

discretionary changes increase the timeframe within which FNS must approve or reject a firm's application from 30 days to 45 days and specify the types of documents firms might be asked to provide. Such documentation may include, but is not limited to, State and local business licenses, photographic identification cards, bills of sale, deeds, leases, sales contracts, State certificates of incorporation and invoice records. Section 833 of PRWORA authorized the Department to require that applicant firms sign a release form allowing FNS to verify the accuracy of information submitted by firms. This section also provided that FNS may request the submission of tax records. These changes to existing food stamp law were intended to prevent the authorization of firms which do not qualify for participation in the FSP. Additionally, as provided for in another final rule published on April 30, 1999 at 64 FR 23165, FNS has the authority to require that a retail food store or wholesale food concern be visited to confirm eligibility prior to authorization or reauthorization of such firm. The Department wishes to emphasize that applicant firms or firms applying for reauthorization must cooperate with the store visit requirements.

The public was provided a 60-day period to submit comments on the proposed provisions. One commentator, a major nonprofit retail trade association, submitted comments. The major concerns raised by the commentator are discussed below.

**Application Processing Timeframes**

The two major comments provided by the commentator relate to the subject of application processing. The first comment suggested that, when on-site visits are not required, the application process should be continued and completed within 30 days instead of the extended period of 45 days. Although this rule provides FNS with the authority to use the full 45-day time period when it is needed, authorizations of qualified firms are completed more quickly whenever possible to avoid or minimize delay. Therefore, determinations on stores not requiring an on-site visit will likely be completed in less than 45 days.

The second comment suggested that no on-site visits should be necessary for reputable retailers. The commentator defines "reputable" retailers as those that are well-known and familiar to the Agency. Further, the commentator states that authorization of well-known, reputable retailers within 30 days will ensure the broadest selection of retailers as quickly as possible. The Department

expects that most applicant retailers are honest, reputable business persons or entities. Applications from such individuals (or business entities) applicants will continue to be processed in a timely fashion. Visits to stores will be made as circumstances require in the best interests of the FSP.

**List of Subjects in 7 CFR Part 278**

Administrative practice and procedure, Banks, Banking, Claims, Food stamps, Groceries—retail, Groceries, General line-wholesalers, Penalties.

Accordingly, 7 CFR Part 278 is amended as follows:

**PART 278—PARTICIPATION OF RETAIL FOOD STORES, WHOLESALE FOOD CONCERNS AND INSURED FINANCIAL INSTITUTIONS**

1. The authority citation for Part 278 continues to read as follows:

**Authority:** 7 U.S.C. 2011–2036.

2. In § 278.1:

- a. Paragraph (a) is amended by removing the last sentence and adding three new sentences in its place; and
- b. The introductory text of paragraph (b) is revised.

The revisions read as follows:

**§ 278.1 Approval of retail food stores and wholesale food concerns.**

(a) *Application.* \* \* \* FNS shall approve or deny the application within 45 days of receipt of a completed application. A completed application means that all information (other than an on-site visit) that FNS deems necessary in order to make a determination on the firm's application has been received. This information includes, but is not limited to, a completed application form, all information and documentation from the applicant, as well as any needed third-party verification and documentation.

(b) *Determination of authorization.* An applicant shall provide sufficient data and information on the nature and scope of the firm's business for FNS to determine whether the applicant's participation will further the purposes of the program. Upon request, an applicant shall provide documentation to FNS to verify information on the application. Such information may include, but is not limited to, State and local business licenses, Social Security cards, drivers' licenses, photographic identification cards, bills of sale, deeds, leases, sales contracts, State certificates of incorporation, sales records, invoice records and business-related tax records. Retail food stores and

wholesale food concerns and other entities eligible for authorization also shall be required to sign a release form which will authorize FNS to verify all relevant business related tax filings with appropriate agencies. In addition, they must obtain corroborating documentation from other sources as deemed necessary to ensure the legitimacy of applicant firms, as well as the accuracy of information provided by the stores and concerns. Failure to comply with any request for information or failure to sign a written release form shall result in denial of the application for authorization or withdrawal of a firm or concern from the program. In determining whether a firm qualifies for authorization, FNS shall consider all of the following:

\* \* \* \* \*

3. In § 278.9, a new paragraph (m) is added to read as follows:

**§ 278.9 Implementation of amendments relating to the participation of retail food stores, wholesale food concerns and insured financial institutions.**

\* \* \* \* \*

(m) *Amendment No. 383.* The program changes made to § 278.1 by this amendment are effective September 29, 2000.

Dated: July 26, 2000.

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**SECURITIES AND EXCHANGE COMMISSION**

**17 CFR Part 250**

**General Rules and Regulations, Public Utility Holding Company Act of 1935**

*CFR Correction*

In Title 17 of the Code of Federal Regulations, Part 240 to end, revised as of April 1, 2000, on page 529, in §250.87 paragraph (b), third line down, "(b)" is removed and "(a)" is added in its place.

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