

Rules and Regulations

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DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

7 CFR Part 301

[Docket No. 99-077-2]

RIN 0579-AB17

Karnal Bunt; Regulated Areas

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: We are amending the Karnal bunt regulations by removing from regulated areas any noninfected acreage that is more than 3 miles from a field or area associated with a bunted wheat kernel. This action reduces the size of the areas that are regulated because of Karnal bunt in La Paz, Maricopa, and Pinal Counties of Arizona. We are also specifying that mechanized harvesting equipment must be cleaned and disinfected before leaving a regulated area only if it has been used to harvest host crops that test positive for Karnal bunt. This action relieves restrictions on the movement of mechanized harvesting equipment from all areas regulated because of Karnal bunt. These actions will not result in a significant risk of spreading Karnal bunt.

EFFECTIVE DATE: August 21, 2000.

FOR FURTHER INFORMATION CONTACT: Dr. Vedpal S. Malik, National Karnal Bunt Coordinator, PPQ, APHIS, 4700 River Road Unit 134, Riverdale, MD 20737-1236; (301) 734-6774.

SUPPLEMENTARY INFORMATION:

Background

Karnal bunt is a fungal disease of wheat (*Triticum aestivum*), durum wheat (*Triticum durum*), and triticale (*Triticum aestivum* X *Secale cereale*), a hybrid of wheat and rye. Karnal bunt is caused by the fungus *Tilletia indica*

(Mitra) Mundkur and is spread through the movement of infected seed. In the absence of measures taken by the U.S. Department of Agriculture (USDA) to prevent its spread, the establishment of Karnal bunt in the United States could have significant consequences with regard to the export of wheat to international markets. The regulations regarding Karnal bunt are set forth in 7 CFR 301.89-1 through 301.89-14 (referred to below as the regulations).

On April 18, 2000, we published in the **Federal Register** (65 FR 20770-20774, Docket No. 99-077-1) a proposal to amend the regulations by removing from regulated areas any noninfected acreage that is more than 3 miles from a field or area associated with a bunted wheat kernel and by specifying that mechanized harvesting equipment must be cleaned and disinfected before leaving a regulated area only if it has been used to harvest host crops that test positive for Karnal bunt.

We solicited comments concerning our proposal for 60 days ending June 19, 2000. We did not receive any comments. Therefore, for the reasons given in the proposed rule, we are adopting the proposed rule as a final rule, without change.

Effective Date

This is a substantive rule that relieves restrictions and, pursuant to the provisions of 5 U.S.C. 553, may be made effective less than 30 days after publication in the **Federal Register**.

This rule releases certain areas in La Paz, Maricopa, and Pinal Counties of Arizona from their designation as regulated areas for Karnal bunt. This means that wheat producers in newly released areas will be able to move their wheat, including grain and commercial wheat seed, without restrictions. This rule also specifies that mechanized harvesting equipment must be cleaned and disinfected before leaving a regulated area only if it has been used to harvest host crops that test positive for Karnal bunt. This action relieves restrictions on the movement of mechanized harvesting equipment from all areas regulated because of Karnal bunt. Therefore, the Administrator of the Animal and Plant Health Inspection Service has determined that this rule should be effective upon publication in the **Federal Register**.

Executive Order 12866 and Regulatory Flexibility Act

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

We have prepared an economic analysis for this action, which is set forth below. The analysis addresses the effects on small entities, as required by the Regulatory Flexibility Act, and provides cost-benefit analysis.

We are amending the Karnal bunt regulations by removing from regulated areas any noninfected acreage that is more than 3 miles from a field or area associated with a bunted wheat kernel. This action reduces the size of the areas that are regulated because of Karnal bunt in La Paz, Maricopa, and Pinal Counties of Arizona. We are also specifying that mechanized harvesting equipment must be cleaned and disinfected before leaving a regulated area only if it has been used to harvest host crops that test positive for Karnal bunt. This action relieves restrictions on the movement of mechanized harvesting equipment from all areas regulated because of Karnal bunt.

Regulated Areas in Arizona

This rule will reduce regulated acreage in La Paz, Maricopa, and Pinal Counties of Arizona by about 131,000 acres, reducing the regulated acreage in Arizona as a whole by about one-third, from 389,000 acres to 258,000 acres. The total regulated agricultural acreage in Arizona, California, New Mexico, and Texas will decline by about 25 percent, from approximately 484,000 acres to 353,000 acres.

This change will benefit an estimated five wheat producers operating in the areas that are no longer regulated. These five producers will benefit because they will be able to move their wheat without restriction. Wheat grain may move from a regulated area only if it tests negative for bunted kernels, and commercial wheat seed may not move from a regulated area.

However, the benefits for these producers are not likely to be significant for two reasons. First, grain is tested for Karnal bunt at no cost to producers in all regulated areas. For producers affected by this change, the elimination of the testing requirement removes an

inconvenience only, not a financial burden. Second, very little commercial wheat seed is, or is expected to be, grown in the areas that are removed from regulation. Because of that, the elimination of the restriction on moving commercial seed will have only a minimal economic effect on producers in the affected areas.

It is possible that, by giving affected producers new status as deregulated growers, the rule will serve to enhance the perception of the quality of the producers' wheat crop. This could, in turn, lead to higher wheat prices. However, even if producers were to benefit from higher prices for their wheat, those prices are not likely to increase significantly.

Mechanized Harvesting Equipment

The change to the requirements for cleaning and disinfecting mechanized harvesting equipment will primarily benefit custom combine harvesters, who routinely move their machines into and out of regulated areas in the course of harvesting wheat for multiple producers. They will benefit because they will no longer be required to clean and disinfect their combines prior to moving them out of the regulated area, as long as the machines had not been used to harvest host crops that tested positive for Karnal bunt.

Currently, there are about 67 harvesters, including both custom operators and producers who use their own combines, operating 124 combines in regulated areas. Many of these 67 harvesters could benefit from this rule. However, the exact number who will benefit—and the extent to which each will benefit—is unknown, since the information needed to make that determination (i.e., the operating characteristics for each of the harvesters) is not available. It is not uncommon, for example, for custom harvesters to move the same combine into and out of the regulated area several times in the same crop season, a situation that occurs when cutting wheat that matures at different times.

The regulations allow for several different cleaning methods, but most combine operators choose a steam treatment, which takes a minimum of 8 hours and costs from about \$500 to \$600 per cleaning. In addition to the cost of cleaning itself, combine operators also incur an indirect cost of approximately \$2,000 for each steam cleaning, representing lost income associated with the cleaning down time. For a combine harvester, therefore, each steam cleaning can cost up to about \$2,600.

The economic effect of the change to the regulations will vary depending on the operator's business practices and other factors. Incurring the cost of five cleanings per year for certain individual operators is not uncommon, although some operators must clean their equipment more than five times and some fewer than five times. Certain operators in the regulated area will not benefit at all from this rule because they do not move their equipment from regulated areas. However, if a custom harvester avoids the cost of five cleanings per year as a result of this rule, the savings will amount to approximately \$13,000.

Effects on Small Entities

Virtually all of the wheat producers and firms that will be affected by this rule are likely to be categorized as small according to the Small Business Administration (SBA) size classification. Economic effects resulting from this rule will, therefore, largely affect small entities.

We assume that all the wheat producers that could be affected by this rule are small entities. We based this assumption on composite data for providers of the same and similar services. There were a total of 6,135 farms in Arizona in 1997. Of those farms, which include wheat farms, 89 percent had annual sales of less than \$0.5 million, the SBA's small entity threshold for wheat farms. However, for the reasons discussed above, we do not expect this rule to have a significant economic effect on these entities.

The combine operators that could be affected by the changes to the regulations are also all assumed to be small entities. In 1996, there were 282 U.S. firms primarily engaged in mechanical harvesting and related activities (SIC 0722), including combining of crops. Of these firms, 95 percent (or 268) had less than \$5.0 million in annual sales, the SBA's small entity threshold for businesses in that SIC category. Further, in 1996, the per firm average sales for all of the 268 firms in SIC 0722 that met the SBA's definition of a small entity was \$551,571. Therefore, based on our calculation of \$13,000 in potential savings for many of these firms, the economic benefits of this proposal will represent 2 percent of annual sales, which will not amount to a significant economic effect on these firms.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 7 CFR part 3015, subpart V.)

Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule: (1) Preempts all State and local laws and regulations that are inconsistent with this rule; (2) has no retroactive effect; and (3) does not require administrative proceedings before parties may file suit in court challenging this rule.

Paperwork Reduction Act

This rule contains no new information collection or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

List of Subjects in 7 CFR Part 301

Agricultural commodities, Plant diseases and pests, Quarantine, Reporting and recordkeeping requirements, Transportation.

Accordingly, we are amending 7 CFR part 301 as follows:

PART 301—DOMESTIC QUARANTINE NOTICES

1. The authority citation for part 301 is revised to read as follows:

Authority: Title IV, Pub. L. 106-224, 114 Stat. 438, 7 U.S.C. 7701-7772; 7 U.S.C. 166; 7 CFR 2.22, 2.80, and 371.3.

2. In § 301.89-2, paragraph (i) is revised to read as follows:

§ 301.89-2 Regulated articles.

* * * * *

(i) Mechanized harvesting equipment used in the production of wheat, durum wheat, and triticale that test positive from Karnal bunt;

* * * * *

3. In § 301.89-3, paragraph (f), the entry for Arizona is revised to read as follows:

§ 301.89-3 Regulated areas.

* * * * *

(f) * * *

ARIZONA

La Paz County. Beginning at the southeast corner of sec. 33, T. 5 N., R. 21 W.; then west to the Colorado River; then north along the Colorado River to the west edge of sec. 26, T. 6 N., R. 22 W.; then north to the northwest corner of sec. 26, T. 6 N., R. 22 W.; then east

to the northeast corner of sec. 27, T. 6 N., R. 21 W.; then south to the southeast corner of sec. 10, T. 5 N., R. 21 W.; then west to the southwest corner of sec. 10, T. 5 N., R. 21 W.; then south to the point of beginning; and

Beginning at the southeast corner of sec. 36, T. 7 N., R. 21 W.; then west to the southwest corner of sec. 31, T. 7 N., R. 21 W.; then north to the northwest corner of sec. 7, T. 7 N., R. 21 W.; then east to the northwest corner of sec. 8, T. 7 N., R. 21 W.; then north to the northwest corner of sec. 5, T. 7 N., R. 21 W.; then east to the northwest corner of sec. 4, T. 7 N., R. 21 W.; then north to the northwest corner of sec. 33, T. 8 N., R. 21 W.; then east to the northeast corner of sec. 34, T. 8 N., R. 21 W.; then south to the northeast corner of sec. 3, T. 7 N., R. 21 W.; then east to the northeast corner of sec. 2, T. 7 N., R. 21 W.; then south to the northeast corner of sec. 11, T. 7 N., R. 21 W.; then east to the northeast corner of sec. 12, T. 7 N., R. 21 W.; then south to the point of beginning.

Maricopa County. Beginning at the southeast corner of sec. 12, T. 6 S., R. 6 W.; then west to the southwest corner of sec. 7, T. 6 S., R. 6 W.; then north to the northwest corner of sec. 7, T. 6 S., R. 6 W.; then west to the southwest corner of sec. 2, T. 6 S., R. 7 W.; then north to the northwest corner of sec. 14, T. 5 S., R. 7 W.; then east to the northeast corner of sec. 18, T. 5 S., R. 6 W.; then south to the southeast corner of sec. 19, T. 5 S., R. 6 W.; then east to the northeast corner of sec. 25, T. 5 S., R. 6 W.; then south to the point of beginning; and

Beginning at the southeast corner of sec. 14, T. 1 S., R. 4 W.; then west to the southwest corner of sec. 14, T. 1 S., R. 5 W.; then north to the northwest corner of sec. 14, T. 1 N., R. 5 W.; then east to the northeast corner of sec. 14, T. 1 N., R. 4 W.; then south to the point of beginning; and

Beginning at the southeast corner of sec. 6, T. 1 S., R. 2 W.; then west to the southwest corner of sec. 5, T. 1 S., R. 3 W.; then north to the northwest corner of sec. 17, T. 1 N., R. 3 W.; then east to the northeast corner of sec. 18, T. 1 N., R. 2 W.; then north to the northwest corner of sec. 8, T. 1 N., R. 2 W.; then east to the northeast corner of sec. 8, T. 1 N., R. 2 W.; then south to the southeast corner of sec. 32, T. 1 N., R. 2 W.; then west to the northeast corner of sec. 6, T. 1 S., R. 2 W.; then south to the point of beginning; and

Beginning at the southeast corner of sec. 28, T. 1 S., R. 2 E.; then west to the southwest corner of sec. 30, T. 1 S., R. 2 E.; then north to the southwest corner of sec. 18, T. 1 S., R. 2 E.; then west to

the southwest corner of sec. 14, T. 1 S., R. 1 E.; then north to the southwest corner of sec. 2, T. 1 S., R. 1 E.; then west to the southwest corner of sec. 4, T. 1 S., R. 1 E.; then north to the northwest corner of sec. 4, T. 1 S., R. 1 E., then west to the southwest corner of sec. 33, T. 1 N., R. 1 W.; then north to the southwest corner of sec. 9, T. 1 N., R. 1 W.; then west to the southwest corner of sec. 12, T. 1 N., R. 2 W.; then north to the southwest corner of sec. 25, T. 2 N., R. 2 W.; then west to the southwest corner of sec. 27, T. 2 N., R. 2 W.; then north to the northwest corner of sec. 3, T. 3 N., R. 2 W.; then east to the northeast corner of sec. 1, T. 3 N., R. 1 W.; then south to the northwest corner of sec. 19, T. 3 N., R. 1 E.; then east to the northeast corner of sec. 23, T. 3 N., R. 1 E.; then south to the southeast corner of sec. 35, T. 3 N., R. 1 E.; then east to the northeast corner of sec. 1, T. 2 N., R. 1 E.; then south to the northwest corner of sec. 18, T. 1 N., R. 2 E.; then east to the northeast corner of sec. 13, T. 1 N., R. 2 E.; then south to the southeast corner of sec. 12, T. 1 S., R. 2 E.; then west to the southeast corner of sec. 9, T. 1 S., R. 2 E.; then south to the point of beginning; and

Beginning at the southeast corner of sec. 34, T. 2 N., R. 5 E.; then west to the southwest corner of sec. 31, T. 2 N., R. 5 E.; then north to the northwest corner of sec. 7, T. 2 N., R. 5 E.; then east to the northeast corner of sec. 10, T. 2 N., R. 5 E.; then south to the point of beginning; and

Beginning at the intersection of the Maricopa/Pinal County line and the southwest corner of sec. 31, T. 2 S., R. 5 E.; then north to the northwest corner of sec. 31, T. 2 S., R. 5 E.; then west to the southwest corner of sec. 25, T. 2 S., R. 4 E.; then north to the southwest corner of sec. 13, T. 2 S., R. 4 E.; then west to the southwest corner of sec. 15, T. 2 S., R. 4 E.; then north to the northwest corner of sec. 3, T. 2 S., R. 4 E.; then east to the southwest corner of sec. 35, T. 1 S., R. 4 E.; then north to the northwest corner of sec. 35, T. 1 S., R. 4 E.; then east to the northwest corner of sec. 34, T. 1 S., R. 5 E.; then north to the northwest corner of sec. 22, T. 1 S., R. 5 E.; then east to the northwest corner of sec. 20, T. 1 S., R. 6 E.; then north to the northwest corner of sec. 8, T. 1 S., R. 6 E.; then east to the northeast corner of sec. 7, T. 1 S., R. 7 E.; then south to the southeast corner of sec. 31, T. 1 S., R. 7 E.; then east to the northeast corner of sec. 5, T. 2 S., R. 7 E.; then south to the southeast corner of sec. 5, T. 2 S., R. 7 E.; then east to the Maricopa/Pinal County line; then south and west along the Maricopa/Pinal County line to the point of beginning.

The following individual fields in Maricopa County are regulated areas:

301060505
301060506
301060601
301060602
301060603
301060604
301102505
301102506
303111502
303111503
303113002
304031904
304031906
304073004
304073005
304073010
304081410
304081413
304081415
304081417
304081505
304081506
304082202
304082302
304082303
304082607
304082703
306013222
306013231
306020404
306020501
306020601
306020623
316123301
316123302
316123303
316131901
316131904
316132302
316132604

Pinal County. Beginning at the intersection of the Maricopa/Pinal County line and the northwest corner of sec. 7, T. 2 S., R. 8 E.; then east to the northeast corner of sec. 8, T. 2 S., R. 8 E.; then south to the southeast corner of sec. 8, T. 2 S., R. 8 E.; then east to the northeast corner of sec. 16, T. 2 S., R. 8 E.; then south to the southeast corner of sec. 28, T. 2 S., R. 8 E.; then west to the southeast corner of sec. 29, T. 2 S., R. 8 E.; then south to the southeast corner of sec. 32, T. 2 S., R. 8 E.; then west to the Maricopa/Pinal County line; then north along the Maricopa/Pinal County line to the point of beginning; and

Beginning at the intersection of the Maricopa/Pinal County line and the northeast corner of sec. 5, T. 3 S., R. 6 E.; then south to the southeast corner of sec. 32, T. 3 S., R. 6 E.; then west to the southwest corner of sec. 34, T. 3 S., R. 5 E.; then north to the southwest corner of sec. 3, T. 3 S., R. 5 E.; then west to the southwest corner of sec. 6, T. 3 S.,

R. 5 E.; then north to the Maricopa/Pinal County line; then east along the Maricopa/Pinal County line to the point of beginning; and

Beginning at the southeast corner of sec. 5, T. 6 S., R. 4 E.; then west to the southwest corner of sec. 5, T. 6 S., R. 3 E.; then north to the southwest corner of sec. 28, T. 5 S., R. 3 E.; then west to the southwest corner of sec. 25, T. 5 S., R. 2 E.; then north to the southwest corner of sec. 24, T. 5 S., R. 2 E.; then west to the southwest corner of sec. 23, T. 5 S., R. 2 E.; then north to the northwest corner of sec. 35, T. 4 S., R. 2 E.; then east to the northwest corner of sec. 36, T. 4 S., R. 2 E.; then north to the northwest corner of sec. 25, T. 4 S., R. 2 E.; then east to the northwest corner of sec. 29, T. 4 S., R. 3 E.; then north to the northwest corner of sec. 20, T. 4 S., R. 3 E.; then east to the northeast corner of sec. 21, T. 4 S., R. 4 E.; then south to the northeast corner of sec. 4, T. 5 S., R. 4 E.; then east to the northeast corner of sec. 3, T. 5 S., R. 4 E.; then south to the southeast corner of sec. 22, T. 5 S., R. 4 E.; then west to the southeast corner of sec. 21, T. 5 S., R. 4 E.; then south to the point of beginning.

The following individual fields in Pinal County are regulated areas:

- 307012207
308102604
308102605
309021801
309021804
309021812
309031304
309033507
309042544
309042545
309042601
309042607
309042619
309042620
309042621
309050104
309050109
309050122
309050207
309050209

Yuma County. The following individual fields in Yuma County are regulated areas:

- 321010208
321010210
321010211
321010224
321010301
321010302
321011103
321033501
321033502
321033503
321033516
321033517

- 321033518
321033519
321040405
321040911
321040912
321040915
321040917
321040918
321040921
321040922
321041903
321041904
321041908
321041919
321042903
323030401
323030402
323030403
323030404
323030405
323030406
323030501
323030502
323030512
323030513
323030514
323030515
323030521

* * * * *

4. In § 301.89-12, paragraph (a) is revised to read as follows:

§ 301.89-12 Cleaning and disinfection.

(a) Mechanized harvesting equipment that has been used to harvest host crops that test positive for Karnal bunt and seed conditioning equipment that has been used in the production of any host crops must be cleaned and disinfected in accordance with § 301.89-13(a) prior to movement from a regulated area.

* * * * *

Done in Washington, DC, this 15th day of August 2000.

Bobby R. Acord,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 00-21172 Filed 8-18-00; 8:45 am]

BILLING CODE 3410-34-P

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Rural Business-Cooperative Service

Rural Utilities Service

Farm Service Agency

7 CFR Part 1951

RIN 0560-AG24

Handling Payments From the Farm Service Agency (FSA) to Delinquent FSA Farm Loan Program Borrowers

AGENCIES: Rural Housing Service, Rural Business-Cooperative Service, Rural

Utilities Service, Farm Service Agency, USDA.

ACTION: Final rule.

SUMMARY: The issuing USDA agencies are revising their regulations for the use of administrative offset to collect delinquent debts due under programs formerly administered by the Farmers Home Administration (FmHA). This rule finalizes an interim rule on this subject which was published in the Federal Register on August 1, 1997. This action eliminates the provisions in the regulation setting out separate set-off regulations of the former Farmers Home Administration and provides that the Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service and Farm Service Agency (FSA), Farm Loan Programs (FLP) will adhere to the requirements in the United States Department of Agriculture (USDA) administrative offset regulations. This rule eliminates the requirement that a borrower's account be accelerated prior to offset of payments from a Federal agency to delinquent borrowers. This rule will improve collection procedures through an increase in the use of administrative offset to collect delinquent debts owed the Federal Government. The changes primarily affect Farm Loan Program (FLP) borrowers of the FSA. The Agencies' Federal salary offset regulations are not revised by this rule.

EFFECTIVE DATE: October 20, 2000.

FOR FURTHER INFORMATION CONTACT: Jerry P. Wishall, Senior Loan Officer, Farm Loan Programs Loan Servicing Division, USDA/FSA/LSPMD/STOP 0523, 1400 Independence Avenue, SW., Washington, D.C. 20250-0523, telephone (202) 720-1651, facsimile (202) 690-0949 or (202) 720-7686, e-mail: Jerry.Wishall@wdc.usda.fsa.gov.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This rule has been reviewed under Executive Order 12866, has been determined to be a significant regulatory action, and has been reviewed by the Office of Management and Budget.

Federal Assistance Program

The titles and numbers of the Federal Assistance Programs as found in the Catalog of Domestic Assistance to which this rule may apply are:

- 10.404 Emergency Loans
10.405 Farm Labor Housing Loans and Grants
10.406 Farm Operating Loans
10.407 Farm Ownership Loans
10.410 Very Low to Moderate Income Housing Loans