

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Submission for OMB Review; Comment Request

August 2, 1996.

The Department of Agriculture has submitted the following information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104-13. Comments regarding these information collections are best assured of having their full effect if received within 30 days of this notification. Comments should be addressed to: Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget (OMB), Washington, D.C. 20503 and to Department Clearance Officer, USDA, PACC-IRM, Ag Box 7630, Washington, D.C. 20250-7630. Copies of the submission(s) may be obtained by calling (202) 720-6204 or (202) 720-6746.

- Food and Consumer Service

Title: Child Nutrition Labeling Program.

Summary: The Food and Consumer Service reviews the manufacturer's product formulation to determine the contribution a serving of the product makes towards the food based meal pattern requirements.

Need and Use of the Information: The information is used in determining the contribution foods make toward the meal pattern requirements of the child nutrition programs.

Description of Respondents: Business or other for-profit; Federal Government.

Number of Respondents: 628.

Frequency of Responses: Reporting: On occasion.

Total Burden Hours: 4,274.

Donald E. Hulcher,

Deputy Departmental Clearance Officer.

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Forest Service

Timber Sale Contracts; Change in Stumpage Rate Adjustment Procedure

AGENCY: Forest Service, USDA.

ACTION: Proposed policy; request for comment.

SUMMARY: The Forest Service is proposing to eliminate the stumpage rate adjustment procedure used to adjust timber sale contract tentative rates (bid rates) on most timber sales held in the western states, except for Alaska. Under current stumpage rate adjustment procedures, 50 percent of the difference between current and base lumber price indices is added to tentative rates during periods of increasing lumber prices and 100 percent of the difference is subtracted from tentative rates during periods of declining prices. The Forest Service is proposing to eliminate the procedure for stumpage rate adjustment entirely. The effect of this proposal would be to equalize the risk of lumber price fluctuations between purchasers and the Forest Service on future timber sale contracts. This proposal will also satisfy Office of Inspector General audit recommendations.

DATES: Comments must be received in writing by October 7, 1996.

ADDRESSES: Send written comments to Director, Timber Management Staff (2400), Forest Service, USDA, P.O. Box 96090, Washington, DC 20090-6090.

The public may inspect comments received on this proposed policy in the Office of the Director of Timber Management Staff, 3rd Floor NW, Auditor's Building, 14th & Independence, S.W., Washington, DC, between the hours of 8:00 AM and 4:00 PM. Those wishing to inspect comments are encouraged to call ahead (202) 205-0893 to facilitate entry into the building.

FOR FURTHER INFORMATION CONTACT:

Rex Baumbach, Timber Management Staff, (202) 205-0855,

SUPPLEMENTARY INFORMATION:

Background

The Forest Service sells timber to private purchasers through competitive bidding. The Agency awards the timber sale contract to the responsible bidder submitting the highest qualified bid.

Title 36, Code of Federal Regulations, Part 223 allows for the adjustment of contract (stumpage) rates during the term of a timber sale contract. These regulations state that:

Timber may be appraised and sold at a lump-sum value or at a rate per unit of measure which rate may be adjusted during the period of the contract and as therein specified in accordance with formulas or other equivalent specifications for the following reasons: (a) Variations in lumber or other product value indices between the price index base specified in the contract and the price index actually experienced during the cutting of the timber. * * *

The Western Wood Products Association is the Forest Service's contractor to supply the lumber price indices used for stumpage rate adjustment.

In the western states, except Alaska, most timber sales with contract terms exceeding 1 year include a provision which allows contract rates to be adjusted during the term of the contract by the use of lumber price indices. The purpose of the stumpage rate adjustment procedure is to allow a timber sale purchaser's stumpage payments to follow the price trends of the primary forest product (lumber) manufactured from National Forest System timber. This procedure helps reduce the risk of loss to a timber purchase holding a timber sale contract during periods of declining lumber prices and benefits the Government by increasing stumpage receipts during periods of rising lumber prices.

The stumpage rate adjustment procedure was established by the Forest Service in the 1950's to reduce the risk, both to industry and the Government, of holding long-term timber sale contracts. In the 1950's and 1960's, timber sale contract periods often exceeded 10 years and the procedure was a means to reduce the risk to both parties due to price fluctuations in the lumber market. During this era, stumpage rates would vary, either up or down, by 50 percent of the change in lumber prices.

In 1971, with the introduction of Forest Service Form 2400-6 Timber Sale