cheese dairy products. Butter substitutes and butteroil were made subject to licensing in view of the significant increase in the quantities of these products which may enter at the in-quota tariff rate. The Interim Rule amended the Import Regulation to implement the U.S. Uruguay Round commitments, but did not include fundamental changes in the operation of the administration of the import licensing system set forth in the Import Regulation as envisaged in the ANPR.

At this time, the Department is considering the broader fundamental changes to the Import Regulation as envisaged in the ANPR. The Department will conduct a public hearing to permit interested parties to orally present their views, suggestions, and concerns on changes to the provisions of the Import Regulation including modifications, revisions, and updating with respect to: definitions, eligibility requirements, transfer of eligibility, allocation of annual in-quota tariff-rate quantities, issuance of licenses, issuance of ex-quota permits, sales in-transit, record and inspection, suspension and revocation procedures, and amendments to the Import Regulations implemented in the Interim Rule. Interested persons are encouraged to present testimony on proposed changes as well as any other

comments that they may feel appropriate.

Signed at Washington, D.C., the 16th day of February, 1995.

R.E. Rominger,

Acting Secretary of Agriculture.

[FR Doc. 95-4592 Filed 2-23-95; 8:45 am]

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Agricultural Marketing Service

7 CFR Part 28

[CN-95-001]

RIN 0581-AB15

Revision of User Fees for 1995 Crop Cotton Classification Services to Growers

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: The Agricultural Marketing Service (AMS) is proposing to reduce user fees for cotton producers for 1995 crop cotton classification services under the Cotton Statistics and Estimates Act in accordance with the formula provided in the Uniform Cotton Classing Fees Act of 1987. The 1994 user fee for this classification service was \$1.80 per bale. This proposal would reduce the fee for the 1994 crop to \$1.60 per bale. The proposed reduction in fees is due to increased efficiency in classing operations and is sufficient to recover the costs of providing classification services, including costs for administration, supervision, and development and maintenance of standards.

DATES: Comments must be received by March 27, 1995.

ADDRESSES: Comments and inquiries should be addressed to Lee Cliburn, Cotton Division, AMS, USDA, room 2641-S, P.O. Box 96456, Washington, DC 20090-6456. Comments will be available for public inspection during regular business hours at the above office in Rm. 2641-South Building, 14th & Independence Avenue, SW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Lee Cliburn, 202-720-2145.

SUPPLEMENTARY INFORMATION: This rule has been determined to be not significant for purposes of Executive Order 12866, and has not been reviewed by the Office of Management and Budget (OMB).

This proposed rule has been reviewed under Executive Order 12778, Civil Justice Reform. It is not intended to have retroactive effect. This rule would not preempt any state or local laws, regulations, or policies unless they

present an irreconcilable conflict with this rule. There are no administrative procedures which must be exhausted prior to any judicial challenge to the provisions of this rule.

The Administrator, Agricultural Marketing Service (AMS), has considered the economic impact of this proposal on small entities pursuant to the requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*).

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be disproportionately burdened. There are about 40,000 cotton growers who voluntarily submit their cotton for the classification service. The majority of the growers are small businesses under the criteria established by the Small Business Administration. The Administrator of AMS has certified that this action will not have a significant economic impact on a substantial number of small entities as defined in the RFA because:

- (1) The fee reduction reflects a decrease in the cost-per-unit currently borne by those entities utilizing the services;
- (2) The cost reduction will not affect competition in the marketplace; and
- (3) The use of classification services is voluntary.

In compliance with OMB regulations (5 CFR part 1320) which implement the Paperwork Reduction Act (PRA) of 1980 (44 U.S.C. 3501 *et seq.*), the information collection requirements contained in the provisions to be amended by this proposed rule have been previously approved by OMB and were assigned OMB control number 0581-0009 under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*).

It is anticipated that the proposed changes, if adopted, would be made effective July 1, 1995, as provided by the Cotton Statistics and Estimates Act.

Fees for Classification Under the Cotton Statistics and Estimates Act of 1927

The user fee charged to cotton producers for High Volume Instrument (HVI) classification services under the Cotton Statistics and Estimates Act (7 U.S.C. 473a) was \$1.80 per bale during the 1994 harvest season as determined by using the formula provided in the Uniform Cotton Classing Fees Act of 1987, as amended by Public Law 102-237. The fees cover salaries, cost of equipment and supplies, and other overhead costs, including costs for administration, supervision, and development and maintenance of cotton standards.

This proposed rule establishes the user fee charged to producers for HVI classification at \$1.60 per bale during the 1995 harvest season.

Public Law 102-237 amended the formula in the Uniform Cotton Classing Fees Act of 1987 for establishing the producer's classification fee so that the producer's fee is based on the prevailing method of classification requested by producers during the previous year. HVI classing was the prevailing method of cotton classification requested by producers in 1994. Therefore, the 1995 producer's user fee for classification service is based on the 1994 base fee for HVI classification.

The fee was calculated by applying the formula specified in the Uniform Cotton Classing Fees Act of 1987, as amended by Public Law 102-237. The 1994 base fee for HVI classification exclusive of adjustments, as provided by the Act, was \$1.96 per bale. A 2.3 percent, or five cents per bale increase due to the implicit price deflator of the gross domestic product added to the \$1.96 would result in a 1995 base fee of \$2.01 per bale. The formula in the Act provides for the use of the percentage change in the implicit price deflator of the gross national product (as indexed for the most recent 12-month period for which statistics are available). However, this has been replaced by the gross domestic product by the Department of Commerce as a more appropriate measure for the short-term monitoring and analysis of the U.S. economy.

The number of bales to be classed by the United States Department of Agriculture from the 1995 crop is estimated at 19,202,000. The 1995 base fee was decreased 15 percent based on the estimated number of bales to be classed (one percent for every 100,000 bales or portion thereof above the base of 12,500,000, limited to a maximum adjustment of 15 percent). This percentage factor amounts to a 30 cents per bale reduction and was subtracted from the 1995 base fee of \$2.01 per bale, resulting in a fee of \$1.71 per bale.

Assuming a fee of \$1.71 per bale, the projected operating reserve would be 30 percent. The Act specifies that the Secretary shall not establish a fee which, when combined with other sources of revenue, will result in a projected operating reserve of more than 25 percent. Accordingly, the fee of \$1.71 must be reduced by 11 cents per bale, to \$1.60 per bale, to provide an ending accumulated operating reserve for the fiscal year of 25 percent of the projected cost of operating the program. This would establish the 1995 season fee at \$1.60 per bale.