

# Proposed Rules

Federal Register

Vol. 65, No. 130

Thursday, July 6, 2000

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 905

[Docket No. FV00-905-1 PR]

#### Oranges, Grapefruit, Tangerines and Tangelos Grown in Florida; Increased Assessment Rate

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

**ACTION:** Proposed rule.

**SUMMARY:** This rule would increase the assessment rate established for the Citrus Administrative Committee (Committee) for the 2000-2001 and subsequent fiscal periods from \$0.00385 to \$0.0055 per 4/5-bushel carton of citrus handled. The Committee locally administers the marketing order which regulates the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida. Authorization to assess citrus handlers enables the Committee to incur expenses that are reasonable and necessary to administer the program. The fiscal period begins on August 1 and ends July 31. The assessment rate would remain in effect indefinitely unless modified, suspended, or terminated.

**DATES:** Comments must be received by August 7, 2000.

**ADDRESSES:** Interested persons are invited to submit written comments concerning this rule. Comments must be sent to the Docket Clerk, Marketing Order Administration Branch, 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. 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, or can be viewed at: <http://www.ams.usda.gov/fv/moab.html>.

#### FOR FURTHER INFORMATION CONTACT:

William Pimental, Marketing Specialist, Southeast Marketing Field Office, Fruit and Vegetable Programs, AMS, USDA, P.O. Box 2276, Winter Haven, FL 33883-2276; telephone: (863) 299-4770, Fax: (863) 299-5169; 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, P.O. Box 96456, room 2525-S, 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 No. 84 and Order No. 905, both as amended (7 CFR part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, 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. Under the marketing order now in effect, Florida citrus handlers are subject to assessments. Funds to administer the order are derived from such assessments. It is intended that the assessment rate as proposed herein would be applicable to all assessable oranges, grapefruit, tangerines, and tangelos beginning on August 1, 2000, and continue until amended, suspended, or terminated. This rule will 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. Such 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 rule would increase the assessment rate established for the Committee for the 2000-2001 and subsequent fiscal periods from \$0.00385 to \$0.0055 per 4/5-bushel carton or equivalent of citrus.

The Florida citrus marketing order provides authority for the Committee, with the approval of the Department, to formulate an annual budget of expenses and collect assessments from handlers to administer the program. The members of the Committee are producers and handlers of Florida citrus. They are familiar with the Committee's needs and with the costs for goods and services in their local area and are thus in a position to formulate an appropriate budget and assessment rate. The assessment rate is formulated and discussed in a public meeting. Thus, all directly affected persons have an opportunity to participate and provide input.

For the 1998-99 and subsequent fiscal periods, the Committee recommended, and the Department approved, an assessment rate that would continue in effect from fiscal period to fiscal period unless modified, suspended, or terminated by the Secretary upon recommendation and information submitted by the Committee or other information available to the Secretary.

The Committee met on May 26, 2000, and unanimously recommended 2000-2001 expenditures of \$255,500 and an assessment rate of \$0.0055 per 4/5-bushel carton or equivalent of citrus. In comparison, last year's budgeted expenditures were \$245,425. The assessment rate of \$0.0055 is \$0.00165 higher than the rate currently in effect. The quantity of assessable oranges, grapefruit, tangerines, and tangelos for

the 2000–2001 fiscal period is expected to be 55,000,000 4/5 bushel cartons. The Committee projected 60,500,000 assessable 4/5-bushel cartons of citrus for the 1999–2000 fiscal period. The actual quantity of assessable citrus for 1999–2000 is expected to be 53,500,000 4/5-bushel cartons. Because of this shortfall, the Committee has had to use money from its authorized reserve fund to cover approved expenses. The increase in assessment rate for 2000–2001 is needed to bring the reserve fund to an acceptable level, and to cover increases in the Committee's budgeted expenditures for the 2000–2001 fiscal period.

The major expenditures recommended by the Committee for the 2000–2001 fiscal period include \$118,300 for salaries, \$36,000 for Manifest Department-FDACS, \$19,900 for insurance and bonds, \$18,500 for retirement plan, \$12,450 for miscellaneous and reserve, and \$10,000 for telephone. Budgeted expenses for these items in 1999–2000 were \$118,300, \$14,000, \$19,900, \$12,600, \$9,075, and \$9,000, respectively.

The assessment rate recommended by the Committee was derived by dividing anticipated expenses by expected shipments of Florida citrus. With citrus shipments for the year estimated at 55 million cartons, assessment income should total \$302,500. Income derived from handler assessments, along with interest income and funds from the Committee's authorized reserve, would be adequate to cover budgeted expenses. Funds in the reserve (approximately \$111,371) would be kept within the maximum permitted by the order (one-half of one fiscal period's expenses; § 905.42).

The proposed assessment rate would continue in effect indefinitely unless modified, suspended, or terminated by the Secretary upon recommendation and information submitted by the Committee or other available information.

Although this assessment rate would be in effect for an indefinite period, the Committee would continue to meet prior to or during each fiscal period to recommend a budget of expenses and consider recommendations for modification of the assessment rate. The dates and times of Committee meetings are available from the Committee or the Department. Committee meetings are open to the public and interested persons may express their views at these meetings. The Department would evaluate Committee recommendations and other available information to determine whether modification of the assessment rate is needed. Further

rulemaking would be undertaken as necessary. The Committee's 2000–2001 budget and those for subsequent fiscal periods would be reviewed and, as appropriate, approved by the Department.

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 11,000 producers of oranges, grapefruit, tangerines, and tangelos in the production area and approximately 80 handlers subject to regulation under the marketing order. Small agricultural producers are defined by the Small Business Administration (13 CFR 121.201) 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.

Based on the Florida Agricultural Statistical Service and Committee data for the 1998–99 season, the average annual f.o.b. price for fresh Florida citrus during the 1998–99 season was \$8.66 per 4/5-bushel carton for all shipments, and the total shipments for the 1998–99 season were 63.6 million cartons of citrus. Approximately 68 percent of the handlers handled 93 percent of Florida citrus shipments. Using information provided by the Committee, about 60 percent of citrus handlers could be considered small businesses under the SBA definition. Although specific data is unavailable, the Department believes that the majority of Florida citrus producers may be classified as small entities.

This rule would increase the assessment rate established for the Committee and collected from handlers for the 2000–2001 and subsequent fiscal periods from \$0.00385 to \$0.0055 per 4/5-bushel carton of citrus. The Committee unanimously recommended 2000–2001 expenditures of \$255,500 and an assessment rate of \$0.0055 per 4/5-bushel carton. The proposed assessment rate of \$0.0055 is \$0.00165 higher than the current rate. The

quantity of assessable citrus for the 2000–2001 fiscal period is estimated at 55 million 4/5-bushel cartons. Thus, the \$0.0055 rate should provide \$302,500 in assessment income. Income derived from handler assessments, along with interest income and funds from the Committee's authorized reserve, would be adequate to cover budgeted expenses. Assessment funds in excess of those needed for approved expenses would be used to increase the Committee's operating reserve.

The major expenditures recommended by the Committee for the 2000–2001 fiscal period include \$118,300 for salaries, \$36,000 for Manifest Department—FDACS, \$19,900 for insurance and bonds, \$18,500 for retirement plan, \$12,450 for miscellaneous and reserve, and \$10,000 for telephone. Budgeted expenses for these items in 1999–2000 were \$118,300, \$14,000, \$19,900, \$12,600, \$9,075, and \$9,000, respectively.

The quantity of assessable oranges, grapefruit, tangerines, and tangelos for the 2000–2001 fiscal period is expected to be much less than in previous seasons. The Committee projected 60,500,000 assessable 4/5-bushel cartons of citrus for the 1999–2000 fiscal period. The actual quantity of assessable citrus for 1999–2000 is expected to be 53,500,000 4/5-bushel cartons. Because of this shortfall, the Committee has had to use money from its authorized reserve fund to cover approved expenses. In an effort to recover from assessment income shortfalls in 1997–98 and 1999–2000, and to bring the reserve fund to an acceptable level, the Committee voted unanimously to increase its assessment rate.

The Committee reviewed and unanimously recommended 2000–2001 expenditures of \$255,500 that included increases in administrative costs. Prior to arriving at this budget, the Committee considered information from various sources, such as the Budget Subcommittee, the Grapefruit Subcommittee, and the Regulatory Subcommittee. Alternative expenditure levels were discussed by these groups, based upon the estimated number of assessable cartons of citrus. The assessment rate of \$0.0055 per 4/5-bushel carton of assessable citrus was recommended to provide enough income to cover the Committee's estimated expenses for 2000–2001 and to increase its operating reserve. This rate is expected to generate \$302,500. This is \$47,000 above the anticipated expenses, which the Committee determined to be acceptable.

A review of historical information and preliminary information pertaining to

the upcoming fiscal period indicates that the grower price for the 2000–2001 fiscal period could range between \$4.10 and \$19.65 per 4/5-bushel carton of oranges, grapefruit, tangerines, and tangelos. Therefore, the estimated assessment revenue for the 2000–2001 fiscal period as a percentage of total grower revenue could range between .03 and .13 percent.

This action would increase the assessment obligation imposed on handlers. While assessments impose some additional costs on handlers, the costs are minimal and uniform on all handlers. Some of the additional costs may be passed on to producers.

However, these costs would be offset by the benefits derived by the operation of the marketing order. In addition, the Committee's meeting was widely publicized throughout the citrus production area and all interested persons were invited to attend the meeting and participate in Committee deliberations on all issues. Like all Committee meetings, the May 26, 2000, meeting was a public meeting and all entities, both large and small, were able to express views on this issue. Finally, interested persons are invited to submit information on the regulatory and informational impacts of this action on small businesses.

This proposed rule would impose no additional reporting or recordkeeping requirements on either small or large Florida citrus 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.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: <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.

A 30-day comment period is provided to allow interested persons to respond to this proposed rule. Thirty days is deemed appropriate because: (1) The 2000–2001 fiscal period begins on August 1, 2000, and the marketing order requires that the rate of assessment for each fiscal period apply to all assessable citrus handled during such fiscal period; (2) the Committee needs to have sufficient funds to pay its expenses which are incurred on a continuous basis; and (3) handlers are aware of this

action which was unanimously recommended by the Committee at a public meeting and is similar to other assessment rate actions issued in past years.

#### List of Subjects in 7 CFR Part 905

Grapefruit, Marketing agreements, Oranges, Reporting and recordkeeping requirements, Tangelos, Tangerines.

For the reasons set forth in the preamble, 7 CFR part 905 is proposed to be amended as follows:

#### PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

1. The authority citation for 7 CFR part 905 continues to read as follows:

**Authority:** 7 U.S.C. 601–674.

2. Section 905.235 is revised to read as follows:

##### § 905.235 Assessment rate.

On and after August 1, 2000, an assessment rate of \$0.0055 per 4/5-bushel carton or equivalent is established for assessable Florida citrus covered under the order.

Dated: June 27, 2000.

**Robert C. Keeney,**

*Deputy Administrator, Fruit and Vegetable Programs.*

[FR Doc. 00–16991 Filed 7–5–00; 8:45 am]

**BILLING CODE 3410–02–P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG–107872–99]

RIN 1545–AX18

#### Coordination of Sections 755 and 1060 Relating to Allocation of Basis Adjustments Among Partnership Assets; Hearing Cancellation

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Cancellation of notice of public hearing on proposed rulemaking.

**SUMMARY:** This document provides notice of cancellation of a public hearing on proposed regulations relating to the allocation of basis adjustments among partnership assets under section 755.

**DATES:** The public hearing originally scheduled for Wednesday, July 12, 2000, at 10 a.m., is cancelled.

**FOR FURTHER INFORMATION CONTACT:** LaNita Van Dyke of the Regulations Unit, Assistant Chief Counsel

(Corporate), (202) 622–7190 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:** A notice of proposed rulemaking and/or notice of public hearing that appeared in the **Federal Register** on Wednesday, April 5, 2000, (65 FR 17829), announced that a public hearing was scheduled for Wednesday, July 12, 2000, at 10 a.m., in room 2716, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. The subject of the public hearing is proposed regulations under section 755 of the Internal Revenue Code. The public comment period for these proposed regulations expires on Wednesday, July 5, 2000. The outlines of topics to be addressed at the hearing were due on Wednesday, June 21, 2000.

The notice of proposed rulemaking and/or notice of public hearing, instructed those interested in testifying at the public hearing to submit a request to speak and an outline of the topics to be addressed. As of Tuesday, June 27, 2000, no one has requested to speak. Therefore, the public hearing scheduled for Wednesday, July 12, 2000, is cancelled.

**Cynthia Grigsby,**

*Chief, Regulations Unit, Assistant Chief Counsel (Corporate).*

[FR Doc. 00–16972 Filed 7–5–00; 8:45 am]

**BILLING CODE 4830–01–U**

## PENSION BENEFIT GUARANTY CORPORATION

### 29 CFR Parts 4022 and 4044

RIN 1212–AA96

#### Title IV Aspects of Cash Balance Plans With Variable Indices

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Request for public comment.

**SUMMARY:** Many cash balance plans use variable indices to determine future retirement benefits. If such a plan terminates in a distress or involuntary termination under Title IV of ERISA, the PBGC must make assumptions—as of the plan's termination date—about the future performance of the variable index. The PBGC is soliciting public comment on what assumptions it should make about that future performance.

**DATES:** Comments must be received on or before September 22, 2000.

**ADDRESSES:** Comments may be mailed to the Office of the General Counsel, Pension Benefit Guaranty Corporation,