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DEPARTMENT OF AGRICULTURE

Farm Service Agency

7 CFR Part 723

Commodity Credit Corporation

7 CFR Part 1464

RIN 0560-AF02

1997 Marketing Quota and Price Support for Burley Tobacco

AGENCIES: Farm Service Agency and Commodity Credit Corporation, USDA.

ACTION: Final rule.

SUMMARY: The purpose of this final rule is to codify determinations made by the Secretary of Agriculture (Secretary) with respect to the 1997 crop of burley tobacco. The Secretary determined the 1997 marketing quota for burley tobacco to be 704.5 million pounds, and the 1997 price support level to be 176.0 cents per pound.

EFFECTIVE DATE: February 1, 1997.

FOR FURTHER INFORMATION CONTACT: Robert Tarczy, STOP 0514, 1400 Independence Avenue SW., Washington, DC 20250-0514, Phone 202 720-5346.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This final rule has been determined to be significant for purposes of Executive Order 12866 and has been reviewed by OMB under Executive Order 12866.

Federal Assistance Program

The title and number of the Federal Assistance Program, as found in the Catalog of Federal Domestic Assistance, to which this rule applies, are Commodity Loans and Purchases—10.051.

Executive Order 12988

This final rule has been reviewed in accordance with Executive Order 12988, Civil Justice Reform. The provisions of this rule do not preempt State laws, are not retroactive, and do not involve administrative appeals.

Regulatory Flexibility Act

It has been determined that the Regulatory Flexibility Act is not applicable to this final rule because the Farm Service Agency (FSA) is not required by 5 U.S.C. 553 or any other provision of law to publish a notice of proposed rulemaking with respect to the subject matter of this rule.

Paperwork Reduction Act

The amendments to 7 CFR parts 723 and 1464 set forth in this final rule do not contain any information collection requirements that require clearance through the Office of Management and Budget under the provisions of the Paperwork Reduction Act of 1995.

Unfunded Federal Mandates

This rule contains no Federal mandates under the regulatory provisions of Title II of the Unfunded Mandate Reform Act of 1995 (UMRA), for State, local, and tribal governments or the private sector. Thus, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Background

This rule is issued pursuant to the provisions of the Agricultural Adjustment Act of 1938 (the 1938 Act) and the Agricultural Act of 1949 (the 1949 Act). Section 1108(c) of Pub. L. 99-272 provides that the determinations made in this rule are not subject to the provisions for public participation in rulemaking contained in 5 U.S.C. 553 or in any directive of the Secretary.

On February 1, 1997, the Secretary announced the national marketing quota and the price support level for the 1997 crop of burley tobacco. A number of related determinations were made at the same time, which this final rule also affirms.

Marketing Quota

Section 319(c)(3) of the 1938 Act provides, in part, that the national marketing quota for a marketing year for burley tobacco is the quantity of such tobacco that is not more than 103

percent nor less than 97 percent of the total of:

(1) The amount of burley tobacco that domestic manufacturers of cigarettes estimate they intend to purchase on U.S. auction markets or from producers, (2) the average quantity exported annually from the U.S. during the 3 marketing years immediately preceding the marketing year for which the determination is being made, and (3) the quantity, if any, that the Secretary, in the Secretary's discretion, determines necessary to adjust loan stocks to the reserve stock level.

The reserve stock level is defined in section 301(b)(14)(D) of the 1938 Act as the greater of 50 million pounds or 15 percent of the national marketing quota for burley tobacco for the marketing year immediately preceding the marketing year for which the level is being determined.

Section 320A of the 1938 Act provides that all domestic manufacturers of cigarettes with more than 1 percent of U.S. cigarette production and sales shall submit to the Secretary a statement of purchase intentions for the 1997 crop of burley tobacco by January 15, 1997. Five such manufacturers were required to submit such a statement for the 1997 crop and the total of their intended purchases for the 1997 crop is 473.5 million pounds. The 3-year average of exports is 163.0 million pounds.

The national marketing quota for the 1996 crop year was 633.8 million pounds (61 FR 50423). Thus, in accordance with section 301(b)(14)(D) of the 1938 Act, the reserve stock level for use in determining the 1997 marketing quota for burley tobacco is 95.1 million pounds.

As of January 24, 1997, the Burley Tobacco Growers Cooperative Association and Burley Stabilization Corporation had in their inventories 27.1 million pounds of burley tobacco (excluding pre-1994 stocks committed to be purchased by manufacturers and covered by deferred sales). Accordingly, the adjustment necessary to maintain loan stocks at the reserve supply level is an increase of 68.0 million pounds.

The total of the three marketing quota components for the 1997-98 marketing year is 704.5 million pounds. USDA did not use its discretionary authority to increase or decrease the three-component total by up to 3 percent

because the Secretary determined that the 1997/98 supply would be ample and appropriate at the formula level. Accordingly, the national marketing quota for the marketing year beginning October 1, 1997, for burley tobacco is 704.5 million pounds.

In accordance with section 319(c) of the 1938 Act, the Secretary is authorized to establish a national reserve from the national quota in an amount equivalent to not more than 1 percent of the national quota for the purpose of making corrections in farm quotas to adjust for inequities and establish quotas for new farms. The Secretary has determined that a national reserve for the 1997 crop of burley tobacco of 3,798,400 pounds is adequate for these purposes.

Price Support

Price support is required to be made available for each crop of a kind of tobacco for which quotas are in effect, or for which marketing quotas have not been disapproved by producers, at a level determined in accordance with a formula prescribed in section 106 of the 1949 Act.

With respect to the 1997 crop of burley tobacco, the level of support is determined in accordance with sections 106 (d) and (f) of the 1949 Act. Section 106(f)(7)(A) of the 1949 Act provides that the level of support for the 1997 crop of burley tobacco shall be:

(1) The level, in cents per pound, at which the 1996 crop of burley tobacco was supported, plus or minus, respectively,

(2) An adjustment of not less than 65 percent nor more than 100 percent of the total, as determined by the Secretary after taking into consideration the supply of the kind of tobacco involved in relation to demand, of:

(A) 66.7 percent of the amount by which:

(I) The average price received by producers for burley tobacco on the United States auction markets, as determined by the Secretary, during the 5 marketing years immediately preceding the marketing year for which the determination is being made, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, is greater or less than:

(II) The average price received by producers for burley tobacco on the United States auction markets, as determined by the Secretary, during the 5 marketing years immediately preceding the marketing year prior to the marketing year for which the determination is being made, excluding the year in which the average price was

the highest and the year in which the average price was the lowest in such period; and

(B) 33.3 percent of the change, expressed as a cost per pound of tobacco, in the index of prices paid by the tobacco producers from January 1 to December 31 of the calendar year immediately preceding the year in which the determination is made.

The difference between the two 5-year averages (i.e., the difference between (A) (I) and (II)) is 1.3 cents per pound. The difference in the cost index from January 1, 1996 to December 31, 1996, is 8.0 cents per pound. Applying these components to the price support formula (1.3 cents per pound, two-thirds weight; 8.0 cents per pound, one-third weight) results in a weighted total of 3.5 cents per pound. As indicated, section 106 of the 1949 Act provides that the Secretary may, on the basis of supply and demand conditions, limit the change in the price support level to no less than 65 percent of that amount. In order to remain competitive in foreign and domestic markets, the Secretary used his discretion to limit the increase to 65 percent of the maximum allowable increase. Accordingly, the 1997 crop of burley tobacco will be supported at 176.0 cents per pound, 2.3 cents higher than in 1996.

List of Subjects

7 CFR Part 723

Acreage allotments, Marketing quotas, Penalties, Reporting and recordkeeping requirements, Tobacco.

7 CFR Part 1464

Loan programs-agriculture, Price support programs, Tobacco, Reporting and recordkeeping requirements, Warehouses.

Accordingly, 7 CFR parts 723 and 1464 are amended as follows:

PART 723—TOBACCO

1. The authority citation for 7 CFR part 723 continues to read as follows:

Authority: 7 U.S.C. 1301, 1311–1314, 1314–1, 1314b, 1314b–1, 1314b–2, 1314c, 1314d, 1314e, 1314f, 1314i, 1315, 1316, 1362, 1363, 1372–75, 1421, 1445–1, and 1445–2.

2. Section 723.112 is amended by adding paragraph (e) to read as follows:

§ 723.112 Burley (type 31) tobacco.

* * * * *

(e) The 1997-crop national marketing quota is 704.5 million pounds.

PART 1464—TOBACCO

3. The authority citation for 7 CFR part 1464 continues to read as follows:

Authority: 7 U.S.C. 1421, 1423, 1441, 1445, 1445–1 and 1445–2; 15 U.S.C. 714b and 714c.

4. Section 1464.19 is amended by adding paragraph (e) to read as follows:

§ 1464.19 Burley (type 31) tobacco.

* * * * *

(e) The 1997 crop national price support level is 176.0 cents per pound.

Signed at Washington, DC, on May 21, 1997.

Bruce R. Weber,

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

[FR Doc. 97–14382 Filed 6–2–97; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 96–NM–193–AD; Amendment 39–10043; AD 97–11–14]

RIN 2120–AA64

Airworthiness Directives; British Aerospace Model BAC 1–11 200 and 400 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD), applicable to certain British Aerospace Model BAC 1–11 200 and 400 series airplanes, that requires inspections of the main landing gear (MLG) A-frame attachment fittings to detect corrosion or cracking, and repair or replacement of cracked or corroded components with new components. This amendment is prompted by findings of corroded and cracked A-frame components of the MLG. The actions specified by this AD are intended to prevent corrosion and cracking of MLG A-frame components, which could result in collapse of the MLG.

DATES: Effective July 8, 1997.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of July 8, 1997.

ADDRESSES: The service information referenced in this AD may be obtained from British Aerospace, Airbus Limited, P.O. Box 77, Bristol BS99 7AR, England. This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of