

Proposed Rules

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

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 993

[Docket No. FV00-993-2 PR]

Dried Prunes Produced in California; Undersized Regulation for the 2000-2001 Crop Year

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: This rule invites comments on changes to the undersized regulation for dried prunes received by handlers from producers and dehydrators under Marketing Order No. 993 for the 2000-2001 crop year. The marketing order regulates the handling of dried prunes produced in California and is administered locally by the Prune Marketing Committee (Committee). This rule would remove the smallest, least desirable of the marketable size dried prunes produced in California from human consumption outlets and allow handlers to dispose of the undersized prunes in such outlets as livestock feed. The Committee estimated that this rule would reduce the excess of dried prunes by approximately 5,100 tons while leaving sufficient prunes to fulfill foreign and domestic trade demand.

DATES: Comments received by April 17, 2000, will be considered prior to issuance of a final rule.

ADDRESSES: Interested persons are invited to submit written comments concerning this rule. Comments must be sent to the Docket Clerk, Fruit and Vegetable Programs, AMS, USDA, room 2525-S, P.O. Box 96456, Washington, DC 20090-6456; Fax: (202) 720-5698, or E-mail: moab.docketclerk@usda.gov. All comments should reference the docket number and the date and page number of this issue of the **Federal Register** and will be available for public inspection in the Office of the Docket Clerk during regular business hours.

FOR FURTHER INFORMATION CONTACT:

Richard P. Van Diest, Marketing Specialist, California Marketing Field Office, Fruit and Vegetable Programs, AMS, USDA, 2202 Monterey Street, suite 102B, Fresno, California 93721; telephone: (559) 487-5901, Fax: (559) 487-5906; or George Kelhart, Technical Advisor, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, room 2525-S, P.O. Box 96456, Washington, DC 20090-6456; telephone: (202) 720-2491, Fax: (202) 720-5698.

Small businesses may request information on complying with this regulation by contacting Jay Guerber, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, room 2525-S, P.O. Box 96456, Washington, DC 20090-6456; telephone: (202) 720-2491, Fax: (202) 720-5698, or E-Mail: Jay.Guerber@usda.gov.

SUPPLEMENTARY INFORMATION: This rule is issued under Marketing Agreement and Order No. 993, both as amended (7 CFR part 993), regulating the handling of dried prunes produced in California, hereinafter referred to as the "order." The marketing agreement and order are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the "Act."

The Department of Agriculture (Department) is issuing this rule in conformance with Executive Order 12866.

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is not intended to have retroactive effect. This proposal would not preempt any State or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an 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 law and request a modification of the order or to be exempted therefrom. A handler is afforded the opportunity for a hearing on the petition. After the hearing the Secretary would rule on the petition. The Act provides that the

district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to review the Secretary's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

This proposal invites comments on changes to the undersized regulation in § 993.49(c) of the prune marketing order for the 2000-2001 crop year for supply management purposes. The regulation removes prunes passing through specified screen openings. For French prunes, the screen opening would be increased from $2\frac{3}{32}$ to $2\frac{4}{32}$ of an inch in diameter; and for non-French prunes, the opening would be increased from $2\frac{8}{32}$ to $3\frac{0}{32}$ of an inch in diameter. This rule would remove the smallest, least desirable of the marketable size dried prunes produced in California from human consumption outlets. The rule would be in effect from August 1, 2000, through July 31, 2001, and was unanimously recommended by the Committee at a November 30, 1999, meeting.

Section 993.19b of the prune marketing order defines undersized prunes as prunes which pass freely through a round opening of a specified diameter. Section 993.49(c) of the prune marketing order establishes an undersized regulation of $2\frac{3}{32}$ of an inch for French prunes and $2\frac{8}{32}$ of an inch for non-French prunes. These diameter openings have been in effect for quality control purposes. Section 993.49(c) also provides that the Secretary upon a recommendation of the Committee may establish larger openings for undersized dried prunes whenever it is determined that supply conditions for a crop year warrant such regulation. Section 993.50(g) states in part: "No handler shall ship or otherwise dispose of, for human consumption, the quantity of prunes determined by the inspection service pursuant to § 993.49(c) to be undersized prunes. * * * Pursuant to § 993.52, minimum standards, pack specifications, including the openings prescribed in § 993.49(c), may be modified by the Secretary on the basis of a recommendation of the Committee or other information.

Pursuant to the authority in § 993.52 of the order, § 993.400 modifies the undersized prune openings prescribed in § 993.49(c) to permit openings of $2\frac{3}{32}$

or $2\frac{4}{32}$ of an inch for French prunes and $2\frac{8}{32}$ or $3\frac{0}{32}$ of an inch for non-French prunes.

During the 1974–75 and 1977–78 crop years, the undersized prune regulation was established by the Department at $2\frac{3}{32}$ of an inch in diameter for French prunes and $2\frac{8}{32}$ of an inch in diameter for non-French prunes. These diameter openings were established in §§ 993.401 and 993.404, respectively (39 FR 32733, September 11, 1974; and 42 FR 49802, September 28, 1977). In addition, the Committee recommended and the Department established volume regulation percentages during the 1974–75 crop year with an undersized regulation at the aforementioned $2\frac{3}{32}$ and $2\frac{8}{32}$ inch diameter screen sizes. During the 1975–76 and 1976–77 crop years, the undersized prune regulation was established at $2\frac{4}{32}$ of an inch for French prunes and $3\frac{0}{32}$ of an inch for non-French prunes. These diameter openings were established in §§ 993.402 and 993.403 respectively (40 FR 42530, September 15, 1975; and 41 FR 37306, September 3, 1976). The prune industry had an excess supply of prunes—particularly small size prunes. Rather than recommending volume regulation percentages for the 1975–76, 1976–77, and 1977–78 crop years, the Committee recommended the establishment of an undersized prune regulation applicable to all prunes received by handlers from producers and dehydrators during each of those crop years.

The objective of the undersized prune regulations during each of those crop years was to preclude the use of small prunes in manufactured prune products such as juice and concentrate. Handlers could not market undersized prunes for human consumption, but could dispose of them in nonhuman outlets such as livestock feed.

With these experiences as a basis, the marketing order was amended on August 1, 1982, establishing the continuing quality-related regulation for undersized French and non-French prunes under § 993.49(c). That regulation has removed from the marketable supply those prunes which are not desirable for use in prune products.

As in the 1970's, the prune industry is currently experiencing an excess supply of prunes—particularly in the smaller sizes. During the 1998–99 crop year, an undersized prune regulation was established at $2\frac{4}{32}$ of an inch for French prunes, and $3\frac{0}{32}$ of an inch for non-French prunes. These diameter openings were established in § 993.405 (63 FR 20058, April 23, 1998). With larger than desired carryin inventories and a 1999–2000 prune crop of about

165,000 natural condition tons, the Committee unanimously recommended continuing with an undersized prune regulation at $2\frac{4}{32}$ of an inch in diameter for French prunes and $3\frac{0}{32}$ of an inch in diameter for non-French prunes. These diameter openings were established in § 993.406 (64 FR 23759, May 4, 1999) and made effective from August 1, 1999, through July 31, 2000.

For the 1998–99, the carryin inventory level reached a record high of 126,485 natural condition tons. Excessive inventories tend to dampen producer returns, and cause weak marketing conditions. The carryin for the 1999–2000 crop year was reduced to 59,944 natural condition tons. This reduction was due to the low level of salable production in 1998–99 (about 102,521 natural condition tons and 50 percent of a normal size crop) and the undersized prune regulation. According to the Committee, the desired inventory level to keep trade distribution channels full while awaiting the new crop has ranged between 35,353 and 42,071 natural condition tons since the 1996–97 crop year, while the actual inventory has ranged between 59,944 and 126,485 natural condition tons since that year. The desired inventory level for early season shipments fluctuates from year-to-year depending on market conditions.

At its meeting on November 30, 1999, the Committee unanimously recommended continuing an undersized prune regulation at $2\frac{4}{32}$ of an inch in diameter for French prunes and $3\frac{0}{32}$ of an inch in diameter for non-French prunes during the 2000–2001 crop year for supply management purposes. This regulation would be in effect from August 1, 2000, through July 31, 2001.

The Committee estimated that there will be an excess of about 8,200 natural condition tons of dried prunes as of July 31, 2000. This proposed rule would continue to remove primarily small-sized prunes from human consumption channels, consistent with the undersized prune regulation that was implemented for the 1998–99 and 1999–2000 crop years. It is estimated that approximately 5,100 natural condition tons of small prunes would be removed from human consumption channels during the 2000–2001 crop year. This would leave sufficient prunes to fill domestic and foreign trade demand during the 2000–2001 crop year, and provide an adequate carryout on July 31, 2001, for early season shipments until the new crop is available for shipment. According to the Committee, the desired inventory level to keep trade distribution channels full while awaiting the 2000–2001 crop is about 39,000 natural condition tons.

In its deliberations, the Committee reviewed statistics reflecting: (1) A worldwide prune demand which has been relatively stable at about 260,000 tons; (2) a worldwide oversupply that is expected to continue growing into the next century (estimated at 350,845 natural condition tons by the year 2003); (3) a continuing oversupply situation in California caused by increased production from increased plantings and higher yields per acre (between the 1990–91 and 1999–2000 crop years, the yield ranged from 1.2 to 2.6 versus a 10-year average of 2.2 tons per acre); and (4) California's continued excess inventory situation. The production of these small sizes ranged from 1,332 to 8,778 natural condition tons during the 1990–91 through the 1998–99 crop years. The Committee concluded that it has to continue utilizing supply management techniques to accelerate the return to a balanced supply/demand situation in the interest of the California dried prune industry. The proposed changes to the undersized regulation for the 2000–2001 crop year are the result of these deliberations, and the Committee's desire to gradually bring supplies in line with market needs.

The industry's oversupply situation is expected to continue over the next few years due to new prune plantings in recent years with higher yields per acre. These plantings have a higher tree density per acre than the older prune plantings. During the 1990–91 crop year, the non-bearing acreage totaled 5,900 acres; but by 1998–99, the non-bearing acreage had quadrupled to more than 26,000 acres. The 1996–97 through 1998–99 yields have ranged from 1.2 to 2.6 tons per acre. Over the last 10-years, the average was 2.2 tons per acre.

The 1999–2000 dried prune crop is expected to be 165,000 natural condition tons. Another large crop of about 200,000 natural condition tons is expected for the 2000–2001 crop year, partly because of an anticipated increase in bearing acreage.

Since the 1997–98 crop year, producer prices for the $2\frac{4}{32}$ of an inch in diameter French prunes have been about \$40–\$50 per ton, about \$260–\$270 per ton below the cost of production. The lower producer prices are expected to continue as an incentive for production of larger size prunes. The larger sizes will help the industry better meet the increasing market demand for larger-sized pitted prunes.

The 1998–99 and 1999–2000 undersized prune rules of $2\frac{4}{32}$ of an inch for French prunes and $3\frac{0}{32}$ of an inch for non-French prunes have expedited the reduction of small prune inventories, but more needs to be done

to bring supplies into balance with market demand. The excess inventory on July 31, 1999, was 17,873 natural condition tons, and only about 5,130 natural condition tons of dried prunes are expected to be removed from the 1999–2000 marketable supply by the current undersized regulation. The Committee believes that the same undersized regulation also should be implemented during the 2000–2001 crop year to continue reducing the inventories of small prunes, to help reduce the expected large 2000–2001 prune crop, and more quickly bring supplies in line with demand. Attainment of this goal would benefit all of the producers and handlers of California prunes.

The recommended decision of June 1, 1981 (46 FR 29271) regarding undersized prunes states that the undersized prune regulation at the $2\frac{3}{32}$ and $2\frac{8}{32}$ inch diameter size openings would be continuous for the purposes of quality control even in above parity situations. It further states that any change (i.e., increase) in the size of those openings would not be for the purpose of establishing a new quality-related minimum. Larger openings would only be applicable when supply conditions warranted the regulation of a larger quantity of prunes as undersized prunes. Thus, any regulation prescribing openings larger than those in § 993.49(c) should not be implemented when the grower average price is expected to be above parity. The season average price received by prune growers averaged about 49 percent of parity during the 1994 through 1998 seasons and is in a downward trend. As discussed later, the average grower price for prunes during the 2000–2001 crop year is not expected to be above parity, and implementation of this more restrictive undersized regulation would be appropriate in reference to parity.

Section 8e of the Act requires that when certain domestically produced commodities, including prunes, are regulated under a Federal marketing order, imports of that commodity must meet the same or comparable grade, size, quality, or maturity requirements for the domestically produced commodity. This action would not impact the dried prune import regulation because the action would affect volume control, not quality control. The smaller diameter openings of $2\frac{3}{32}$ of an inch for French prunes and $2\frac{8}{32}$ of an inch for non-French prunes were implemented to improve product quality. The recommended increases to $2\frac{4}{32}$ of an inch in diameter for French prunes and $3\frac{0}{32}$ of an inch in diameter for non-French prunes are for purposes

of volume control. Therefore, the increased diameters would not be applied to imported prunes.

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Agricultural Marketing Service (AMS) has considered the economic impact of this rule on small entities. Accordingly, AMS has prepared this initial regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 1,250 producers of dried prunes in the production area and approximately 20 handlers subject to regulation under the marketing order. Small agricultural producers have been defined by the Small Business Administration (13 CFR 121.601) as those having annual receipts less than \$500,000, and small agricultural service firms are defined as those whose annual receipts are less than \$5,000,000.

An updated industry profile shows that 7 out of 20 handlers (35%) shipped over \$5,000,000 worth of dried prunes and could be considered large handlers by the Small Business Administration. Thirteen of the 20 handlers (65%) shipped under \$5,000,000 worth of prunes and could be considered small handlers. An estimated 109 producers, or less than 9% of the 1,250 total producers, would be considered large growers with annual incomes over \$500,000. The majority of handlers and producers of California dried prunes may be classified as small entities.

This proposed rule would establish an undersized prune regulation of $2\frac{4}{32}$ of an inch in diameter for French prunes and $3\frac{0}{32}$ of an inch in diameter for non-French prunes for the 2000–2001 crop year for inventory management purposes. This change in regulation would result in more of the smaller sized prunes being classified as undersized prunes and is expected to benefit producers, handlers, and consumers. The larger screen openings currently in place for 1999–2000 are expected to remove only 5,130 tons of dried prunes from the excess marketable supply. The Committee estimated that there will be an excess of about 8,200 natural condition tons of dried prunes on July 31, 2000. Implementation of the larger openings in 2000–2001 is

expected to reduce that surplus by about 5,100 tons.

Because the benefits and costs of the proposed action would be directly proportional to the quantity of $2\frac{4}{32}$ screen French prunes and $3\frac{0}{32}$ screen non-French prunes produced or handled, small businesses should not be disproportionately affected by the proposal. While variation in sugar content, prune density, and dry-away ratio vary from county to county, they also vary from orchard to orchard and season to season. In the major producing areas of the Sacramento and San Joaquin Valleys (which account for over 99 percent of the state's production), the prunes produced are homogeneous enough that the proposal should not be viewed as inequitable by large and small producers in any area of the State.

The quantity of small prunes in a lot is not dependent on whether a producer or handler is small or large; but is primarily dependent on cultural practices, soil composition, and water costs. The cost to minimize the quantity of small prunes is similar for small and large entities. The anticipated benefits of this rule are not expected to be disproportionately greater or lesser for small handlers or producers than for larger entities. The only additional costs on producers and handlers expected from the increased openings would be the disposal of additional tonnage (now estimated to be about 5,100 tons) to nonhuman consumption outlets. These costs are expected to be minimal and would be offset by the benefits derived by the elimination of some of the excess supply of small-sized prunes.

At the November 30, 1999, meeting, the Committee discussed the financial impact of this change on handlers and producers. Handlers and producers receive higher returns for the larger size prunes. Prunes eliminated through the implementation of this rule have very little value. As mentioned earlier, the current situation for producers of these small sizes is quite bleak with producers losing about \$260–\$270 on every ton delivered to handlers. The 1999–2000 grower field price for $2\frac{4}{32}$ screen French prunes ranges between \$40 and \$50 per ton, the same as the 1998–99 crop year. The cost of drying a ton of such prunes is \$260 per ton at a 4 to 1 dry-away ratio, transportation is at least \$20 per ton, and the producer assessment paid to the California Prune Board (a body which administers the State marketing order for promotion) is \$30 per ton. The total cost is about \$310 per ton which equates to a loss of about \$260–\$270 per ton for every ton of $2\frac{4}{32}$ screen French prunes produced and delivered to handlers.

Utilizing data provided by the Committee, the Department has evaluated the impact of the proposed undersized regulation change upon producers and handlers in the industry. The analysis shows that a reduction in the marketable production and handler inventories could result in higher season-average prices which would benefit all producers. The removal of the smallest, least desirable of the marketable dried prunes produced in California from human consumption outlets would eliminate an estimated 5,100 tons of small-sized dried prunes during the 2000–2001 crop year from the marketplace. This would help lessen the negative marketing and pricing effects resulting from the excess inventory situation facing the industry. California prune handlers reported that they held 59,944 tons of natural condition prunes on July 31, 1999, the end of the 1998–99 crop year. The 59,944 ton year-end inventory is larger than what is desired for early season shipments by the prune industry. The desired industry inventory level is based on an average 12-week supply to keep trade distribution channels full while awaiting new crop. Currently, it is about 39,000 natural condition tons. This leaves a 1999–2000 inventory surplus of about 18,000 tons. The near normal size 1999–2000 prune crop (165,000 tons) and undersized regulation will help reduce the surplus, but the anticipated large 2000–2001 prune crop is expected to worsen the supply imbalance.

As the marketable dried prune production and surplus prune inventories are reduced through this proposal, and producers continue to implement improved cultural and thinning practices to produce larger-sized prunes, continued improvement in producer returns is expected.

For the 1994–95 through the 1998–99 crop years, the season average price received by the producers ranged from a high of \$1,120 per ton to a low of \$784 per ton during the 1998–99 crop year. The season average price received by producers during that 5-year period averaged about 49 percent of parity. Based on available data and estimates of prices, production, and other economic factors, the season average producer price for the 1999–2000 season is expected to be about \$905 per ton, or about 43 percent of parity.

The Committee discussed alternatives to this change, including making no changes to the undersized prune regulation and allowing market dynamics to foster prune inventory adjustments through lower prices on the smaller prunes. While reduced grower

prices for small prunes are expected to contribute toward a slow reduction in dried prune inventories, the Committee believed that the undersized rule change is needed to expedite that reduction. With the excess tonnage of dried prunes, the Committee also considered establishing a reserve pool and diversion program to reduce the oversupply situation. These initiatives were not supported because they would not specifically eliminate the smallest, least valuable prunes which are in oversupply. Instead, the reserve pool and diversion program would eliminate larger size prunes from human consumption outlets. Reserve pools for prunes have historically been implemented on dried prunes regardless of the size of the prunes. While the marketing order also allows handlers to remove the larger prunes from the pool by replacing them with small prunes and the value difference in cash, this exchange would be cumbersome and expensive to administer compared to the proposal.

Section 8e of the Act requires that when certain domestically produced commodities, including prunes, are regulated under a Federal marketing order, imports of that commodity must meet the same or comparable grade, size, quality, or maturity requirements for the domestically produced commodity. This action does not impact the dried prune import regulation because the action to be implemented is for inventory management, not quality control purposes. The smaller diameter openings of $2\frac{3}{32}$ of an inch for French prunes and $2\frac{8}{32}$ of an inch for non-French prunes were implemented for the purpose of improving product quality. The recommended increases to $2\frac{4}{32}$ of an inch in diameter for French prunes and $3\frac{0}{32}$ of an inch in diameter for non-French prunes are for purposes of inventory management. Therefore, the increased diameters would not be applied to imported prunes.

This action would not impose any additional reporting or recordkeeping requirements on either small or large California dried prune handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

The Department has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

In addition, the Committee's meeting was widely publicized throughout the prune industry and all interested persons were invited to attend the

meeting and participate in Committee deliberations on all issues. Like all Committee meetings, the November 30, 1999, meeting was a public meeting and all entities, both large and small, were able to express views on this issue. The Committee itself is composed of twenty-two members. Seven are handlers, fourteen are producers, and one is a public member. Moreover, the Committee and its Supply Management Subcommittee have been monitoring the supply situation, and this proposed rule reflects their deliberations completely. Finally, interested persons are invited to submit information on the regulatory and informational impacts of this action on small businesses.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at the following website: <http://www.ams.usda.gov/fv/moab.html>. Any questions about the compliance guide should be sent to Jay Guerber at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

The Committee has requested a comment period through April 17, 2000, to allow interested persons to respond to this proposal. This longer comment period is needed to give the Committee more time to observe the bloom period during the spring and industry shipment trends during the year and allow sufficient time to comment to the Department concerning any changes deemed appropriate. All written comments timely received will be considered before a final determination is made on this matter.

List of Subjects in 7 CFR Part 993

Marketing agreements, Plums, Prunes, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 993 is proposed to be amended as follows:

PART 993—DRIED PRUNES PRODUCED IN CALIFORNIA

1. The authority citation for 7 CFR part 993 continues to read as follows:

Authority: 7 U.S.C. 601–674.

Note: This section will not appear in the Code of Federal Regulations.

2. A new § 993.407 is added to read as follows:

§ 993.407 Undersized prune regulation for the 2000–2001 crop year.

Pursuant to §§ 993.49(c) and 993.52, an undersized prune regulation for the 2000–2001 crop year is hereby established. Undersized prunes are

prunes which pass through openings as follows: for French prunes, $2\frac{4}{32}$ of an inch in diameter; for non-French prunes, $3\frac{0}{32}$ of an inch in diameter.

Dated: January 12, 2000.

Robert C. Keeney,

Deputy Administrator, Fruit and Vegetable Programs.

[FR Doc. 00-1222 Filed 1-18-00; 8:45 am]

BILLING CODE 3410-02-P

FEDERAL TRADE COMMISSION

16 CFR Parts 250 and 310

Notice of Intent to Request Public Comments on Guides for the Household Furniture Industry and the Telemarketing Sales Rule

AGENCY: Federal Trade Commission.

ACTION: Notice of intent to request public comments.

SUMMARY: As part of its ongoing systematic review of all Federal Trade Commission ("Commission") rules and guides, the Commission gives notice that it intends to request public comments on the Guides for the Household Furniture Industry and the Telemarketing Sales Rule during 2000. The Commission will request comments on, among other things, the economic impact of, and the continuing need for, the rule and guides; possible conflict between the rule and guides and state, local, or other federal laws or regulations; and the effect on the rule and guides of any technological, economic, or other industry changes. No Commission determination on the need for or the substance of the rule or guides should be inferred from the intent to publish requests for comments.

FOR FURTHER INFORMATION CONTACT: Further details may be obtained from the contact person listed for each particular item.

SUPPLEMENTARY INFORMATION: The Commission intends to initiate a review of and solicit public comments on the following during 2000:

(1) Guides for the Household Furniture Industry, 16 CFR part 250.

Agency Contact: Ingrid E. Whittaker-Ware, Federal Trade Commission, Southeast Region, Suite 5M35, Midrise Building, 60 Forsyth Street, S.W., Atlanta, GA 30303, (404) 6561364.

(2) Telemarketing Sales Rule, 16 CFR Part 310.

Agency Contact: Catherine C. Harrington-McBride, Federal Trade Commission, Bureau of Consumer Protection, Division of Marketing Practices, Room H238, 600

Pennsylvania Ave., NW, Washington, DC 20580, (202) 326-2452.

Authority: 15 U.S.C. 41-58.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 00-993 Filed 1-18-00; 8:45am]

BILLING CODE 6750-01-M

DEPARTMENT OF DEFENSE

32 CFR Part 326

National Reconnaissance Office; National Reconnaissance Office Privacy Act Program

AGENCY: National Reconnaissance Office, DOD.

ACTION: Proposed rule.

SUMMARY: This proposed rule establishes the National Reconnaissance Office Privacy Act Program. This rule establishes policies and procedures for implementing the NRO Privacy Program, and delegates authorities and assigns responsibilities for the administration of the NRO Privacy Program

DATES: Comments must be received by March 20, 2000, to be considered by the agency.

ADDRESSES: National Reconnaissance Office, Information Access and Release Center, 14675 Lee Road, Chantilly, VA 20151-1715.

FOR FURTHER INFORMATION CONTACT: Ms. Barbara Freimann at (703) 808-5029.

SUPPLEMENTARY INFORMATION:

Executive Order 12866, 'Regulatory Planning and Review'

It has been determined that 32 CFR part 321 is not a significant regulatory action. The rule does not:

(1) Have an annual effect to the economy of \$100 million or more; or adversely affect in a material way the economy; a section of the economy; productivity; competition; jobs; the environment; public health or safety; or state, local, or tribal governments or communities;

(2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another Agency;

(3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof;

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.

Public Law 96-354, 'Regulatory Flexibility Act' (5 U.S.C. 601)

It has been certified that this rule is not subject to the Regulatory Flexibility Act (5 U.S.C. 601) because it would not, if promulgated, have a significant economic impact on a substantial number of small entities.

Public Law 96-511, 'Paperwork Reduction Act' (44 U.S.C. Chapter 35)

It has been certified that this part does not impose any reporting or record keeping requirements under the Paperwork Reduction Act of 1995.

List of Subjects in 32 CFR Part 326

Privacy

Accordingly, Title 32 of the CFR is proposed to be amended in Chapter I, subchapter O, by adding part 326 to read as follows:

PART 326—NATIONAL RECONNAISSANCE OFFICE PRIVACY ACT PROGRAM

Sec.

- 326.1 Purpose.
- 326.2 Application.
- 326.3 Definitions.
- 326.4 Policy.
- 326.5 Responsibilities.
- 326.6 Policies for processing requests for records.
- 326.7 Procedures for collection.
- 326.8 Procedures for requesting access.
- 326.9 Procedures for disclosure of requested records.
- 326.10 Procedures to appeal denial of access to requested record.
- 326.11 Special procedures for disclosure of medical and psychological records.
- 326.12 Procedures to request amendment or correction of record.
- 326.13 Procedures to appeal denial of amendment.
- 326.14 Disclosure of record to person other than subject.
- 326.15 Fees.
- 326.16 Penalties.
- 326.17 Exemptions.

Authority: Pub. L. 93-579, 88 Stat 1896 (5 U.S.C. 552a).

§ 326.1 Purpose.

This part implements the basic policies and procedures outlined in the Privacy Act of 1974, as amended (5 U.S.C. 552a), and 32 CFR part 310; and establishes the National Reconnaissance Office Privacy Program (NRO) by setting policies and procedures for the collection and disclosure of information maintained in records on individuals, the handling of requests for amendment or correction of such records, appeal and review of NRO decisions on these matters, and the application of exemptions.