

# 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

### Office of the Secretary

#### 7 CFR Part 20

RIN 0551-AA51

#### Export Sales Reporting Requirements

**AGENCY:** Foreign Agricultural Service, USDA.

**ACTION:** Proposed rule.

**SUMMARY:** This proposed rule would amend the Export Sales Reporting Requirements Regulation to add certain beef and pork to the list of commodities subject to this Regulation. Under this proposed rule, exporters would be required to report on a weekly basis information concerning the quantity, country of destination, and marketing period of shipment for their export sales. Information collected would be aggregated and included in the weekly "U.S. Export Sales" report published by the Foreign Agricultural Service (FAS).

**DATE:** Comments on the proposed rule should be received on or before May 2, 2000, to be assured of consideration.

**ADDRESSES:** Comments should be submitted in writing to the Export Sales Reporting Staff, Stop 1025, U.S. Department of Agriculture, 1400 Independence Avenue SW, Washington, DC 20250-1025 or e-mailed to WilliamsDJ@fas.usda.gov. All comments received will be available for public inspection in room 5965-S during normal business hours.

**FOR FURTHER INFORMATION CONTACT:** David Williams, Import Policies and Programs Division, Stop 1021, U.S. Department of Agriculture, 1400 Independence Avenue, SW, Washington, D.C. 20250-1021, or telephone at (202) 720-3273, or e-mail at WilliamsDJ@fas.usda.gov.

#### SUPPLEMENTARY INFORMATION:

##### Executive Order 12372

This program is not subject to the provision of Executive Order 12372, which requires intergovernmental

consultation with State or local officials (See notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115, June 24, 1983).

##### Executive Order 12988

This proposed rule has been reviewed under Executive Order 12988. The provisions of this proposed rule would not have preemptive effect with respect to any state or local laws, regulations, or policies which conflict with such provisions or which otherwise impede their full implementation. The proposed rule would not have retroactive effect. Administrative proceedings are not required before parties may seek judicial review.

##### Executive Order 12866

This proposed rule is issued in conformance with Executive Order 12866. It has been determined significant for the purposes of E.O. 12866 and, therefore, has been reviewed by the Office of Management and Budget (OMB).

##### Regulatory Flexibility Act

The proposed rule should not have a significant economic impact on a substantial number of small entities. Although numerous exporters of meat and meat products operate small businesses, the data required under the proposed rule are routinely maintained during the normal course of export sales contracting business activity. A copy of this proposed rule has been sent to the Chief Counsel, Office of Advocacy, U.S. Small Business Administration.

##### Paperwork Reduction Act

In accordance with provisions of the Paperwork Reduction Act of 1995, the Department revised the information collection approved by the Office of Management and Budget (OMB) to support this proposed rule. The expiration date for OMB approval of this information collection, under OMB control number 0551-0007, is September 30, 2001. The information collection requirements contained in 7 CFR part 20 (the Regulation) are necessary to implement the mandatory export sales reporting requirements of 602 of the Agricultural Trade Act of 1978, as amended (7 U.S.C. 7512). The proposed rule would amend the Regulation to require weekly reporting of export sales contracts for muscle cuts of fresh, chilled, or frozen beef and

pork. All data reported are aggregated and published in compilation form to protect business confidential information. It was estimated that the proposed rule would add an additional 125 exporting firms to the reporting requirements, increasing the total to 424 firms. The inclusion of certain meat products under the Regulation was estimated to increase the annual burden by 8,963 hours (from 21,723 hours to 30,686 hours) for collecting and submitting the weekly reports and recordkeeping activities. Copies of the current information collection may be obtained from Kimberly Chisley, the Agency Information Collection Coordinator, at (202) 720-2568 or e-mail at Chisley@fas.usda.gov. Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility and clarity of the information to be collected; and (d) ways to minimize the burden of collection of information to those who are to respond, including through use of appropriate automated, electronic, mechanical or other technological collection techniques or other form of information technology. Comments on the information collection should be sent to the Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10202, New Executive Office Building, Washington, DC 20503. Attention: Desk Officer for USDA/FAS. Comments on the issues covered by the Paperwork Reduction Act should be submitted no later than 60 days from the date of publication to be assured of consideration.

Section 913(b)(1) of Pub. L. 106-78 (the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000) requires that the Secretary implement a streamlined electronic system for collecting export sales and shipments data, in the least intrusive manner possible, for fresh or frozen muscle cuts of meat food products, and develop a data-reporting program to disseminate summary information in a timely manner. The adoption of electronic collection techniques should

facilitate information collection and reduce the annual reporting burden. The Department is working on developing electronic reporting forms for submission of information on fresh, chilled, or frozen muscle cuts of beef and pork products covered by this proposed rule. Prior to implementing electronic reporting, the Department would request OMB approval of the electronic forms developed and issue a **Federal Register** notice soliciting public comments. All comments will be considered in developing the final rule, and will also become a matter of public record.

## Background

### *Authority*

Section 602 of the Agricultural Trade Act of 1978, as amended, requires the weekly reporting of information pertaining to the contract for export sale of certain specified agricultural commodities and other commodities that may be designated by the Secretary. Individual weekly reports submitted shall remain confidential in accordance with § 602, and shall be compiled and published in compilation form each week following the week of reporting. Any person who knowingly fails to make a report shall be fined not more than \$25,000 or imprisoned for not more than 1 year, or both. Regulations at 7 CFR part 20 implement the weekly reporting requirements, and prescribe a system for reporting information pertaining to contracts for export sales. Appendix 1 to the Regulation lists all commodities that are subject to the export sales reporting requirements.

### *Proposed Export Sales Reporting Requirement for Meat*

An Advance Notice of Proposed Rulemaking (ANPR) was published on November 14, 1996 (61 FR 58343–58345) requesting public comments on a proposal to amend 7 CFR part 20 to require weekly export sales reporting for meat and meat products. In response to the ANPR, public comments were received from 57 entities, including firms, trade associations, and individuals. The majority of the comments (36) were from the domestic poultry industry which, with the exception of one commentator, opposed reporting. The poultry industry's

opposition was based on the high degree of vertical integration in the industry, the widespread use of grower contracts, and concerns about possible disclosure of sensitive proprietary business information related to market price and buyer identification. Comments received from beef and pork producers supported more timely reporting and release of export data. Export sales were viewed as an important indicator of future demand for cattle and hogs that meet beef and pork export specifications, and certain commentators favored reporting of contract sales prices. Other commentators recommended collection of information on aggregate export sales of selected categories of meat and meat products. One commentator recommended that monthly outstanding export sales for 6 months forward be updated weekly. Certain processors and packers commented that reporting of export sales data would not be as great a benefit to producers as collecting export data by country of destination from export inspection certificates on broad categories of meat. Most commentators opposed disclosure of information on sales contract prices because of market sensitivity.

Subsequent to the ANPR, 921 of Pub. L. 106–78 amended 602(a)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5712(a)(1)) by adding “beef” to the list of specified commodities for which all exporters shall report weekly export sales reporting information. The proposed rule would provide that beef reporting under 602 of the Agricultural Trade Act of 1978, as amended, be limited to fresh, chilled, or frozen muscle cuts of beef. This information would provide key market data to producers on meat cuts which constitute the bulk of U.S. exports and provide relevant foreign market demand information. Limiting reporting to muscle cuts would impose the least burdensome level of reporting on exporters while achieving the objectives of the export sales reporting requirements program.

As stated above, 913(b)(1) of Pub. L. 106–78 requires that the Secretary also implement a streamlined electronic system for collecting export sales and shipments data, in the least intrusive manner possible, for fresh or frozen muscle cuts of meat food products, and

develop a data-reporting program to disseminate summary information in a timely manner. This proposed rule would include the reporting of fresh, chilled, and frozen muscle cuts of meat required by 913(b)(1) of Pub. L. 106–78 under 7 CFR part 20. Under this regulation, data related to the quantity, destination, and marketing year of shipments are collected and released on a weekly basis reflecting the “outstanding commitments” of the specified commodities for export. New outstanding quantities are established each week by adding the new export sales activity to the previous outstanding balances and subtracting the current week's shipments plus downward contract adjustments. Although this is not the official U.S. trade data, it is widely used as an early indicator of export activity and is available the week following the week of reporting. The addition of fresh, chilled, or frozen muscle cuts of beef and pork to the reporting program would provide the livestock sector with quality up-to-date information that should result in more accurate evaluations of changing market conditions. These timely reports would benefit the private sector as well as the Department in making economic decisions and forecasts on the flow of these U.S. agricultural commodities in domestic and export markets.

The proposed rule would not require reporting information for meats other than beef and pork. Reporting pertaining to pork, which together with the requirement pertaining to beef, would constitute the most valuable information regarding meat export sales activity.

### **Lists of Subjects in 7 CFR Part 20**

Agricultural commodities, Exports, Reporting.

### **Proposed Rule**

Accordingly, it is proposed to amend 7 CFR part 20, Export Sales Reporting Requirements as follows:

1. The authority citation for part 20 continues to read as follows:

**Authority:** 7 U.S.C. 5712.

2. Amend Appendix 1 to add the following lines, under the indicated column headings, after the line for “Cattle, calf, and kip, wet blues—splits, excluding grain splits.”:

APPENDIX 1 TO PART 20.—COMMODITIES SUBJECT TO REPORTING, UNITS OF MEASURE TO BE USED IN REPORTING, AND BEGINNING AND ENDING DATES OF MARKETING YEARS

Commodity to be reported	Units of measure to be used in reporting	Beginning of marketing year	End of marketing year
* Beef, fresh, chilled or frozen: muscle cuts of beef .....	* Metric tons .....	* Jan. 1 .....	* Dec. 31.
* Pork, fresh chilled or frozen: muscle cuts of pork .....	* Metric tons .....	* Jan. 1 .....	* Dec. 31.

Signed at Washington, D.C. on February 28, 2000.

**Timothy J. Galvin,**  
*Administrator, Foreign Agricultural Service.*  
 [FR Doc. 00-5162 Filed 3-2-00; 8:45 am]  
 BILLING CODE 3410-10-P

**DEPARTMENT OF AGRICULTURE**

**Animal and Plant Health Inspection Service**

**9 CFR Parts 71, 77, and 78**

[Docket No. 99-090-1]

**Livestock Identification; American Identification Numbering System**

**AGENCY:** Animal and Plant Health Inspection Service, USDA.

**ACTION:** Advance notice of proposed rulemaking and request for comments.

**SUMMARY:** We are soliciting public comment on our intent to recognize the American Identification Numbering System as a means of providing unique identification for livestock on official eartags. The American Identification Numbering System is a universal numbering system. It can be used to identify an animal for many purposes, including interstate and international movements, food safety, genetic evaluation, and animal health purposes, thus reducing the need for multiple identification numbers and devices. Recognizing this system would allow producers to use it for interstate movement of livestock under our domestic regulations for disease control and eradication.

**DATES:** We invite you to comment on this docket. We will consider all comments that we receive by May 2, 2000.

**ADDRESSES:** Please send your comment and three copies to: Docket No. 99-090-1, Regulatory Analysis and Development, PPD, APHIS, Suite 3C03, 4700 River Road, Unit 118, Riverdale, MD 20737-1238.

Please state that your comment refers to Docket No. 99-090-1.

You may read any comments that we receive on this docket in our reading room. The reading room is located in

room 1141 of the USDA South Building, 14th Street and Independence Avenue, SW., Washington, DC. Normal reading room hours are 8 a.m. to 4:30 p.m., Monday through Friday, except holidays. To be sure someone is there to help you, please call (202) 690-2817 before coming.

APHIS documents published in the **Federal Register**, and related information, including the names of organizations and individuals who have commented on APHIS dockets, are available on the Internet at <http://www.aphis.usda.gov/ppd/rad/webrepor.html>.

**FOR FURTHER INFORMATION CONTACT:** Dr. John F. Wiemers, National Animal Identification Director, APHIS Animal Health Programs Staff, VS, APHIS, 2100 S. Lake Storey Road, Galesburg, IL 61401; (309) 344-1942.

**SUPPLEMENTARY INFORMATION:**

**Background**

The Animal and Plant Health Inspection Service (APHIS) regulates the interstate movement of certain animals to prevent the spread of livestock and poultry diseases within the United States. The regulations are contained in 9 CFR chapter I, subchapter C. Among other things, the regulations contain requirements for the official identification of animals moved interstate. One means of official identification is an official eartag. As defined in the regulations, an official eartag is an APHIS-approved, tamper-resistant eartag that provides unique identification for each animal. To provide unique identification for each animal, the regulations specify that the eartag must either conform to the alpha-numeric National Uniform Eartagging System or bear a valid premises identification number that is used in conjunction with the producer's livestock production numbering system. We are soliciting comment through this advance notice of proposed rulemaking on our intent to adopt another eartag numbering system—the American Identification Numbering (AIN) System—as an alternative means of providing a unique identification for livestock.

The official eartag currently in use under 9 CFR chapter I, subchapter C, as well as other official means of identification such as official tattoos, have been vital to disease control and eradication programs, but they do not meet other identification needs. For example, many animals have separate identification numbers and devices for on-farm production purposes, animal data recording, genetic evaluation, and breed registration. Furthermore, as diseases such as tuberculosis, brucellosis, and pseudorabies are eradicated from the United States, fewer animals will be required to be officially identified under 9 CFR chapter I, subchapter C. As a result, our ability to trace diseased animals back to their herds of origin may be compromised in the future unless we provide producers with an identification system that will be useful for other purposes and easy to apply on the farm.

The AIN System is a universal livestock identification system that can provide identification for many purposes, including interstate and international trade, food safety, genetic evaluation, and animal health purposes, thus reducing the need for multiple identification numbers and devices. It is an alpha-numeric numbering system that uses 12 characters, in addition to a 3-character country code, to provide a unique identification number for individual livestock. In contrast to current official animal identification numbering systems, it does not have a State prefix, but that could be remedied by the establishment of a national database, where anyone could find an individual animal's State of origin from its identification number.

If we recognized the AIN System as an official method of providing identification on eartags, it would be administered by a designated nonprofit organization. The administering organization would allocate blocks of numbers to other groups or organizations, such as breed associations, industry groups, and States, which would, in turn, assign identification administrators to provide identification eartags to producers.