

Rules and Regulations

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DEPARTMENT OF AGRICULTURE

Farm Service Agency

7 CFR Chapter VII

Commodity Credit Corporation

7 CFR Chapter XIV

RIN 0560-AE49

Agency Name Change

AGENCIES: Farm Service Agency and Commodity Credit Corporation.

ACTION: Final rule.

SUMMARY: This document amends the regulations to change the name of the Consolidated Farm Service Agency to the Farm Service Agency as a result of the Department of Agriculture reorganization.

EFFECTIVE DATE: December 15, 1995.

FOR FURTHER INFORMATION CONTACT: Linda A. Turner, Farm Service Agency, P.O. Box 2415, room 1501-S, Washington, DC 20013, telephone 202-690-1855.

SUPPLEMENTARY INFORMATION:

Background

The Secretary of Agriculture announced that the agency previously referred to as the Consolidated Farm Service Agency (CFSA) is to be named the Farm Service Agency (FSA). On November 8, 1995, USDA published in the Federal Register (60 FR 56392) a final rule which contained redelegations of authority for the Department of Agriculture and changed the name of CFSA to FSA. This rule includes amendments to 7 CFR chapters VII and XIV which are necessary to bring agency regulations into alignment with the departmental reorganization.

Accordingly, 7 CFR Chapters VII and XIV are amended as follows:

1. The heading of 7 CFR chapter VII is revised to read as follows:

CHAPTER VII—FARM SERVICE AGENCY, DEPARTMENT OF AGRICULTURE

2. In 7 CFR chapters VII and XIV, all references to "Consolidated Farm Service Agency" are revised to read "Farm Service Agency", and all references to "CFSA" are revised to read "FSA".

Signed at Washington, DC on December 8, 1995.

Bruce R. Weber,

Acting Administrator, Farm Service Agency and Executive Vice President, Commodity Credit Corporation.

[FR Doc. 95-30534 Filed 12-14-95; 8:45 am]

BILLING CODE 3410-05-P

Agricultural Marketing Service

7 CFR Part 1280

[No. LS-95-008]

Sheep Promotion, Research, and Information Program: Procedures for the Conduct of Referendum

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule; referendum order.

SUMMARY: The Sheep Promotion, Research, and Information Act of 1994 (Act) authorizes a program of promotion, research, and information to be developed through the promulgation of the Sheep and Wool Promotion, Research, Education, and Information Order (Order). The U.S. Department of Agriculture (Department) recently completed this process and issued an Order which will become effective if approved by sheep producers, sheep feeders, and importers of sheep and sheep products. Importers who only import raw wool are not eligible to participate in the referendum. This rule sets forth the procedures for conducting the initial referendum and the relevant referendum dates.

DATES: *Effective Date:* This final rule is effective December 15, 1995.

Referendum Dates: In-person voting in the referendum will be on February 6, 1996, at the county Cooperative Extension Service offices. Absentee ballots will be available at those offices from January 16, 1996, through January 26, 1996. The representative period to establish voter eligibility will be the period from January 1, 1994, through December 31, 1994.

FOR FURTHER INFORMATION CONTACT:

Ralph L. Tapp, Chief, Marketing Programs Branch; Livestock and Seed Division; Agricultural Marketing Service (AMS), USDA, Room 2606-S; P.O. Box 96456; Washington, D.C. 20090-6456, telephone number 202/720-1115.

SUPPLEMENTARY INFORMATION: Prior document in this proceeding: Proposed Rule—Sheep Promotion and Research Program: Procedures for Conduct of Referendum published August 8, 1995 (60 FR 40313).

Regulatory Impact Analysis

Executive Orders 12866 and 12778 and the Regulatory Flexibility Act

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

This final rule has been reviewed under Executive Order 12778, Civil Justice Reform. It is not intended to have a retroactive effect. This rule would not preempt any State or local laws, regulations, or policies unless they present an irreconcilable conflict with this rule.

The Act provides that any person subject to the Order may file with the Secretary a petition stating that the Order, any provision of the Order, or any obligation imposed in connection with the Order is not in accordance with the law, and request a modification of the Order or an exemption from certain provisions or obligations of the Order. The petitioner will have the opportunity for a hearing on the petition. Thereafter the Secretary will issue a decision on the petition. The Act provides that the district court of the United States in any district in which the petitioner resides or carries on business has jurisdiction to review a ruling on the petition, if the petitioner files a complaint for that purpose not later than 20 days after the date of the entry of the Secretary's decision. The petitioner must exhaust his or her administrative remedies before he or she can initiate any such proceeding in the district court.

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*), the Administrator of AMS has considered the economic impact of this final action on small entities.

According to the January 27, 1995, issue of "Sheep and Goats," published

by the Department's National Agricultural Statistics Service, there are approximately 87,350 operations with sheep in the United States that may be eligible to vote in the referendum. To obtain the estimated number of importers of sheep and sheep products who would be subject to an assessment and who may be eligible to vote in the referendum, the Department consulted with major importer organizations whose members import sheep and sheep products into the United States. Based on its consultations with these organizations, the Department estimates that the number of importers of sheep and sheep products in the United States who would be subject to these rules and regulations is approximately 9,000. Nearly all of the sheep operations in the United States and nearly all of the importers of sheep and sheep products would be classified as small entities by the Small Business Administration (13 CFR 121.601).

This action has also been reviewed under RFA (5 U.S.C. 601 *et seq.*). This final rule would establish procedures for the conduct of a referendum to determine whether an Order promulgated under the Act becomes operational. Such procedures would permit all eligible sheep producers, sheep feeders, and importers of sheep and sheep products, excluding importers who import only raw wool, who have been engaged in sheep production, sheep feeding, or the importation of sheep and sheep products to vote in the referendum. Participation in the referendum is voluntary. Votes may be cast either by mail ballots or in person at polling places. Casting votes by mail or in person would not impose a significant economic burden on participants. Accordingly, the Administrator of AMS has determined that this rule will not have a significant economic impact on a substantial number of small business entities.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. Chapter 35), OMB has approved the information collection requirements contained in this final rule. The control number assigned to the information collection requirements in Part 1280 by OMB pursuant to the Paperwork Reduction Act is OMB 0581-0093. The information collection required by this action and necessary to conduct a referendum includes the following:

(a) For in-person voting:

(1) Each sheep producer, sheep feeder, or importer of sheep and sheep products, except an importer who

imports only raw wool, who votes in person in the referendum must sign the In-Person Voter Registration List (Form LS-61-3) and complete a Ballot (Form LS-61) at the county Cooperative Extension Service (CES) office of the Department. The voter must complete the ballot and insert it into the SHEEP BALLOT envelope (Form LS-61-1).

(2) Each producer, feeder, and importer must complete the Registration and Certification Form that is printed on the SHEEP REFERENDUM envelope (Form LS-61-2) and insert the SHEEP BALLOT envelope with the enclosed ballot in the SHEEP REFERENDUM envelope (Form LS-61-2). The estimated average time burden for completing the forms for in-person voting is 6 minutes per voter.

(b) For absentee voting: Each sheep producer, sheep feeder, and importer of sheep and sheep products, except an importer who imports only raw wool, who wants to cast an absentee vote instead of an in-person vote, must complete, in a legible manner, a combined registration/certification and absentee ballot form (Form LS-62). The voting producer, feeder, or importer must complete the registration/certification and absentee ballot form (Form LS-62), remove the ballot portion of the form, insert the ballot in a SHEEP BALLOT envelope (Form LS-61-1) (same as for in-person voting) and then insert the sealed SHEEP BALLOT envelope and the registration/certification form in the SHEEP REFERENDUM envelope (Form LS-62-1). The estimated average time burden for completing this procedure is 6 minutes per voter.

(c) The final rule requires each sheep producer, sheep feeder, or importer of sheep and sheep products who votes in person to record his or her name on the In-Person Voter Registration List (Form LS-61-3) and, if applicable, the name of the entity he or she represents. The estimated average time burden for registering to vote in person is 0.5 minutes per voter. For absentee voters, the county CES agent shall enter on the Absentee Voter Request List (Form LS-62-2) the date the ballot was requested, the voter's name and address, the name of the represented entity, if any, and the date the ballot was mailed from the county CES office. This information may be used to validate ballots and to challenge potentially-ineligible voters. Each county CES agent will fill out one or more of the Absentee Voter Request Lists (Form LS-62-2) per referendum. Because only county CES agents will complete the Absentee Voter Request List, the estimated average reporting burden would not apply to the

producer, feeder, or importer voting in the referendum.

Based on previous referendums conducted under the National Wool Act of 1954, the estimated number of producers, feeders, and importers who will vote in the referendum is 25,000, with each voting once.

Background

The Act (7 U.S.C. 7101-7111) provides for the establishment of a coordinated program of promotion, research, education, consumer information, industry information, and producer information designed to strengthen the sheep industry's position in the marketplace, maintain and expand existing markets, and develop new markets and uses for sheep and sheep products.

The program will be funded by a mandatory assessment on domestic producers, feeders, and exporters of live sheep and greasy wool of 1-cent-per-pound on live sheep sold and 2-cents-per-pound on greasy wool sold. Importers will be assessed 1-cent-per-pound on live sheep, the equivalent of 1-cent-per-pound of live sheep for sheep products as well as 2-cents-per-pound of degreased wool or the equivalent of degreased wool for wool and wool products. Imported raw wool would be exempt from assessments. Each person who processes or causes to be processed sheep and sheep products of that person's own production, and who markets the processed products, would be assessed the equivalent of 1-cent-per-pound of live sheep sold or 2-cents-per-pound of greasy wool sold. All assessments may be adjusted in accordance with the applicable provisions of the Act.

The Act requires that a referendum be conducted after the issuance of the final Order to determine whether the Order will go into effect. The referendum would be conducted among persons who were sheep producers, sheep feeders, or importers of sheep and sheep products, during a representative period specified by the Secretary. Importers who import only raw wool are not eligible to participate in the referendum because raw wool is exempt from assessments under the Act. The Order would become operational only if it is approved by a majority of the producers, feeders, and importers voting in the referendum or by producers, feeders, and importers voting in the referendum who account for at least two-thirds of the production represented by persons voting in the referendum. If the Order is not approved by persons voting in the referendum, the program will not become operational. An Order was

published in the Federal Register on December 5, 1995 (60 FR 62298).

To vote in the referendum, eligible persons will complete the registration and certification form, mark their ballots and record their volume of production on the ballot if the volume of production is voted. The volume of production will be recorded as the number of live domestic sheep or live sheep equivalents that a person owned or imported during the representative period. The domestic volume of production includes the largest number of head of domestic sheep owned for any single consecutive 30-day period during the representative period. The number of live sheep equivalents for imported sheep products will be calculated based on the amount of such products imported during the representative period. Producers, feeders, and importers who also cast ballots based on volume of production must determine their volume of production before they register and vote in the referendum.

The Act specifies that the Secretary shall determine a method of allocating, by a pro rata percentage of annual projected or actual assessments from importers, the volume of production represented by importers in a referendum conducted pursuant to this subpart. Because an Order implementing the provisions of the Act has not been in effect, imported sheep and sheep products have not been subject to the assessments described in the proposed Order published June 2, 1995 (60 FR 28747). Consequently, there are no projected or actual annual assessments available to use in calculating the volume of production for importers during the representative period. In the absence of that information on annual assessments, the Department has decided that importers of sheep and sheep products will determine their volume of production by converting the volume of those imported products that would have been subject to assessment if an Order had been in effect during the representative period. Imported sheep, sheep meat, and wool and wool products that would have been subject to assessment during the representative period are identified by the Harmonized Tariff Schedule (HTS) classification numbers listed in Table 1—HTS Classification Numbers and Conversion Factors for Imported Sheep and Sheep Products—contained herein, which includes sheep, sheep meat, and wool and wool products. Because the Act exempts imported raw wool from assessments, HTS numbers and corresponding conversion factors are

not included for imported raw wool. For the purpose of the initial referendum, importers will use the 1994 HTS classification numbers and conversion factors in Table 1. These HTS numbers for imported sheep and sheep products are published in the Harmonized Tariff Schedule of the United States. To enable importers to convert sheep meat and wool and wool products identified by the HTS numbers for 1994 listed in Table 1, the Department will use the conversion factors listed in the same table that correspond to each listed HTS number. The Department's Economic Research Service (ERS) has developed these conversion factors and maintains them in an import library. For sheep meat, these conversion factors take into account removal of bone, weight loss in processing or cooking, and nonsheep components of the sheep products. The conversion factors for wool products are used to determine the raw fiber content of imported wool products, and take into account fiber loss during processing, fabric trim loss, and cutting loss for wool and other nonsheep components of wool and wool products.

Factors in determining the number of live sheep equivalents include (1) the weight of the imported sheep meat, the weight of imported wool and wool products and the corresponding conversion factors, (2) the average carcass weight of 57 pounds for domestic mature sheep as published by the Department's National Agricultural Statistics Service in the March 1995 edition of the 1994 Livestock Slaughter Summary, (3) a dressing percentage of 50 percent, and (4) an equivalent live weight of 114 pounds for domestic mature sheep (57 lbs. ÷ 50% = 114 lbs.). The dressing percentage of 50 percent is widely recognized as the average dressing percentage for sheep in the United States. The formula for calculating importer volume of production for imported wool and wool products will use the listed conversion factors and a degreased wool yield of 52.8 percent, as published by ERS in the 1992 Weight, Measures, and Conversion Factors for Agricultural Commodities and Their Products, to convert degreased wool to a greasy wool basis. In the absence of official data for carcass weights, live weights, dressing percentages and wool yield percentages of sheep from importing countries, the Department has determined that the initially proposed carcass weight, the dressing percentage, the live weight, and the percentage of degreased wool yield, on the average, would be most representative of carcass weights, dressing percentages, live weights and

degreased wool yield percentages of sheep from which imported sheep products are derived.

Imported live sheep require no conversion and each head of imported live sheep will be counted in determining the total volume of production for importers.

The calculation procedures for both imported sheep meat and imported wool and wool products are as follows:

Imported Sheep Meat

To calculate the live sheep equivalents of imported sheep meat, an importer would first multiply the total weight of imported sheep meat for each applicable HTS number by the corresponding conversion factor to determine the total carcass weight equivalent. The importer would then divide the total carcass weight equivalent by the average carcass weight of 57 pounds to determine the equivalent number of live sheep. Because the carcass weight of 57 pounds represents the equivalent live weight of 114 pounds (57 lbs. ÷ 50% = 114 lbs.), it is not necessary to convert the carcass weight to a live weight equivalent. The Department has determined that the number of live sheep equivalents should be rounded to the nearest whole number. If the decimal is 0.5 or greater, the number of head of sheep would be rounded upward (i.e., 7.5 = 8.0). If the decimal is less than 0.5, the number of head of sheep would be rounded downward (i.e., 7.49 = 7.0). The following examples illustrate two typical calculations:

Examples I and II

1. Sheep Meat (Bone-in)
 HTS 0204100000, Carcasses and half carcasses of lamb, fresh or chilled
 Assume: Company X imports 1,000 pounds of bone-in sheep meat
 Conversion factor: 1.00
 Average carcass weight: 57 pounds
 Calculation:

Pounds of sheep meat	1,000 lbs.
Conversion factor	× 1.00
Pounds of carcass weight equivalents.	1,000 lbs.
Average carcass weight	÷ 57 lbs.
Live sheep equivalents	= 17.5 or 18

2. Sheep Meat (Boneless)
 HTS 0204232000, Other meat of sheep, fresh or chilled: Boneless: lamb
 Assume: Company X imports 1,000 pounds of boneless sheep meat
 Conversion factor: 1.52
 Average carcass weight: 57 pounds
 Calculation:

Pounds of sheep meat	1,000 lbs.
Conversion factor	× 1.52

Pounds of carcass weight equivalents.	1,520 lbs.
Average carcass weight	+57
Live sheep equivalents	= 26.7 or 27

Equivalent live weight	+114 lbs.
Number of live sheep equivalents.	=32.5 or 33

TABLE I.—HTS AND CONVERSION FACTORS FOR IMPORTED SHEEP AND SHEEP PRODUCTS—Continued

HTS	CF
5111909000	0.7972
5112110030	0.5315
5112110060	0.9566
5112111000	0.9566
5112112030	1.0629
5112112060	0.9566
5112192000	1.0629
5112199010	1.0629
5112199020	1.0629
5112199030	1.0629
5112199040	1.0629
5112199050	1.0629
5112199060	1.0629
5112201000	0.5315
5112202000	0.5315
5112203000	0.5315
5112301000	0.5315
5112302000	0.5315
5112303000	0.5315
5112903000	0.6378
5112904000	0.7972
5112905000	0.7972
5112909010	0.5315
5112909090	0.5315
5212111010	0.4783
5212111020	0.4783
5212116010	0.2126
5212121010	0.4783
5212121020	0.4783
5212126010	0.2126
5212131010	0.4783
5212131020	0.4783
5212136010	0.2126
5212141010	0.4783
5212141020	0.4783
5212146010	0.2126
5212151010	0.4783
5212151020	0.4783
5212156010	0.2126
5212211010	0.4783
5212211020	0.4783
5212216010	0.2126
5212221010	0.4783
5212221020	0.4783
5212226010	0.2126
5212231010	0.4783
5212231020	0.4783
5212236010	0.2126
5212241010	0.4783
5212241020	0.4783
5212246010	0.2126
5212251010	0.4783
5212251020	0.4783
5212256010	0.2126
5309212000	0.5315
5309292000	0.5315
5311002000	0.2126
5407910510	0.4783
5407910520	0.4783
5407911000	0.2126
5407920510	0.4783
5407920520	0.4783
5407921010	0.2126
5407921020	0.2126
5407930510	0.4783
5407930520	0.4783
5407931000	0.2126
5407940510	0.4783
5407940520	0.4783
5407941000	0.2126

Imported Wool and Wool Products

Because assessments of all imported products are based on weight and the referendum vote will include a volume consideration which, for domestic voters, will be based on live sheep, the Department has determined that the 114 pounds of mature sheep weight will be the live sheep equivalent for both imported sheep meat and imported wool. For purposes of the referendum, the domestic vote is based entirely on the number of live sheep with no regard for the wool. However, to provide an equitable voting basis for importers of wool and wool products, an amount of greasy wool equal in weight to a live mature sheep—114 pounds—was established as a —live sheep equivalent— for importers of wool and wool products.

To calculate the number of live sheep equivalents of imported wool products, the importer would first multiply the total weight of imported wool products for each applicable HTS number by the corresponding conversion factor to determine the total weight of degreased wool. The importer would then divide the total weight of the degreased wool equivalent by 52.8 percent, to convert the degreased wool to a greasy wool basis. Finally, the importer would divide the total pounds of greasy wool by the calculated average live weight of 114 pounds to determine the number of live sheep equivalents. The Department has determined that the number of live sheep equivalents should be rounded to the nearest whole number. If the decimal is 0.5 or greater, the number of head of sheep would be rounded upward (i.e., 7.5=8.0). If the decimal is less than 0.5, the number of head of sheep would be rounded downward (i.e., 7.49=7.0). The following example illustrates a typical calculation:

Example III

HTS 6201110010, Mens or boys overcoats of wool or fine animal hair
Assume: Company X imports 1,000 overcoats weighing 2,000 pounds into the United States.

Conversion factor: 0.9774

Calculation:

Weight of imported product ..	2,000 lbs.
Conversion factor	×0.9774

Pounds of greasy wool	1,954.8 lbs.
Degreased wool yield	+52.8%
Pounds of degreased wool	3,702.3 lbs.

The HTS numbers, the conversion factors, and other information used to calculate number of live sheep equivalents apply only to the initial referendum described herein.

The 1994 HTS classification numbers and conversion factors for imported sheep and sheep products and wool and wool products that importers will use in determining their volume of production are as follows:

TABLE I.—HTS AND CONVERSION FACTORS FOR IMPORTED SHEEP AND SHEEP PRODUCTS

HTS	CF
Live Sheep:	
0104100000	1.00
Sheep Meat:	
0204100000	1.00
0204210000	1.00
0204222000	1.00
0204224000	1.00
0204232000	1.52
0204234000	1.52
0204300000	1.00
0204410000	1.00
0204422000	1.00
0204424000	1.00
0204432000	1.52
0204434000	1.52
Wool and Wool Products	
5007106030	0.5315
5007906030	0.5315
5103100000	1.0417
5103200000	1.0417
5105100000	1.0309
5105210000	1.1111
5105290000	1.1111
5106100010	1.0417
5106100090	1.0417
5106200000	0.5208
5107100000	1.0417
5107200000	0.5208
5109102000	1.0417
5109902000	1.0417
5111112000	1.0629
5111113000	1.0629
5111117030	1.0629
5111117060	1.0629
5111191000	1.0629
5111192000	1.0629
5111196020	0.5315
5111196040	0.5315
5111196060	1.0629
5111196080	1.0629
5111200500	0.5315
5111201000	0.5315
5111209000	0.5315
5111300500	0.5315
5111301000	0.5315
5111309000	0.5315
5111903000	0.5315
5111904000	0.7972
5111905000	0.5315
5111906000	0.7972

TABLE I.—HTS AND CONVERSION FACTORS FOR IMPORTED SHEEP AND SHEEP PRODUCTS—Continued

HTS	CF
5408310510	0.4783
5408310520	0.4783
5408311000	0.2126
5408320510	0.4783
5408320520	0.4783
5408321000	0.2126
5408330510	0.4783
5408330520	0.4783
5408331000	0.2126
5408340510	0.4783
5408340520	0.4783
5408341000	0.2126
5509520000	0.3646
5509610000	0.1563
5509910000	0.3646
5510200000	0.3646
5515130510	0.4783
5515130520	0.4783
5515131010	0.2126
5515131020	0.2126
5515220510	0.4783
5515220520	0.4783
5515221000	0.2126
5515920510	0.4783
5515920520	0.4783
5515921010	0.2126
5515921020	0.2126
5516310510	0.4783
5516310520	0.4783
5516311000	0.2126
5516320510	0.4783
5516320520	0.4783
5516321000	0.2126
5516330510	0.4783
5516330520	0.4783
5516331000	0.2126
5516340510	0.4783
5516340520	0.4783
5516341000	0.2126
5601290020	0.9035
5602109010	1.0629
5602109090	0.5315
5602210000	1.0629
5602903000	0.2657
5603001010	1.0629
5701101300	0.9479
5701101600	0.9479
5702101000	1.0156
5702109010	1.0156
5702311000	0.7708
5702312000	0.6563
5702411000	0.6979
5702412000	0.5729
5702512000	0.9531
5702514000	0.9010
5702912000	0.9531
5702913000	0.9531
5702914000	0.9010
5703100000	0.6313
5704100010	0.2630
5704900010	0.2630
5705002010	0.6313
5801100000	1.0629
5801902090	1.0629
5802300020	1.0629
5803901100	1.0629
5803901200	1.0629
5805001000	0.5315
5805002000	1.0629
5805002500	1.0629

TABLE I.—HTS AND CONVERSION FACTORS FOR IMPORTED SHEEP AND SHEEP PRODUCTS—Continued

HTS	CF
5806103020	1.0629
5806391000	1.0629
5810990010	1.0629
5811001000	1.0629
5903203010	0.5315
5903903010	0.5315
6001290000	1.0629
6002209000	1.0851
6002410000	1.0851
6002490000	1.0851
6002910000	1.0851
6101100000	1.0094
6101301500	0.5047
6101900020	0.5678
6102100000	1.0094
6102301000	0.5047
6102900010	0.5678
6103110000	0.8439
6103121000	0.4823
6103122000	0.1808
6103191000	0.4823
6103191500	0.2411
6103194010	0.1206
6103194020	0.1206
6103194030	0.1206
6103194040	0.4823
6103194050	0.1206
6103194060	0.0603
6103194080	0.2411
6103210010	0.9645
6103210020	0.8439
6103210030	0.9645
6103210050	0.9645
6103210060	0.9645
6103210070	0.9645
6103230005	0.4823
6103230007	0.4823
6103230010	0.4823
6103230025	0.3167
6103230030	0.4823
6103230035	0.4823
6103292060	0.5425
6103292066	0.1206
6103292068	0.1206
6103310000	0.9864
6103331000	0.4932
6103332000	0.1233
6103391000	0.4932
6103392020	0.5549
6103411010	0.8256
6103411020	0.8256
6103412000	0.8256
6103431010	0.4718
6103431020	0.4718
6103432010	0.4718
6103491010	0.4823
6103493012	0.5425
6103493036	0.5425
6103493060	0.6028
6104110000	0.8631
6104131000	0.4932
6104132000	0.1233
6104191000	0.4932
6104191500	0.1233
6104192050	0.5549
6104210010	0.8439
6104210030	0.8439
6104210040	0.9645
6104210060	0.9645
6104210070	0.8439

TABLE I.—HTS AND CONVERSION FACTORS FOR IMPORTED SHEEP AND SHEEP PRODUCTS—Continued

HTS	CF
6104210080	0.9645
6104230010	0.4823
6104230014	0.4823
6104230016	0.4823
6104230020	0.4823
6104230022	0.4823
6104230024	0.4823
6104230026	0.1206
6104230030	0.1206
6104230040	0.1206
6104230042	0.1206
6104291010	0.1206
6104291020	0.1206
6104291060	0.1206
6104291070	0.1206
6104292012	0.5425
6104292024	0.5425
6104292036	0.5425
6104292051	0.5425
6104292067	0.5425
6104292073	0.1206
6104292075	0.1206
6104292083	0.5425
6104310000	0.8631
6104331000	0.4932
6104332000	0.1233
6104391000	0.1233
6104392020	0.5549
6104410010	0.9645
6104410020	0.9645
6104431010	0.4823
6104431020	0.4823
6104432010	0.1206
6104432020	0.1206
6104441000	0.4823
6104442010	0.1206
6104442020	0.1206
6104490020	0.5425
6104510000	0.9978
6104531000	0.4989
6104532010	0.1247
6104532020	0.1247
6104591005	0.4989
6104591030	0.1247
6104591060	0.1247
6104592020	0.5612
6104610010	0.8256
6104610020	0.8256
6104610030	0.8256
6104631510	0.4718
6104631520	0.4718
6104692005	0.4823
6104693012	0.5425
6104693024	0.5425
6105201000	0.4617
6105901000	0.8080
6105903020	0.5194
6106201010	0.4617
6106201020	0.4617
6106901010	0.8080
6106901020	0.8080
6106902020	0.4040
6106903020	0.4040
6107190020	0.7077
6107292000	0.8256
6107992000	0.8256
6108391000	0.8167
6108992000	0.8167
6109901510	0.8080
6109901520	0.8080

TABLE I.—HTS AND CONVERSION FACTORS FOR IMPORTED SHEEP AND SHEEP PRODUCTS—Continued

HTS	CF
6109901530	0.8080
6109901540	0.8080
6109902035	0.5772
6110101010	1.2330
6110101020	1.2330
6110101030	1.2330
6110101040	1.2330
6110101050	1.2330
6110101060	1.2330
6110102010	0.8631
6110102020	0.8631
6110102030	0.8631
6110102040	0.8631
6111012050	0.8631
6110102060	0.8631
6110102070	0.8631
6110102080	0.8631
6110301510	0.4932
6110301520	0.4932
6110301530	0.4932
6110301540	0.4932
6110301550	0.4932
6110301560	0.4932
6110303005	0.1850
6110303010	0.1850
6110303015	0.1850
6110303020	0.1850
6110303025	0.1850
6110303030	0.1850
6110303035	0.1850
6110303040	0.1850
6110303045	0.1850
6110303050	0.1850
6110303055	0.1850
6110900012	0.5549
6110900028	0.5549
6110900048	0.5549
6110900050	0.5549
6110900072	0.5549
6110900074	0.5549
6111100010	1.0615
6111100030	1.0615
6112202020	0.8631
6114100020	0.8439
6114100040	0.8439
6114100050	0.8439
6114100060	0.8439
6114100070	0.8439
6114302030	0.4823
6114303012	0.6028
6114303042	0.4823
6114303052	0.4823
6114900050	0.5425
6115190020	1.0851
6115910000	0.8681
6115931010	0.4340
6115932010	0.4340
6115991410	0.4340
6115991810	0.4340
6116109040	0.0800
6116910000	0.9137
6116936400	0.4569
6116937400	0.4569
6116938800	0.1713
6116939400	0.1713
6116998020	0.4569
6116998030	0.3427
6117101000	1.0280
6117102010	0.4569
6117106020	0.2284

TABLE I.—HTS AND CONVERSION FACTORS FOR IMPORTED SHEEP AND SHEEP PRODUCTS—Continued

HTS	CF
6117200019	1.1422
6117200070	0.1713
6117800019	0.9747
6117800025	0.5711
6117800070	0.1713
6117900013	1.1422
6117900023	1.1422
6117900033	1.1422
6117900043	1.1422
6117900055	1.1422
6201110010	0.9774
6201110020	0.9774
6201122010	0.0611
6201122020	0.0611
6201133010	0.4398
6201133020	0.4398
6201134015	0.0489
6201134020	0.0489
6201134030	0.0977
6201134040	0.0977
6201190020	0.5498
6201911000	0.9554
6201912011	0.9554
6201912021	0.9554
6201932511	0.5374
6201932521	0.5374
6201990021	0.5374
6202110010	0.8455
6202110020	0.8455
6202122010	0.0604
6202122020	0.0604
6202133010	0.5562
6202133020	0.5562
6202134005	0.0618
6202134010	0.0618
6202134020	0.1236
6202134030	0.1236
6202190020	0.5562
6202911000	0.9663
6202912011	0.9663
6202912021	0.9663
6202934011	0.5435
6202934021	0.5435
6202990021	0.5435
6203111000	0.6039
6203112000	0.6039
6203121000	0.5435
6203192000	0.5435
6203194040	0.5435
6203210010	0.8455
6203210015	0.8455
6203210020	0.8455
6203210030	0.8455
6203210060	0.8455
6203230010	0.5435
6203230015	0.5435
6203230020	0.5435
6203230030	0.5435
6203230040	0.5435
6203310000	1.0267
6203331010	0.5435
6203331020	0.5435
6203391000	0.4831
6203394020	0.5435
6203411010	0.9448
6203411020	0.9448
6203411030	0.8858
6203412000	1.1810
6203433010	0.5199
6203433020	0.5199

TABLE I.—HTS AND CONVERSION FACTORS FOR IMPORTED SHEEP AND SHEEP PRODUCTS—Continued

HTS	CF
6203433030	0.5199
6203493025	0.5199
6204110000	0.9059
6204131000	0.5435
6204132010	0.1812
6204132020	0.1812
6204191000	0.5435
6204192000	0.1812
6204193050	0.5435
6204210010	0.8455
6204210030	0.8455
6204210040	0.8455
6204210060	0.8455
6204210070	0.8455
6204230015	0.5435
6204230020	0.5435
6204230025	0.5435
6204294012	0.5435
6204294024	0.5435
6204294036	0.5435
6204294072	0.5435
6204294084	0.5435
6204312010	1.0267
6204312020	1.0267
6204332000	0.0604
6204334010	0.4831
6204334020	0.4831
6204335010	0.0604
6204335020	0.0604
6204392010	0.4831
6204392020	0.4831
6204393010	0.0604
6204393020	0.0604
6204398020	0.5549
6204398030	0.1850
6204411000	0.6496
6204412010	1.0039
6204412020	1.0039
6204433010	0.4724
6204433020	0.4724
6204434010	0.4724
6204434020	0.4724
6204434030	0.2953
6204434040	0.2953
6204443010	0.4831
6204443020	0.4831
6204444010	0.4831
6204444020	0.4831
6204495020	0.5435
6204495030	0.1812
6204510010	0.9888
6204510020	0.9888
6204532010	0.4944
6204532020	0.4944
6204592010	0.4944
6204592020	0.4944
6204593010	0.4944
6204593020	0.4944
6204594020	0.5562
6204594030	0.1845
6204610010	0.9243
6204610020	0.9243
6204610030	0.9243
6204610040	0.9243
6204632510	0.4621
6204632520	0.4621
6204692010	0.4621
6204692020	0.4621
6204692030	0.4621
6204693020	0.5199

TABLE I.—HTS AND CONVERSION FACTORS FOR IMPORTED SHEEP AND SHEEP PRODUCTS—Continued

HTS	CF
6204699020	0.5199
6204699030	0.1733
6204699050	0.1733
6205101000	1.1554
6205102010	0.9243
6205102020	0.9243
6205301510	0.4621
6205301520	0.4621
6205902020	0.5777
6205902050	0.0578
6205904020	0.5777
6205904040	0.1155
6206100020	0.5777
6206100050	0.0578
6206201000	1.1554
6206202010	0.6932
6206202020	0.6932
6206203010	0.9243
6206203020	0.9243
6206402510	0.5199
6206402520	0.5199
6206900020	0.5199
6206900030	0.1733
6207290010	0.8572
6207922010	0.5315
6207992000	0.8267
6207994000	0.8267
6208290012	0.9243
6208920010	0.0591
6208920020	0.0591
6208920030	0.0591
6208920040	0.0591
6208992010	0.9448
6208992020	0.9448
6209100000	0.7915
6211202020	0.8455
6211203020	0.8455
6211204030	0.8455
6211205020	0.8455
6211206020	0.8455
6211207030	0.8455
6211310010	0.9059
6211310020	0.9059
6211310030	0.9059
6211310040	0.9059
6211310045	0.9059
6211310051	0.9059
6211330052	0.6039
6211410010	0.9663
6211410020	0.9663
6211410030	0.9663
6211410040	0.9059
6211410050	0.9663
6211410055	0.9663
6211410061	0.9663
6211430064	0.6039
6211430074	0.6039
6212900020	0.7161
6214102000	0.3357
6214200000	0.8951
6214300000	0.1119
6214400000	0.1119
6214900010	0.5559
6215900010	1.1189
6216005410	0.5035
6216005810	0.5035
6216008000	1.1189
6217100020	0.8267
6217100030	0.1181
6217900005	0.8267

TABLE I.—HTS AND CONVERSION FACTORS FOR IMPORTED SHEEP AND SHEEP PRODUCTS—Continued

HTS	CF
6217900010	0.1181
6217900030	0.8267
6217900035	0.1181
6217900055	0.8267
6217900060	0.1181
6217900080	0.8267
6217900085	0.1181
6301200010	0.9219
6301200020	0.9219
6301900030	0.1085
6302900010	0.9219
6304193040	0.8677
6304910050	0.7592
6304991000	1.0846
6304991500	1.0846
6304994000	1.0846
6304996010	1.0846
6501009000	1.3424
6503009000	1.3424
6505903030	0.9965
6505903045	0.5530
6505903090	0.8470
6505904030	0.8297
6505904045	0.4881
6505904090	0.8297
6505906040	0.4429

The Act also requires the Secretary to hold additional referendums if so requested by a representative group comprised of 10 percent or more of the producers, feeders, and importers who, during a representative period as determined by the Secretary, were engaged in the production, feeding, importation, or processing of sheep or sheep products. In any such referendum, if the continuation of the Order is not approved by a majority of producers, feeders, and importers voting in the referendum, or by producers, feeders, and importers voting in the referendum who account for at least two-thirds of the production represented by the persons voting in the referendum, the Secretary will suspend or terminate the Order. While the proposed rule indicated that the rules would also apply to any additional referendum conducted pursuant to the Act, it has been determined that these rules would apply only to the initial referendum and that rules for additional referendums would be published as necessary. This conforms to recent changes to other research and promotion programs.

The Act specifies that the initial referendum be conducted on a date and location established by the Secretary, under a procedure by which sheep producers, sheep feeders, and importers of sheep and sheep products intending to vote in the referendum shall certify that they were engaged in sheep

production, sheep feeding, or importation of sheep and sheep products during the representative period and, on the same day, would vote in the referendum. In addition, the Act provides that the Secretary must provide absentee ballots on request made either in person or by mail. The initial referendum will be conducted at county CES offices. The CES of the Department will coordinate with State and county CES offices concerning their roles in conducting the initial referendum.

The final rule sets forth procedures to be followed in conducting the referendum under the Act, including definitions, supervision of the referendum, registration, voting procedures, reporting referendum results, and disposition of the ballots and records. The Farm Service Agency (FSA) of the Department will assist in the conduct of the referendum by (1) counting ballots, (2) determining the eligibility of challenged voters, and (3) reporting referendum results.

On August 8, 1995, AMS published in the Federal Register (60 FR 40313) a proposed rule that set forth procedures to be followed in conducting the referendum under the Act. The proposed rule included provisions concerning definitions, supervision of the referendum, registration, voting procedures, reporting referendum results, and disposition of the ballots and records. It also proposed that the initial referendum be conducted at the county CES offices and that FSA, formerly the Agricultural Stabilization and Conservation Service of the Department, assist in the conduct of the referendum by (1) counting ballots, (2) determining the eligibility of challenged voters, and (3) reporting referendum results.

The proposed rule was published (60 FR 40313, August 8, 1995) with a request for comments to be submitted by September 7, 1995. The Department received 26 written comments concerning the proposed referendum procedures from individual sheep producers and sheep feeders, as well as producer, feeder, and importer organizations and universities. Twenty-three written comments were filed on time and three comments were filed after the comment period closed. The late comments generally expressed the same views as the timely comments which are responded to herein. The commenters generally supported the proposed rule with certain qualifications.

The substantive changes suggested by commenters are discussed below, together with a description of the

substantive changes made by the Department upon review of the proposed procedures for the conduct of the referendum. Also, the Department has made other minor changes of a nonsubstantive nature for purposes of clarity and accuracy. For the reader's convenience, the discussion is organized by the topic headings of the proposed rule.

Definitions

Section 1280.621 Raw Wool

Twenty commenters suggested that the definition of "raw wool" should include wooltop, noils of wool, and wool waste. The Department finds that wooltop, noils of wool, and wool waste result from the processing of raw wool as defined in the Act and that to expand the definition would not be consistent with the intent of the Act. Accordingly, this suggestion is not adopted in the final rule.

Section 1280.624 Representative Period

Twenty-one commenters suggested that the representative period should be the 1995 calendar year. The Department has determined that the representative period should be the 12 consecutive months of calendar year 1994 to ensure that importers have ample opportunity to calculate their "volume of production" prior to casting a ballot. This is particularly true for those persons voting absentee. Accordingly, this suggestion is not adopted.

Section 1280.631 Volume of Production

Four commenters suggested that the importer's volume of production should be based on imports for a single consecutive 30-day period within the 12-month representative period, because domestic production is based on a 30-day period. The commenters were concerned that basing importer's volume of production on imports for an entire year would provide importers with an advantage over domestic producers. The Department finds that basing importer's volume of production on import volume for a calendar year is consistent with § 6(c)(4) of the Act. Accordingly, this suggestion is not adopted.

One commenter suggested that lambs younger than 6 months of age should be counted toward a producer's or feeder's volume of production total because all imported sheep products are used to calculate importers' live animal equivalents for the 12-month representative period. The Department determined that this suggestion has

merit because all sheep and lambs in the inventory are subject to sale during a calendar year and many are marketed at less than 6 months of age. Accordingly, this suggestion is adopted and we have amended § 1280.631, Volume of Production, to reflect this change.

One commenter questioned whether domestic producers would be required to use a conversion factor to determine domestic volume of production. The Department has determined that domestic volume of production would be based on the number of live sheep owned continuously during a single period of at least 30 days during calendar year 1994, and located in the United States. Accordingly, no conversion factors are necessary for domestic producers or feeders. Two commenters suggested that the Department review the definition of volume of production and revise it to include an actual head count to establish volume of production. The commenter believed this would more accurately reflect the annual flock size of each producer. The Department reviewed this definition and determined that the basis for establishing volume of production is consistent with the intent of the Act. Accordingly, this suggestion is not adopted.

Referendum

Section 1280.650 General

One commenter asked whether two-thirds of the production represented by those persons voting in the referendum, or whether 51 percent of the simple majority vote could approve or defeat the Order. The Act provides that the final Order will become effective if it is approved by either a simple majority of the producers, feeders, and importers voting in the referendum or by those voting who account for at least two-thirds of the production represented by persons voting in the referendum.

One commenter suggested that the simple majority vote and the eligibility requirements that allow any sheep owner to participate in the referendum could mean that a disproportionately high number of hobby sheep owners will participate in the referendum and might lead to the adoption of an Order commercial producers, feeders, and importers are not in favor of it. The Act provides that each person who markets sheep and sheep products is subject to the assessment provisions of the Act. Therefore, all persons who are required to pay an assessment would be entitled to vote in the referendum regardless of the number of sheep they owned. Accordingly, this suggestion is not adopted.

One commenter suggested that the Order should not become operative unless the Secretary finds that at least 40 percent of those eligible to vote have participated in the referendum and that: (1) 65 percent of those voting cast votes in favor of implementation of the Order, and those so voting own the majority of the total quantity of sheep and sheep products in the preceding year owned by all who voted in the referendum, and (2) a majority of those who voted in favor of implementation of the Order, and those so voting owned 65 percent or more of the total quantity of sheep and sheep products in the preceding year owned by all who voted in the referendum. The Act provides that all persons who were engaged in the production, feeding, or importation of sheep or sheep products will be eligible to vote and that each person may cast a vote. Additionally, the Act provides that for the Order to become effective, it has to be approved by either a simple majority of the producers, feeders, and importers voting in the referendum or by those voting who account for at least two-thirds of the production represented by those persons voting in the referendum. Accordingly, this suggestion is not adopted.

Section 1280.652 Eligibility

Twenty-four commenters suggested either that no person under the age of 18 should be allowed to vote or that there should be some age limitation on eligibility to vote in the referendum. The Department finds that any person who is subject to the assessment should be entitled to vote. Accordingly, this suggestion is not adopted.

Nineteen commenters asked if producers who also qualify as feeders could vote once as a producer and once as a feeder. Section 1280.652 of the rule specifically states that each producer, feeder, and importer entity shall be entitled to cast only one ballot in the referendum. The intent is that there is only one vote per individual or legal entity. Thus, an individual who is both a producer and a feeder would have only one vote unless the individual represents more than one legal entity.

One commenter suggested that a person who collects a wool incentive check should be the only person eligible to vote. The Act specifically designates and establishes the requirements of those persons who are eligible to vote in the referendum. Receiving a wool incentive check under the National Wool Act of 1954 is not a requirement of eligibility to vote in the referendum. The Department believes that each person who is subject to the assessment should be entitled to cast a vote.

Accordingly, this suggestion is not adopted.

One commenter asked why a person who owned only one sheep for any single consecutive 30-day period in 1994 should have the same voting privileges as a producer who makes his or her living in the sheep business. If the Order is approved in referendum, all sales of domestic sheep and greasy wool will be subject to the assessment under the Order. Thus, the Department finds that any person subject to the assessment should be entitled to vote.

One commenter questioned whether the American producers want importers of sheep and sheep products voting in the referendum. The Act specifies that producers, feeders, and importers, except importers of raw wool, who were engaged in the production, feeding, or importation of sheep and sheep products during the representative period will be eligible to vote.

Two commenters suggested that all votes should be based on the actual volume of production (i.e., one sheep equals one vote). The Act clearly provides for approval of the Order based on a simple majority vote of participants or a two-thirds majority of the production represented by those voting in the referendum. Accordingly, this suggestion is not adopted.

One commenter suggested that voter eligibility needed to be clarified, but did not suggest any particular language. The Department has determined that any person who was a sheep producer, sheep feeder, or importer of sheep and sheep products during the representative period is eligible to vote and shall be entitled to cast one ballot in the referendum.

Section 1280.655 Registration Form and Ballot.

The Department, after further review of this section, determined that the last sentence in this section beginning with "The ballot * * *" and ending with "* * * volume of production," should be deleted because it duplicates the fourth sentence in this section and thus is not necessary. Accordingly, the last sentence is deleted from this final rule.

Additionally, the Department is clarifying this section to make it clear that producers, feeders, and importers will enter their volume of production on the ballot, only if they intend to also cast their ballot based on their volume of production. Accordingly, we have amended § 1280.655 to reflect this clarification.

Section 1280.656 Registration and Voting.

One commenter suggested that a signature should not be required to request an absentee ballot. The rule does not require a signature, but it is the Department's intent that the request for an absentee ballot be made only by persons who are eligible to vote. It is the Department's expectation that nearly all written requests will be signed. No change in the final rule is required to accommodate this suggestion. The same commenter recommended that requests for an absentee ballot via electronic mail (e-mail) system be accepted. Since e-mail is available at many locations, using this method of communication would likely facilitate requests for absentee ballots for e-mail users in those offices that can receive e-mail. Any requests for absentee ballots by e-mail would be subject to the same conditions that apply to absentee ballots requested by mail or in person. Accordingly, this suggestion is adopted.

Additional Comments

One commenter suggested that the Department use the 63 pound average carcass weight for lambs and yearlings rather than the 57 pound average carcass weight for mature sheep to convert imported sheep meat to a live animal equivalent. The Department finds that the average carcass weight for imported lambs is widely recognized as being less than the average carcass weight of domestically slaughtered lambs and yearlings. Therefore, in the absence of definitive imported carcass weights and dressing percents, the Department believes that the 57 pound mature sheep weight as officially published in 1994 Livestock Slaughter Summary in March of 1995 more nearly reflects the average carcass weight of imported lamb and should be used for the purpose of calculating import volume of production for this initial referendum. Accordingly, this suggestion is not adopted.

Twenty commenters asked which base number the Department would use if a request or petition were made by a representative group comprised of 10 percent or more of the producers, feeders, and importers to conduct a subsequent referendum. The Department would use the most recent officially published Government data available at the time the request is made.

One commenter suggested that the conversion factors for wool products that account for fiber loss during production, fabric trim loss, and cutting loss be clarified to account only for the

loss that is not recoverable and cannot be recycled back through the processing system at some point in the future. After discussions with the Department's Economic Research Service (ERS), the Department believes that these suggestions should be considered in any future revisions of the conversion factors that ERS may publish as an import library and maintained and updated. The conversion factors that account for fiber lost during processing are currently established by ERS based on consultation with major wool manufacturers. The Department does not intend to propose any changes to the most recent published conversion factors for the purpose of this initial referendum. Accordingly, this suggestion is not adopted.

Three commenters suggested that the proposed method of converting the weight of wool represented by wool product imports is inherently incorrect in that it (1) uses conversion factors developed for sheep and sheep products, (2) assumes that they translate equally to wool and wool products, and (3) will significantly understate the contribution of wool product imports. The commenters further suggested that the greasy wool equivalent weight of wool products should be determined by fleece weight for both the U.S. producers and importers rather than the live sheep weight for importers and the fleece weight for domestic producers. Additionally, the commenters suggested that the common denominator for determining live sheep equivalents for wool and wool products should be the average weight of greasy wool fleece. Finally, the commenters suggested that the Department use 7.7 pounds of greasy wool per head as published by the Department's National Agricultural Statistics Service in the March 29, 1995, issue of "Wool and Mohair" to calculate the number of live animal equivalents rather than the 114 pound of live weight as proposed by the Department. The Department reviewed these comments carefully and determined that since domestic volume of production is based on the number of live animals and not on wool production that a live weight which more nearly reflects the live weight of imported sheep would be used to calculate the number of live sheep equivalents for both imported sheep meat and wool products. Accordingly, this suggestion is not adopted.

Two commenters suggested that the Department review the conversion factors to ensure that conversion factors are consistent. ERS maintains these conversion factors as an import library, reviews these factors periodically, and

makes changes whenever new or additional information is available. At this time the Department does not anticipate changes in the conversion factors for the purposes of the vote. Nevertheless, we welcome all information regarding conversion factors with the goal of adding to our knowledge of fiber contents for all wool and wool products.

Three commenters suggested that the Department initiate a fact finding process to identify importers eligible to vote in the referendum to ensure that all importers identified are adequately notified of the referendum.

Additionally, one commenter suggested that voting instructions and absentee ballots be mailed to all importers. The Department believes that producers, feeders, and importers will have ample opportunity to learn of the referendum through industry organizations, newspapers, industry publications, Federal Register, and other news service resources. The Department will make information concerning the referendum available to a variety of news outlets, including outlets recommended by importers. An absentee voting period will be announced when the in person voting date is announced. Producers, feeders, and importers will request an absentee ballot from the county CES office and mail or personally deliver the absentee ballot to the county CES office where the absentee ballot was requested. Accordingly, we have not adopted these suggestions as proposed.

One commenter requested that the Department permanently establish, through regulatory promulgation, HTS numbers subject to assessment as part of this proposed rule. The Department published in the October 3, 1995, Federal Register (60 FR 51737) for public comment implementing rules and regulations, which include HTS classification numbers subject to assessment. Thus, the commenters' proposal has already been proposed in another rulemaking.

One commenter suggested that AMS should use information available from the U.S. Customs Service to calculate the volume vote for each importer in the referendum rather than requiring importers to make this calculation. The Department believes that this information should be readily available to importer businesses through normal recordkeeping processes. Accordingly this suggestion is not adopted.

Pursuant to 5 U.S.C. 553, it is also found and determined that good cause exists for not postponing the effective date of this action until 30 days after publication in the Federal Register. An

Order which will be the subject of a referendum vote was published in the December 5, 1995, Federal Register (60 FR 62298). For the program to become operational, the Order must be approved by sheep producers, sheep feeders, and importers of sheep and sheep products voting in the initial referendum. In order to conduct a referendum in a timely manner, this rule should be made effective as soon as possible. Further, interested persons were afforded a 30 day comment period on the proposed referendum rule, and no useful purpose would be served in delaying the effective date. Therefore, this final rule is effective on the date of publication in the Federal Register.

Referendum Order

It is hereby directed that a referendum be conducted among eligible sheep producers, sheep feeders, and importers of sheep and sheep products to determine whether an Order will become effective if approved by those eligible persons voting in the referendum. In-person voting in the referendum will be on February 6, 1996, at the county Cooperative Extension Service offices. Absentee ballots will be available at those offices from January 16, 1996, through January 26, 1996. The representative period to establish voter eligibility will be the period from January 1, 1994, through December 31, 1994.

In summary, this final rule adopts provisions of the August 8, 1995 proposed rule with the changes discussed herein and with other minor changes made for purposes of clarity and accuracy.

List of Subjects in 7 CFR Part 1280

Administrative practice and procedure, Advertising, Agricultural research, Marketing agreements, Sheep and sheep products, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 1280 is added to Chapter XI to read as follows:

PART 1280—SHEEP PROMOTION, RESEARCH, AND INFORMATION

Subpart A—[Reserved]

Subpart B—[Reserved]

Subpart C—[Reserved]

Subpart D—[Reserved]

Subpart E—Procedures for the Conduct of Referendum

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- 1280.663 Results of the referendum.
- 1280.664 Disposition of ballots and records.
- 1280.665 Instructions and forms.

Authority: 7 U.S.C. 7101-7111.

Subpart E—Procedures for the Conduct of Referendum

Definitions

§ 1280.601 Act.

The term *Act* means the Sheep Promotion, Research, and Information Act of 1994, 7 U.S.C. 7101-7111; Public Law 103-407; 108 Statute 4210; as approved October 22, 1994, and any amendments thereto.

§ 1280.602 Administrator.

The term *Administrator* means the Administrator of the Agricultural Marketing Service, or any officer or

employee of the Department to whom there has heretofore been delegated or may hereafter be delegated the authority to act in the Administrator's stead.

§ 1280.603 Carbonized wool.

The term *Carbonized wool* means wool that has been immersed in a bath, usually of mineral acids or acid salts, that destroys vegetable matter in the wool, but does not affect the wool fibers.

§ 1280.604 Farm Service Agency.

The term *Farm Service Agency*—formerly Agricultural Stabilization and Conservation Service (ASCS)—also referred to as “FSA,” means the Farm Service Agency of the Department.

§ 1280.605 Farm Service Agency County Committee.

The term *Farm Service Agency County Committee*, also referred to as the “FSA County Committee or COC,” means the group of persons within a county elected to act as the FSA County Committee or COC.

§ 1280.606 Farm Service Agency County Executive Director.

The term *Farm Service Agency County Executive Director* also referred as the “FSA County Executive Director,” means the person employed by the FSA County Committee to execute the policies of the FSA County Committee and be responsible for the day-to-day operations of the county FSA office, or the person acting in such capacity.

§ 1280.607 Cooperative Extension Service.

The term *Cooperative Extension Service*, also referred to as “CES” means the State partner in the Cooperative Extension Service system.

§ 1280.608 Cooperative Extension Service Agent.

The term *Cooperative Extension Service Agent*, also referred to as the “CES Agent,” means an employee of the Cooperative Extension Service.

§ 1280.609 Cooperative Extension Service of the U.S. Department of Agriculture.

The term *Cooperative Extension Service of the U.S. Department of Agriculture*, also referred to as “CES,” means the Federal component of the Cooperative Extension Service.

§ 1280.610 Degreased wool.

The term *Degreased wool* means wool from which the bulk of impurities has been removed by processing.

§ 1280.611 Department.

The term *Department* means the U.S. Department of Agriculture.

§ 1280.612 Deputy Administrator.

The term *Deputy Administrator* means the Deputy Administrator for Program Delivery and Field Operations, FSA, U.S. Department of Agriculture or any officer or employee of the Department to whom there has heretofore been delegated or may hereafter be delegated the authority to act in the Deputy Administrator's stead.

§ 1280.613 Feeder.

The term *Feeder* means a person who feeds lambs until the lambs reach slaughter weight.

§ 1280.614 Greasy wool.

The term *Greasy wool* means wool that has not been washed or otherwise cleaned.

§ 1280.615 Importer.

The term *Importer* means any person who imports sheep and sheep products into the United States.

§ 1280.616 Order.

The term *Order* means the Sheep and Wool Promotion, Research, Education, and Information Order.

§ 1280.617 Person.

The term *Person* means any individual, group of individuals, partnership, corporation, association, cooperative, or any other legal entity.

§ 1280.618 Producer.

The term *Producer* means any person, other than a feeder, who owns or acquires ownership of sheep.

§ 1280.619 Public notice.

The term *Public notice* means information regarding a referendum which shall be provided by the Secretary, without advertising expenses, through press releases and by State and county CES offices and county FSA offices, by means of newspapers, electronic media, county newsletters, and the like. Such notice shall contain the referendum date and location, registration and voting requirements, rules regarding absentee voting, and other pertinent information.

§ 1280.620 Pulled wool.

The term *Pulled wool* means wool that is pulled from the skin of slaughtered sheep.

§ 1280.621 Raw wool.

The term *Raw wool* means greasy wool, pulled wool, degreased wool, or other carbonized wool.

§ 1280.622 Referendum.

The term *Referendum* means any referendum to be conducted by the Secretary pursuant to the Act where

producers, feeders, and importers of sheep and sheep products, except an importer of only raw wool, shall be given the opportunity to vote.

§ 1280.623 Registration period.

The term *Registration period* means a 1 day period to be announced by the Secretary for registration of producers, feeders, and importers desiring to vote in a referendum. The registration period shall be the same day as the voting period.

§ 1280.624 Representative period.

The term *Representative period* means 12 consecutive months of calendar year 1994.

§ 1280.625 Secretary.

The term *Secretary* means the Secretary of Agriculture of the United States or any other officer or employee of the Department to whom there has been delegated or to whom authority may hereafter be delegated to act in the Secretary's stead.

§ 1280.626 Sheep.

The term *Sheep* means ovine animals of any age, including lambs.

§ 1280.627 Sheep products.

The term *Sheep products* means products produced, in whole or in part, from sheep, including wool and products containing wool fiber.

§ 1280.628 State.

The term *State* means each of the 50 States.

§ 1280.629 Unit.

The term *Unit* means each State, group of States, or class designation that is represented on the Board.

§ 1280.630 United States.

The term *United States* means the 50 States and the District of Columbia.

§ 1280.631 Volume of production

The term *volume of production* means the largest number of head of domestic sheep that a domestic sheep producer or sheep feeder entity continuously owned and that were located in the United States during any single consecutive 30-day period during the representative period. The term “volume of production” also means the number of head of imported live sheep or the number of live sheep equivalents that an importer imported into the United States during the representative period, excluding imported raw wool.

§ 1280.632 Voting period.

The term *Voting period* means a 1-day period to be announced by the Secretary for voting in the referendum.

§ 1280.633 Wool.

The term *Wool* means the fiber from the fleece of a sheep.

§ 1280.634 Wool products.

The term *Wool products* means products produced, in whole or in part, from wool and products containing wool fiber.

Referendum**§ 1280.650 General.**

(a) A referendum to determine whether eligible sheep producers, sheep feeders, and importers of sheep and sheep products approve the Order. Importers who only import raw wool are not eligible to vote in the referendum.

(b) The Order shall become operational only if the Secretary determines that the Order is approved by a majority of sheep producers, sheep feeders, and importers of sheep and sheep products voting in the referendum or by sheep producers, sheep feeders, and importers of sheep and sheep products voting in the referendum who account for at least two-thirds of the production represented by those voting in the referendum.

(c) The initial referendum shall be conducted at the county CES offices.

(d) The FSA of the Department shall assist in the conduct of the initial referendum.

§ 1280.651 Supervision of referendum.

The Administrator shall be responsible for conducting the referendum in accordance with this subpart.

§ 1280.652 Eligibility.

(a) Eligible producers, feeders, and importers. Each person who was a sheep producer, sheep feeder, or importer of sheep and sheep products during the representative period is entitled to register and vote in the referendum. Each producer, feeder, and importer entity shall be entitled to cast only one ballot in the referendum. Importers who only import raw wool are not eligible to register and vote in the referendum.

(b) Proxy registration and voting. Proxy registration and voting is not authorized, except that an officer or employee of a corporate producer, feeder, or importer, or any guardian, administrator, executor, or trustee of a producer's, feeder's, or importer's estate, or an authorized representative of any eligible producer, feeder, or importer entity (other than an individual producer, feeder, or importer), such as a corporation or partnership, may register and cast a ballot on behalf of that entity. Any individual who

registers to vote in the referendum on behalf of any producer, feeder, or importer entity shall certify that he or she is authorized by such entity to take such action.

(c) Joint and group interest. A group of individuals, such as members of a family, joint tenants, tenants in common, a partnership, owners of community property, or a corporation engaged in sheep production, sheep feeding, or the importation of sheep and sheep products as a producer, feeder, or importer entity, shall be entitled to only one vote, provided, however, that any member of a group may register to vote as a producer, feeder, or importer if he or she is an eligible producer, feeder, or importer separate from the group.

§ 1280.653 Time and place of registration and voting.

The referendum shall be held for one day on a date to be determined by the Secretary. Eligible persons shall register and vote following the procedures in § 1280.656. Except for absentee ballots, registration and voting shall take place during the normal business hours of each county CES office.

§ 1280.654 Facilities for registering and voting.

Each county CES office shall provide:

(a) adequate facilities and space to permit producers, feeders, and importers to register and to mark their ballots in secret,

(b) a sealed box or other suitable receptacle for registration forms and ballots that is kept under observation during office hours and secured at all times, and

(c) copies of the Order for review.

§ 1280.655 Registration form and ballot.

A ballot (Form LS-61) and a registration and certification form (Form LS-61-2) shall be used for voting in person. The information required on the registration and certification form includes name, address, telephone number, and county of voter residence. The form also contains the certification statement referenced in § 1280.656(a)(1). The ballot requires producers, feeders and importers to check a "yes" or "no" and provides space to record volume of production. If a producer, feeder, or importer wishes to cast their ballot based on their volume of production, the voter must record their volume of production in the space provided on the ballot. A combined registration/certification and ballot form (Form LS-62) shall be used for absentee voting. The information required on the combined registration/certification and ballot form includes name, address,

telephone number, and county of voter residence. Form LS-62 also contains the certification statement referenced in § 1280.656(b)(1) and the absentee ballot.

§ 1280.656 Registration and voting procedures.

(a) Registering and voting in-person.

(1) Each producer, feeder, and importer, except importers who import only raw wool, who wants to vote in a referendum shall register on the day of voting at the county CES office in which the producer's, feeder's, or importer's residence is located, or at the county CES office that serves the county in which the producer's, feeder's, or importer's residence is located. Producer, feeder, or importer entities other than individuals shall register at the county CES office in the county in which their headquarters office or business is located, or at the county CES office that serves the county in which the entities' headquarters office or business is located. Producers, feeders, and importers will be required to record on the in-person voter registration list (Form LS-61-3) their names and, if applicable, the name of the entity they represent before they receive a registration and certification form and ballot. To register, producers, feeders, or importers shall complete the registration and certification form (Form LS-61-2) and certify that:

(i) they or the entity they represent were producers, feeders, or importers during the specified representative period;

(ii) the person voting on behalf of an entity referred to in § 1280.652 is authorized to do so; and

(iii) the volume of production listed on the ballot is a true and accurate representation.

(2) Each eligible producer, feeder, or importer who has not voted by means of an absentee ballot may cast a ballot in-person at the location and time set forth in § 1280.653 and on a date to be announced by the Secretary. Eligible persons who record their name and the entity they represent on the in-person voter registration list (Form LS-61-3) will receive a registration and certification form (Form LS-61-2) and a ballot (Form LS-61). Voting shall be conducted under the supervision of the county CES agent or designee. Voters will enter the information requested on the registration and certification form (Form LS-61-2) as indicated above. Producers, feeders, and importers will then mark their ballots to indicate "yes" or "no" and if voting volume of production record their volume of production in the space provided on the ballot. Voters shall place their

completed ballots in an envelope marked "SHEEP BALLOT," (Form LS-61-1) seal and place it in the completed and signed registration and certification form/envelope marked "SHEEP REFERENDUM," (Form LS-61-2) seal that envelope and personally place it in a box marked "Ballot Box" or other suitable receptacle. A copy of the applicable in-person voter registration list (Form LS-61-3) prepared by the county CES office shall be provided to each FSA county office for in-person voter verification.

(b) Absentee voting. (1) Eligible producers, feeders, and importers who are unable to vote in person may request a combined registration/certification and absentee ballot form (Form LS-62) and two envelopes—one marked "SHEEP BALLOT" (Form LS-61-1) and the other marked "SHEEP REFERENDUM" (Form LS-62-1), by mail or in person from the county CES office in the county in which they reside or the county CES office that serves the county in which they reside, if individuals, or in which their main office is located, if a corporation or other entity. These forms and envelopes will be mailed by the county CES agent or designee to the address provided by the prospective voter. Only one absentee registration/certification form and absentee ballot will be provided to each eligible producer, feeder, or importer. The forms must be requested during a specified time period which will be announced by the Secretary. The county CES office shall enter on the absentee voter request list (Form LS-62-2) the name, address and entity requesting an absentee ballot and the date the forms were requested. A copy of the applicable absentee voter request list (Form LS-62-2) prepared by the county CES office shall be provided to each FSA county office for absentee voter verification.

(2) To register, eligible producers, feeders, and importers must complete and sign the combined registration/certification form and absentee ballot (Form LS-62) and certify that:

(i) they or the entity they represent were producers, feeders, or importers during the specified representative period,

(ii) if voting on behalf of an entity referred to in § 1280.652, they are authorized to do so; and

(iii) the volume of production listed on the ballot is a true and accurate representation.

(3) A producer, feeder, or importer, after completing the absentee voter registration form and the ballot, shall remove the ballot portion of the combined registration/certification and absentee ballot form (Form LS-62) and

seal the completed ballot in a separate envelope marked "SHEEP BALLOT" (Form LS-61-1) and place the sealed envelope in a second envelope marked "SHEEP REFERENDUM" (Form LS-62-1) along with the signed registration form. Producers, feeders, and importers shall legibly print their names on the envelope marked "SHEEP REFERENDUM" (Form LS-62-1), and mail or hand deliver it to the local county CES office of the county in which they reside or the county CES office serving the county in which they reside. In the case of a partnership, corporation, estate, or other entity, the registration form and ballot must be mailed or hand delivered to the county CES office in the county in which its main office is located or the county CES office in the county serving the county in which its main office is located.

(4) Absentee ballots must be received in the county CES office by the close of business, 2 business days before the date of the referendum. Absentee ballots received after that date shall be counted as invalid ballots. Upon receiving the "SHEEP REFERENDUM" envelope containing the registration form and ballot, the county CES agent or designee shall place it, unopened in a secure ballot box. The county CES agent or designee shall record receipt of the absentee vote on the absentee voter request list (Form LS-62-2).

(5) A person who casts an absentee ballot that is not recorded as being received or that is received after the deadline specified in this section may vote in person at the appropriate county CES office on the day of the referendum.

§ 1280.657 List of registered voters.

The in-person voter registration list (Form LS-61-3) and the absentee voter request list (Form LS-62-2) shall be available for inspection on the day of the referendum at the county CES office and subsequently at the FSA county office. They shall be posted during regular office hours in a conspicuous public location at the FSA county office on the second business day following the date of the referendum.

§ 1280.658 Challenge of voters.

(a) Challenge period. On the day of the referendum, the names of voters challenged shall be reported to the CES county agent, who will refer them to the FSA county office. After that, the names of the challenged voters shall be referred directly to the FSA county office. A challenge may be made no later than the close of business on the second business day after the date of the referendum.

(b) Who may challenge. Any person may challenge a voter. Any person who

wants to challenge must do so in writing and must include the full name of the individual or other entity being challenged. Each challenge of a voter must be made separately and each challenge must be signed by the challenger. The Secretary may issue other guidelines as the Secretary deems necessary.

(c) Determination of challenges. The FSA County Committee or its representative, acting on behalf of the Administrator, shall make a determination concerning the challenge and shall notify challenged producers, feeders, or importers as soon as practicable, but no later than five business days after the date of the referendum. If the FSA County Committee or its representative, acting on behalf of the Administrator, is unable to determine whether a person was a producer, feeder, or importer during the representative period, or verify a voter's recorded volume of production, it may require the person challenged to submit records such as sales documents, import documents, or other similar documents in order to demonstrate his or her eligibility or to prove that the person was a producer, feeder, or importer during the representative period and to verify that the recorded volume of production was accurately stated.

(d) Challenged ballot. The registration and certification form (Form LS-61-2) containing the ballots cast by producers, feeders, or importers voting in person who are challenged shall be removed from the ballot box and placed in a separate box until the challenge has been resolved. The SHEEP REFERENDUM envelopes (Form LS-62-1) containing absentee voter registration forms and absentee ballots of challenged absentee voters also shall be removed from the ballot box and placed in the box containing ballots of challenged producers, feeders, and importers. A challenge to a ballot shall be deemed to have been resolved if the determination of the FSA County Committee or its representative is not appealed within the time allowed for appeal or there has been a determination by FSA after an appeal.

(e) Appeal. A person declared to be ineligible to register and vote or whose recorded volume of production has been questioned by the FSA County Committee or its designee, acting on behalf of the Administrator, may file an appeal at the FSA county office within three business days after notification of such decision. Such person may be required to provide documentation such as sales documents, import documents, or similar documents in order to demonstrate his or her eligibility or

verify the recorded volume of production. An appeal shall be determined by the FSA County Committee, or its designee, acting on behalf of the Administrator, as soon as practicable, but in all cases not later than the ninth business day after the date of the referendum. The FSA County Committee or its designee's determination on an appeal is final.

§ 1280.659 Receiving ballots.

A ballot shall be considered to have been received during the voting period if:

- (a) it was cast in person in the county CES office prior to the close of business on the day of the referendum; or
- (b) it was cast as an absentee ballot, and was received in the county CES office not later than two business days before the date of the referendum.

§ 1280.660 Canvassing ballots.

(a) Counting the ballots. The county CES agent or designee shall deliver the sealed ballot box, the in-person voter registration list (Form LS-61-3) and the absentee voter request list (Form LS-62-2) to the FSA county office by the close of business on the first business day following the date of the referendum. FSA county Executive Director and the county CES agent or designee shall check the registration forms and ballots of all voters against the in-person voter registration list (Form LS-61-3) and the absentee voter request list (Form LS-62-2) to determine properly registered voters. The ballots of producers, feeders, and importers voting in person whose names are not on the in-person voter registration list (Form LS-61-3), shall be declared invalid. Likewise, the ballots of producers, feeders, and importers voting absentee whose names are not on the absentee voter request list (Form LS-62-2) shall be declared invalid. All ballots of challenged voters declared ineligible or invalid shall be kept separate from the other ballots and shall not be counted as valid ballots. The valid ballots shall be counted on the tenth business day after the referendum date. FSA county office employees shall remove the "SHEEP BALLOT" envelope from the registration/certification form envelopes or absentee ballot envelopes of all eligible voters and all challenged voters determined to be eligible. After removing all "Sheep Ballot" envelopes, FSA county employees shall open them and count the ballots. The ballots shall be counted as follows:

- (1) Number of eligible producers, feeders, and importers casting valid ballots;

- (2) Number of producers, feeders, and importers favoring the Order;

- (3) Number of producers, feeders, and importers not approving the Order;

- (4) Volume of production recorded by producers, feeders, and importers approving the Order;

- (5) Volume of production of producers, feeders, and importers not approving the Order;

- (6) Number of challenged ballots;

- (7) Number of challenged ballots deemed ineligible;

- (8) Number of invalid ballots; and

- (9) Number of spoiled ballots.

(b) Invalid Ballots. Ballots shall be declared invalid if a producer, feeder, or importer voting in-person has failed to sign the voter registration list (Form LS-61-3) or an absentee voter's name is not recorded on the absentee voter request list (Form LS-62-2), or the registration form or ballot was incomplete or incorrectly completed.

(c) Spoiled Ballots. Ballots shall be considered spoiled if they are mutilated or marked in such a way that the "yes" or "no" vote is illegible. Spoiled ballots shall not be considered as approving or disapproving the Order, or as a ballot cast in the referendum.

(d) Confidentiality. All ballots shall be confidential and the contents of the ballots shall not be divulged except as the Secretary may direct. The public may witness the opening of the ballot box and the counting of the votes but may not interfere with the process.

§ 1280.661 FSA county office report.

The FSA county office shall notify the FSA State office of the results of the referendum. Each FSA county office shall transmit the results of the referendum in its county to the FSA State office. Such report shall include the information listed in § 1280.660(a). The results of the referendum in each county may be made available to the public upon notification from the Deputy Administrator FSA that the final results have been released by the Secretary. A copy of the report of results shall be posted for 30 days in the FSA county office in a conspicuous place accessible to the public, and a copy shall be kept on file in the FSA county office for a period of at least 12 months after the referendum.

§ 1280.662 FSA State office report.

Each FSA State office shall transmit to the Deputy Administrator, FSA, a written summary of the results of the referendum received from all the FSA county offices within the State. The summary shall include the information on the referendum results contained in the reports from all county offices

within each State, and shall be certified by the FSA State Executive Director. The FSA State office shall maintain a copy of the summary where it shall be available for public inspection for a period of not less than 12 months beginning upon notification from the Deputy Administrator, FSA, that the final results have been released by the Secretary.

§ 1280.663 Results of the referendum.

(a) The Deputy Administrator, FSA, shall submit the results of the referendum to the Administrator. The Administrator shall prepare and submit to the Secretary a report of the results of the referendum. The results of any referendum shall be issued by the Department in an official press release and published in the Federal Register. State reports and related papers shall be available for public inspection in the office of the Marketing Programs Branch, Livestock and Seed Division, AMS, USDA, Room 2606, South Agriculture Building, 14th and Independence Avenue, SW., Washington, DC.

(b) If the Secretary deems it necessary, the report of any State or county shall be reexamined and checked by such persons as may be designated by the Deputy Administrator, FSA, or the Secretary.

§ 1280.664 Disposition of ballots and records.

Each FSA county Executive Director shall place in sealed containers marked with the identification of the referendum the in-person voter registration list, absentee voter request list, voted ballots, challenged registration/certification forms/envelopes, challenged absentee voter registration forms, challenged ballots found to be ineligible, invalid ballots, spoiled ballots, and county summaries. Such records shall be placed under lock in a safe place under the custody of the FSA county Executive Director for a period of not less than twelve months after the referendum. If no notice to the contrary is received from the Deputy Administrator, FSA, by the end of such time, the records shall be destroyed.

§ 1280.665 Instructions and forms.

The Administrator is hereby authorized to prescribe additional instructions and forms not inconsistent with the provisions of this subpart to govern the conduct of the referendum.

Dated: December 8, 1995.

Lon Hatamiya,

Administrator, Agricultural Marketing Service.

[FR Doc. 95-30491 Filed 12-14-95; 8:45 am]

BILLING CODE 3410-2-P

Rural Utilities Service

7 CFR Part 1755

RUS General Specification for Digital, Stored Program Controlled Central Office Equipment (Form 522)

AGENCY: Rural Utilities Service, USDA.

ACTION: Final rule.

SUMMARY: The Rural Utilities Service (RUS) hereby amends the RUS General Specification for Digital, Stored Program Controlled Central Office Equipment by eliminating the requirement for multiparty service and certain other technical aspects associated with this service. This amendment does not diminish public telephone service integrity.

EFFECTIVE DATE: This regulation is effective on January 16, 1996.

FOR FURTHER INFORMATION CONTACT: John J. Schell, Chief, Central Office Equipment Branch, Telecommunications Standards Division, U.S. Department of Agriculture, Rural Utilities Service, room 2836-S, Washington, DC 20250-1500, telephone (202) 720-0671.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This final rule has been determined to be not-significant for purposes of Executive Order 12866 and therefore has not been reviewed by OMB.

Executive Order 12778

This final rule has been reviewed under Executive Order 12778, Civil Justice Reform. This final rule will not:

(1) Preempt any State or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule;

(2) Have any retroactive effect; and

(3) Require administrative proceedings before parties may file suit challenging the provisions of this rule.

Regulatory Flexibility Act Certification

RUS has determined that this final rule will not have a significant economic impact on a substantial number of small entities, as defined by the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). The changes to the General Specification for Digital, Stored Program Controlled Central Office Equipment in

this final rule are updates which have been made so that RUS telephone borrowers can continue to provide their subscribers with the most up-to-date and efficient telephone service.

Information Collection and Recordkeeping Requirements

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the information collection and recordkeeping requirements contained in this final rule have been approved by OMB under control number 0572-0059. Comments concerning these requirements should be directed to the United States Department of Agriculture, Clearance Office, OIRM, room 404-W, Washington, DC 20250 or to the Office of Information and Regulatory Affairs of OMB, Attention: Desk Officer for USDA, room 10102, New Executive Office Building, Washington, DC 20503.

National Environmental Policy Act Certification

RUS has determined that this final rule will not significantly affect the quality of the human environment as defined by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*). Therefore, this action does not require an environmental impact statement or assessment.

Catalog of Federal Domestic Assistance

The program described by this final rule is listed in the Catalog of Federal Domestic Assistance Programs under No. 10.851, Rural Telephone Loans and Loan Guarantees, and 10.852, Rural Telephone Bank Loans. This catalog is available on a subscription basis from the Superintendent of Documents, the United States Government Printing Office, Washington, DC 20402-9325.

Executive Order 12372

This final rule is excluded from the scope of Executive Order 12372, Intergovernmental Consultation. A Notice of Final rule entitled Department Programs and Activities Excluded from Executive Order 12372 (50 FR 47034) exempts RUS and RTB loans and loan guarantees to governmental and nongovernmental entities from coverage under this Order.

Background

RUS makes loans and loan guarantees to telephone systems to provide and improve telecommunications service in rural areas, as authorized by the Rural Electrification Act of 1936, as amended, 7 U.S.C. 901 *et seq.*, (RE Act). RUS issues construction standards and specifications for materials and

equipment. In accordance with the RUS loan contract, these standards and specifications apply to facilities constructed by RUS telephone borrowers. The Rural Electrification Loan Restructuring Act of 1993 (RELRA) (107 Stat. 1356) contemplates elimination of multiparty service by telephone companies receiving RUS loans. This final rule eliminates the requirement in 7 CFR 1755.522 for multiparty service along with features which are associated with that service such as revertive calling and multifrequency ringing.

Public comments regarding the proposed rule were received from AT&T and the United States Telephone Association. These comments were taken into consideration in preparing the final rule.

1. *Comment.* One commenter stated that although there was no issue to be taken with the proposed rule as it stands, much of the remainder of RUS Form 522 is counter to the STMP requirements. The commenter recommended that all antiquated requirements be eliminated and an additional requirement be added which limits future funding by RUS to products which demonstrate available technology supporting STMP regulations.

Response. RUS disagrees that the Form 522 is counter to the State Telecommunications Modernization Plan requirements. Form 522 is, and has always been, intended as a basic specification. Traditionally, RUS has left development of specifications for advanced telecommunication features to other sources within the telecommunications industry. RUS believes that the industry has provided, and will continue to provide, appropriate specifications for the necessary advanced features.

2. *Comment.* One commenter commended RUS for proposing the elimination of the multiparty requirement and recommended that RUS conduct a review of all its regulations in order to identify and rescind all obsolete requirements.

Response. RUS continuously reviews and updates regulations to keep them as technologically current as possible.

List of Subjects in 7 CFR Part 1755

Loan programs-communications, Reporting and recordkeeping requirements, Rural areas, Telephone.

For the reasons set out in the preamble, chapter XVII of title 7 of the Code of Federal Regulations is amended as follows: