requirements related to fat content or water retention, or whether the product is fresh or frozen? If so, how should FSIS prioritize the sampling of products?

5. Should FSIS consider which OCP issues concern consumers? If so, how could FSIS determine this? For example, are there existing data FSIS can use or should FSIS conduct its own consumer surveys? To what extent should FSIS use information about consumers' concerns to prioritize the verification of the industry compliance with the OCP requirements?

6. How should FSIS weigh the severity of noncompliance that leads to public health concerns versus noncompliances related to OCP concerns? What sanctions or penalties are appropriate for economic adulteration? How should FSIS deal with establishments that demonstrate no deliberate intent to cheat the public but experience intermittent problems of noncompliance that result in misbranding or economic adulteration?

7. What enforcement strategy is appropriate for addressing noncompliance with OCP requirements? What portion of the Agency's enforcement resources should be allocated to OCP concerns? What levels of noncompliance with OCP requirements warrant the use of severe sanctions, such as withholding the marks of inspection?

8. The Agency believes that inspected establishments need to have systems, i.e., quality control systems, managerial systems, or administrative systems, that ensure compliance with OCP requirements. Should FSIS consider promulgating a general process control regulation, or are there alternatives to such a regulation that would still enable the Agency to effectively and efficiently verify that an establishment's control systems for OCP requirements are satisfactory?

Executive Order 12866 and Regulatory Flexibility Act

This advance notice of proposed rulemaking has been reviewed under Executive Order 12866. This rule has been determined to be significant for the purposes of Executive Order 12866 and, therefore, has been reviewed by the Office of Management and Budget.

FSIS is seeking the data necessary to assess how the regulatory changes discussed in this document might affect various sectors of the meat and poultry industries. Therefore, the Agency invites comment on potential effects, including economic costs or benefits.

Departmental Regulation 4300–4, ''Civil Rights Impact Analysis''

Pursuant to Department Regulation 4300–4, ''Civil Rights Impact Analysis,'' dated September 22, 1993, FSIS will conduct a civil rights impact analysis on any proposed rule that results from this ANPR. To improve the Agency's analysis, FSIS is seeking the data necessary to assess how the resulting regulatory changes discussed in this document might affect minorities, women, and persons with disabilities.

ANPR's generally are designed to provide information and receive public comments on substantive issues that may lead to new or revised agency regulations or instructions. Public involvement in all segments of rulemaking and policy development is important. Consequently, in an effort to better ensure that minorities, women, and persons with disabilities are made aware of this ANPR and are informed about the mechanism for providing their comments, FSIS will announce it and provide copies of this **Federal Register** publication in the FSIS Constituent Update.

FSIS provides a weekly FSIS Constituent Update, which is communicated via fax to over 300 organizations and individuals. In addition, the update is available on line through the FSIS web page located at *http://www.fsis.usda.gov*. The update is used to provide information regarding FSIS policies, procedures, regulations, **Federal Register** Notices, FSIS public meetings, recalls, and any other types of information that could affect or would be of interest to our constituents/stakeholders. The constituent fax list consists of industry, trade, and farm groups, consumer interest groups, allied health professionals, scientific professionals and other individuals that have requested to be included. Through these various channels, FSIS is able to provide information with a much broader, more diverse audience. For more information and to be added to the constituent fax list, fax your request to the Office of Congressional and Public Affairs, at (202) 720–5704.

FSIS will use a variety of methods to reach consumers and those individuals who work directly with consumers—information multipliers—to publicize the issues identified in this OCP ANPR. FSIS will send electronic messages to electronic discussion lists that reach thousands of educators, health professionals, media, industry representatives, and consumers. FSIS will use Department mailing lists for minority media and constituent groups to send information releases that can be published in local newspapers. In addition, FSIS intends to translate briefing materials and consumer information into Spanish in order to encourage publication in non-English media that directly reach consumers.

FSIS expects to arrange for one or more public meetings to be held in large urban areas with diverse populations in order to encourage public participation by individuals not typically represented by consumer-organizations or who do not have access to electronic communication, including fax machines, internet-accessible equipment, televisions, radios, or non-English printed materials.

FSIS does not expect that this ANPR or resulting rulemaking will have an adverse effect on its own employees since the ratio of tasks performed on OCP activities will be shifted more in favor of tasks performed on food safety activities.

Done at Washington, D.C., March 13, 2000.

Thomas J. Billy,

Administrator.

[FR Doc. 00–6642 Filed 3–16–00; 8:45 am]

BILLING CODE 3410–DM–P

DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

9 CFR Parts 318, 319, and 327

[Docket No. 97–012P]

Elimination of Requirements for the Compliance Monitoring System for Cured Pork Products

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Proposed rule.

SUMMARY: The Food Safety and Inspection Service (FSIS) is proposing to amend the meat inspection regulations by removing the regulations that prescribe the Agency's compliance monitoring system for cured pork products. Removing these regulations will not affect the regulatory requirements that industry is responsible for meeting. The proposal will remove requirements that specify the frequency with which FSIS samples these products and the enforcement actions that the Agency will take in response to specific laboratory findings from analysis of product samples. FSIS is proposing to remove these prescriptive controls on itself because the Agency intends to institute a new approach to sampling and testing meat and poultry products to verify that the products meet regulatory requirements

for consumer protections other than food safety (i.e., misbranding and economic adulteration). If the Agency takes this action, it will be able to reallocate some of its in-plant and laboratory resources to give greater emphasis to food safety concerns.

DATES: Comments must be received on or before May 16, 2000.

ADDRESSES: Submit one original and two copies of written comments to Docket Clerk, DOCKET #97–012P, U.S. Department of Agriculture, Food Safety and Inspection Service, Room 102 Cotton Annex Building, 300 Twelfth Street, SW., Washington, DC 20250–3700.

FOR FURTHER INFORMATION CONTACT: Daniel Engeljohn, PhD., Director, Regulations Development and Analysis Division, Food Safety and Inspection Service, Washington, DC 20250–3700, (202) 720–5627.

SUPPLEMENTARY INFORMATION:

Background

FSIS' mission is to ensure that meat, poultry, and processed egg products are safe, wholesome, and properly marked, labeled, and packaged. FSIS has carried out its food safety responsibilities primarily by managing an inspection program within meat and poultry slaughter and processing establishments. This program has relied heavily on FSIS inspection personnel to detect and correct establishments' noncompliance.

FSIS is in the process of reforming its regulatory and administrative approach to achieving its mission. The Agency's ''Pathogen Reduction; Hazard Analysis and Critical Control Point (HACCP) Systems'' final rule (61 FR 38806, 7/26/96) announced and provided the framework for modernization of FSIS' inspection system, particularly with respect to its food safety goals. This rule established requirements applicable to all meat and poultry establishments that were designed to reduce the occurrence and numbers of pathogenic microorganisms on meat and poultry products. As part of FSIS' modernization of its food safety strategy, the Agency stresses the need to clarify and strengthen the responsibilities of establishments in meeting the requirements of FSIS' regulations, plus the concomitant responsibility of the Agency to hold establishments accountable for meeting those requirements.

As FSIS shifts its emphasis from telling the regulated industry how to comply with regulatory requirements to oversight of industry-developed HACCP systems and other related process control procedures, the Agency must reevaluate its regulatory approach to consumer protection issues other than food safety. In an advanced notice of proposed rulemaking (ANPR) published elsewhere in this issue of the **Federal Register**, FSIS is presenting its plans for a new approach to verifying compliance with these other consumer protection requirements. FSIS is referring to these verification activities as its other consumer protection (OCP) activities. Among these activities are the Agency's efforts to ensure that products that are subject to food standards comply with those standards.

Cured pork products, such as hams, shoulders, picnics, and butts, must comply with food standards that specify a minimum percentage of meat protein after all fat has been removed from the product. These food standards are referred to as ''minimum meat Protein Fat Free (PFF) percentage requirements'' or simply as ''PFF requirements.'' The PFF requirements that establishments must meet are codified at 9 CFR 319.104 and 319.105. In 9 CFR 318.19 and 327.23, FSIS has established a monitoring system that details the sampling frequencies and enforcement procedures FSIS uses to ensure that domestic and imported cured products meet the PFF requirements.

FSIS' compliance procedures for cured pork products are not consistent with the Agency's planned approach to economic sampling. The Agency plans to consider economic risk factors, such as an establishment's compliance history, and apparent consumer protection needs in determining which products to sample and test. The PFF system generates from 6,000 to 7,000 samples annually and thus represents an impediment to efficient and effective resource allocation. This number of samples did not stand out in the mid-l980's when FSIS was analyzing approximately 100,000 food chemistry samples annually. Today, with overall food chemistry samples in the 15,000 to 25,000 range, the Agency cannot afford to devote such a large portion of its overall food chemistry activity to one issue.

The existing compliance procedures for cured pork products have contributed to confusion concerning the respective roles and responsibilities of FSIS and industry. Industry has responsibility for complying with regulatory requirements. FSIS has responsibility for verifying compliance with regulatory requirements and taking enforcement actions when it finds noncompliance. The ANPR makes clear that this basic division of responsibilities applies to other consumer protection activities in the same way that it applies to food safety. However, when FSIS established the PFF compliance monitoring system, the Agency's approach was to assume responsibility for ensuring compliance. The system has thus effectively been a government run quality control system. The regulations implementing the system go so far as to provide an exemption for establishments that take responsibility and institute their own quality control procedures. The centrally directed PFF sampling system has been applied to only those establishments that have not implemented their own control systems.

The compliance procedures for cured pork products are an anomaly within the regulatory framework for enforcing food standards. FSIS is responsible for verifying compliance with 60 different food standards. The PFF requirements for cured pork products is the only standard of identity or composition where regulations direct FSIS sampling frequencies in response to specific laboratory findings. For other products, e.g., cooked sausage, FSIS directives state that Agency sampling frequencies are to be based on cumulative laboratory results. In still other cases, such as enforcement of the 30 percent fat limit for ground beef, there are no written instructions concerning Agency responses to findings that product exceeds the limit.

Because the compliance procedures for cured pork products in §§ 318.19 and 327.23 are not consistent with the Agency's planned approach to economic sampling, require too great an expenditure of Agency resources, and are not consistent with what the Agency considers to be the appropriate division of responsibilities between itself and industry, FSIS is proposing to remove these compliance procedures from its regulations. However, as noted above, eliminating the PFF compliance monitoring system would not affect the PFF content performance standards that establishments are required to meet.

Executive Order 12988

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. When the rule is adopted (1) all State and local laws and regulations that are inconsistent with this rule would be preempted; (2) no retroactive effect would be given to this rule; and (3) administrative proceeding would not be required before parties may file suit in court challenging this rule.

Executive Order 12866 and Regulatory Flexibility Act

This proposed rule has been reviewed under Executive Order 12866. The Administrator has determined that this proposed rule would not have a significant economic impact on a substantial number of small entities. However, this proposed rule is part of FSIS' new approach to OCP as discussed in the ANPR published elsewhere in this issue of the **Federal Register**. Because the Office of Management and Budget designated the OCP ANPR as significant, FSIS submitted this rule to OMB for review.

Establishments producing cured pork products must comply with the food standards that specify a minimum percentage of meat protein after all fat has been removed from the product (9 CFR 319.104 and 319.105). This proposed rule only removes the requirements that specify the frequency at which FSIS samples such products.

This regulatory action would enable FSIS to better allocate its resources to address matters involving food safety. Because some establishments depend on FSIS' testing as a substitute for their own quality control responsibilities, such establishments may bear higher costs. Conversely, FSIS' new approach to economic sampling will focus enforcement actions on establishments that violate the requirements of the regulations. Sample collection will be less random and arbitrary. Therefore, some sample collection activities would be reduced in some establishments.

Additional Public Notification

FSIS has considered the potential civil rights impact of this public meeting on minorities, women, and persons with disabilities. FSIS anticipates that this proposed rule will not have a negative or disportionate impact on minorities, women, or persons with disabilities. Proposed rules generally are designed to provide information and receive public comments on substantive issues that may lead to new or revised agency regulations or instructions. Public involvement in all segments of rulemaking and policy development is important. Consequently, in an effort to better ensure that minorities, women, and persons with disabilities are made aware of this proposed rule and are informed about the mechanism for providing their comments, FSIS will announce it and provide copies of this **Federal Register** publication in the FSIS Constituent Update.

FSIS provides a weekly FSIS Constituent Update, which is communicated via fax to over 300 organizations and individuals. In addition, the update is available on line through the FSIS web page located at http://www.fsis.usda.gov. The update is used to provide information regarding FSIS policies, procedures, regulations, **Federal Register** Notices, FSIS public meetings, recalls, and any other types of information that could affect or would be of interest to our constituents/stakeholders. The constituent fax list consists of industry, trade, and farm groups, consumer interest groups, allied health professionals, scientific professionals and other individuals that have requested to be included. Through these various channels, FSIS is able to provide information with a much broader, more diverse audience. For more information and to be added to the constituent fax list, fax your request to the Office of Congressional and Public Affairs, at (202) 720–5704.

Paperwork Requirements

There are no paperwork or recordkeeping requirements associated with this proposed rule.

List of Subjects

9 CFR Part 318

Compliance.

9 CFR Part 319

Standards.

For the reasons set forth in the preamble, FSIS proposes to amend 9 CFR Parts 318, 319, and 327, as follows:

PART 318—ENTRY INTO OFFICIAL ESTABLISHMENTS; REINSPECTION AND PREPARATION OF PRODUCTS

1. The authority citation for Part 318 would continue to read as follows:

Authority: 7 U.S.C. 138f; 7 U.S.C. 450, 1901–1906; 21 U.S.C. 601–695; 7 CFR 2.18, 2.53

PART 318—[REMOVED]

2. Part 318 would be amended by removing section 318.19.

PART 319—DEFINITIONS AND STANDARDS OF IDENTITY AND STANDARDS OF IDENTITY OR COMPOSITION

3. The authority citation for Part 319 would continue to read as follows:

Authority: 7 U.S.C. 450, 1901–1906; 21 U.S.C. 601–695; 7 CFR 2.18, 2.53

§ 319.104 [Amended]

4. Section 319.104 would be amended by revising footnote 1 of paragraph (a), by removing the phrase at the end of the sentence, ''and compliance shall be determined under § 318.19 of this subchapter for domestic cured pork products and § 327.23 of this subchapter for imported pork product.'', by removing paragraph (c), and by redesignating paragraph (d) as paragraph (c).

§ 319.105 [Amended]

5. Section 319.105 would be amended by revising footnote 1 of paragraph (a), by removing the phrase at the end of the sentence, ''and compliance shall be determined under section 318.19 of this subchapter.'', by removing paragraph (c), and by re-designating paragraph (d) as paragraph (c).

PART 327—IMPORTED PRODUCTS

6. The authority citation for part 327 would continue to read as follows:

Authority: 21 U.S.C. 601–695; 7 CFR 2.18, 2.53

§ 327.23 [Removed]

7. Part 327 would be amended by removing section 327.23.

Done at Washington, D.C. on: March 13, 2000.

Thomas J. Billy,

Administrator.

[FR Doc. 00–6641 Filed 3–16–00; 8:45 am]

BILLING CODE 3410–DM–P

FARM CREDIT ADMINISTRATION

12 CFR Part 614

RIN 3052–AB98

Loan Policies and Operations; Loans to Designated Parties

AGENCY: Farm Credit Administration.

ACTION: Proposed rule.

SUMMARY: The Farm Credit Administration (FCA), through the FCA Board, issues a proposed rule amending its regulations on the approval of loans to designated parties (Farm Credit System (System) ''insiders'' and those FCA and Farm Credit System Insurance Corporation (FCSIC) employees who may legally borrow from the System). The purpose of our proposal is to provide greater flexibility for banks and associations to approve loans to designated parties. The proposed rule also makes technical changes to conform to the Farm Credit Act of 1971, as amended. The existing regulations require a funding bank to approve all loans that it and its associations make to designated parties. The proposed amendment would give an association the option to let its own board of directors (or a committee of the board),