

# Rules and Regulations

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## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 29

[Docket No. TB-99-10]

RIN 0581-AB65

#### Tobacco Inspection; Subpart B—Regulations

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

**ACTION:** Final rule.

**SUMMARY:** The Agricultural Marketing Service (AMS) is adopting, as a final rule, with changes, an interim final rule revising the regulations governing permissive inspection of tobacco that special tests and services be provided by AMS, as requested by the industry. This action incorporates recommendations made by the Burley Tobacco Advisory Committee and the buying segment of the tobacco industry that moisture testing be performed by AMS on all burley tobacco marketed during the 1999–2000 marketing season. The revisions will continue to provide regulatory authority to conduct moisture testing and collect fees and charges for these services.

**EFFECTIVE DATE:** July 12, 2000.

**FOR FURTHER INFORMATION CONTACT:** John P. Duncan III, Deputy Administrator, Tobacco Programs, Agricultural Marketing Service (AMS), United States Department of Agriculture (USDA), Room 502 Annex Building, P.O. Box 96456, Washington, DC 20090-6456; or Fax: (202) 205-0235.

**SUPPLEMENTARY INFORMATION:** The Department published in the *Federal Register* on December 2, 1999 (64 FR 67469) an interim final rule amending the regulations at 7 CFR part 29, subpart B. The Department requested comments on the regulation. The comment period expired on January 31, 2000, and AMS

received no comments on the amendments.

This final rule revises the regulations governing the permissive inspection of tobacco pursuant to the provisions of the Tobacco Inspection Act (49 Stat. 741, 7 U.S.C. 511 *et seq.*).

The Burley Tobacco Advisory Committee made a recommendation at its June 10, 1999, meeting that AMS conduct moisture testing on all burley tobacco offered for sale at designated auction markets. The recommendation was contingent on successful price negotiations between the buying segment and burley tobacco warehouse operators. The committee further recommended that tobacco marketed in an experimental unitized package be turned 90 degrees within the row as a condition of the testing process.

During the 1998–99 marketing season, approximately 60 million pounds of burley tobacco was sold in the experimental unitized package and tested for moisture content by the warehouse operators. The unitized bale is a new experimental package consisting of an even number of traditional burley bales with one additional bale opened and evenly arranged on top which is securely bound with metal wires to form a rectangular cube.

Due to integrity issues between the buying and warehouse segments of the industry, it was recommended that a third party entity perform the moisture testing. After three months of discussions and negotiations by the buying segment and the Burley Auction Warehouse Association, representing 95 percent of burley tobacco warehouse operators, a commitment was obtained from the four major tobacco companies purchasing burley tobacco to reimburse AMS \$.0020 per pound for providing moisture testing services. These testing services were conducted on all burley tobacco during the 1999–2000 marketing season, including the traditional lot consisting of a maximum of eight bales and the experimental unitized package, offered for sale at designated markets.

Therefore, at the recommendation of the Burley Tobacco Advisory Committee and the buying segment of the tobacco industry, the Department implemented revised regulations to conduct special testing services for interested parties and charge fees to recover the costs of

providing the service as determined by the Deputy Administrator, Tobacco Programs.

This rule has been determined to be “non significant” for purposes of Executive Order 12866, and therefore, has not be reviewed by the Office of Management and Budget.

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. This action is not intended to have retroactive effect. This rule will not preempt any State or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule. There are no administrative procedures which must be exhausted prior to any judicial challenge to the provisions of this rule.

Additionally, in conformance with the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), full consideration has been given to the potential economic impact upon small business. All tobacco warehouses and producers fall within the confines of “small business” which are defined by the Small Business Administration (13 CFR 121.201) as those having annual receipts of less than \$500,000 and small agricultural service firms are defined as those whose annual receipts are less than \$3,500,000. There are approximately 190 tobacco warehouses and approximately 30,000 producers and most warehouses and producers may be classified as small entities. The Agricultural Marketing Service has determined that this action will not have a significant economic impact on a substantial number of small entities because the fees are not mandatory but apply only when special inspections or services are requested. This rule continues revisions that amended the regulation governing the permissive inspection of tobacco to conduct special testing services for interested parties and charge fees to recover the costs of providing the service as determined by the Deputy Administrator, Tobacco Programs.

The rule is changed slightly to make it clearer that the amount of the fees for special tests and services will be determined by agreement.

#### Lists of Subjects in 7 CFR Part 29

Administrative practice and procedure, Advisory committees, Government publications, Imports, Pesticides and pests, Reporting and recordkeeping requirements, Tobacco.

Accordingly, the interim final rule amending 7 CFR part 29 which was published at 64 FR 67469 on December 2, 1999, is adopted as a final rule with the following changes:

## PART 29—TOBACCO INSPECTION

### Subpart B—Permissive Inspection

1. The authority citation for 7 CFR part 29, subpart B, continues to read as follows:

**Authority:** 7 U.S.C. 511m and 511r.

2. Section 29.56 is amended by revising the last sentence to read as follows:

#### § 29.56 Permissive inspection.

\* \* \* Special tests and services may be performed for interested persons to the extent that available facilities will permit, subject to the payment of fees as provided in § 29.123.

3. In § 29.123, paragraph (e) is revised to read as follows:

#### § 29.123 Fees and charges.

\* \* \* \* \*

(e) Fees for special tests and services will be determined by agreement between the Deputy Administrator, Tobacco Programs, and the applicant or applicants for service.

Dated: June 6, 2000.

**Kathleen A. Merrigan,**

*Administrator, Agricultural Marketing Service.*

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BILLING CODE 3410-02-P

## NATIONAL CREDIT UNION ADMINISTRATION

### 12 CFR Part 716

#### Privacy of Consumer Financial Information

**AGENCY:** National Credit Union Administration (NCUA).

**ACTION:** Final rule.

**SUMMARY:** The NCUA Board is issuing a final rule to amend the requirements for privacy and opt out notice where there is a joint relationship on a loan. The amendment provides that a credit union is required to provide a separate initial notice and a separate opt out notice to each borrower and guarantor only if the credit union actually shares their nonpublic personal information with nonaffiliated third parties outside of one of the permissible exceptions. This amendment does not affect the right of borrowers and guarantors to receive notices if they are otherwise entitled to

receive them as members of the credit union.

**EFFECTIVE DATE:** This rule is effective November 13, 2000. However, compliance is not required until July 1, 2001.

**ADDRESSES:** National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

**FOR FURTHER INFORMATION CONTACT:** Mary F. Rupp or Regina M. Metz, Staff Attorneys, Division of Operations, Office of General Counsel, at the above address or telephone: (703) 518-6540.

#### SUPPLEMENTARY INFORMATION:

##### Background

On February 24, 2000, the NCUA Board issued a proposed rule and, on May 8, 2000, a final rule applicable to all federally-insured credit unions, as required by the Gramm-Leach-Bliley Act (GLB Act). 65 FR 10988 (March 1, 2000) and 65 FR 31722 (May 18, 2000). The Board received 99 comments on its proposal. The final rule required credit unions to have a privacy policy and provide certain disclosures and notices to individuals about whom credit unions collect nonpublic personal information. In drafting the rule, the NCUA participated as part of an interagency group composed of representatives from the NCUA, the Federal Trade Commission, the Office of Comptroller of the Currency, Board of Governors of the Federal Reserve System, Secretary of the Treasury, and Securities and Exchange Commission (collectively, the Agencies). The final rule took into account the unique circumstances of federally-insured credit unions and their members but, as required by the GLB Act, was consistent and comparable with the regulations of the other Agencies.

The other Agencies' final regulations, which were issued after the NCUA, permit a financial institution to provide a single initial notice and opt out notice if two or more consumers jointly obtain a financial product or service. Unlike the other Agencies, NCUA's rule specifically excluded from the provisions governing joint relationships, the authority to provide only one notice in the case of a loan. 65 FR at 31743, 31745. The Board's rationale for the exclusion was that "co-makers and guarantors should receive the notice and right to opt out because of the extent and nature of nonpublic personal information provided to the credit union in conjunction with these types of transactions." 65 FR at 31728. Upon further reflection, the Board is persuaded by the 50 commenters that objected to requiring separate notices for

all joint account holders. The commenters noted that the administrative and financial burden of tracking down joint account holders is substantial and that one notice is consistent with other consumer loan regulations. The Board believes that to accomplish its goal of protecting borrowers and guarantors from the sharing of their nonpublic personal information, notice to all borrowers and guarantors is not necessary and has amended its rule to require notices only under limited circumstances. The Board is amending the rule to provide that a credit union must only provide separate notices to individuals, other than the primary borrower, if a credit union is actually sharing nonpublic personal information about them.

##### Final Amendment

Sections 716.4(f)(2) and 716.7(d)(6) of this amendment only require a credit union to provide a separate initial notices and opt out notice to all borrowers and guarantors if the credit union shares their nonpublic personal information with nonaffiliated third parties other than for purposes permitted under §§ 716.13, 716.14 and 716.15. In addition, no annual notices are required.

This amendment does not affect the notice requirements for existing members in § 716.4(d) or the duty in §§ 716.4, 716.5 and 716.7 to provide initial, annual and opt out notices to co-borrowers and guarantors who have a member relationship with the credit union, in addition to a co-borrower or guarantor relationship. Finally, this provision does not affect the right of a co-borrower or guarantor to opt out as permitted for other types of joint relationships.

This provision is effective November 13, 2000, and compliance is mandatory July 1, 2001. This means that, like the recently passed final rule, all notices required by this amendment must be mailed by July 1, 2001. 65 FR at 31749.

The Board is issuing this rule as a final rule because it decreases the regulatory burden and there is a strong public interest in having a final privacy rule in place that allows federally-insured credit unions ample time to comply. Accordingly, and for good cause, because the rule decreases the regulatory burden, pursuant to 5 U.S.C. 553(b)(3)(B), notice and public procedures are impracticable, unnecessary, and contrary to the public interest.