compensation for the 1999–2000 crop season must be received by APHIS on or before December 4, 2001. Claims for compensation for the 2000–2001 crop season and beyond must be received by March 1 of the year following that crop season. The Administrator may extend these deadlines upon written request in specific cases, when unusual and unforeseen circumstances occur that prevent or hinder a claimant from requesting compensation on or before these dates.''

Done in Washington, DC, this 1st day of August 2001.

Bill Hawks,

Under Secretary for Marketing and Regulatory Programs.

[FR Doc. 01–19661 Filed 8–3–01; 8:45 am]

BILLING CODE 3410–34–U

DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

9 CFR Parts 317 and 381

[Docket No. 94–030F]

RIN 0583–AC80

Labeling of Natural or Regenerated Collagen Sausage Casings

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: The Food Safety and Inspection Service (FSIS) is requiring that the source of natural sausage casings be disclosed on the product label if the casings are derived from a different type of meat or poultry than the meat or poultry encased in the sausage. Establishments producing, manufacturing, or using natural sausage casings are also required to maintain records documenting the source of the casings. FSIS is requiring that the labels of sausage products encased in regenerated collagen casings disclose the use of the regenerated collagen casing. However, FSIS is not requiring that records on the source of regenerated collagen casings be kept.

EFFECTIVE DATE: September 5, 2001. Manufacturers may use their existing label stocks until exhausted.

FOR FURTHER INFORMATION CONTACT: Robert Post, Ph.D., Director, Labeling and Consumer Protection Staff, Office of Policy, Program Development and Evaluation; (202) 205–0279.

SUPPLEMENTARY INFORMATION:

Background

On July 17, 1997, FSIS published a proposed rule in the **Federal Register** (62 FR 38220) to amend the Federal meat and poultry products inspection regulations to require that labels of sausages encased in natural casings or regenerated collagen casings identify the type of meat or poultry from which the casings were derived, such as beef, swine, or sheep, if the casings were derived from a different type of meat or poultry than any meat or poultry ingredient of the sausage. FSIS also proposed to require that establishments that produce, manufacture, or use natural or regenerated sausage casings maintain records identifying the source of the casings.

FSIS received 30 comments during the comment period that ended on September 15, 1997. Two additional comments were received after that comment period closed; however these were also included as part of the administrative record.

Eleven favorable comments were submitted by individual consumers, religious organizations, and a member of the House of Representatives.

The groups that supported the proposal felt that people have a right to know what they eat, whether for health, religious, or other reasons, and that the proposal would allow health-conscious and interested consumers to accurately identify foods with substances to which they are allergic or food that they did not want to consume.

Twenty-one comments were opposed to the proposal. These comments were from the sausage casings industry, the meat and poultry industry, and a law firm.

The industry comments that opposed the proposal argued that it would not provide all consumers with more information but, rather, would only enable consumers with specific religious dietary concerns to avoid eating casings derived from a different species than the encased meat or poultry block. They asserted that the proposal was not based on a food safety issue. These comments argued that the people with dietary concerns could rely on a private mechanism, such as Kosher or Halal certification, to ensure that they do not consume non-pork sausages that are encased with a pork-derived casing.

While FSIS agrees that buying Kosher or Halal certified products ensures that individuals who do not want to eat pork can comply with religious requirements, FSIS disagrees that the purpose of the proposal was solely to provide a limited number of individuals with information concerning dietary requirements. The intent of the rule is to ensure that all consumers, not just consumers with religious interests, are not misled into believing that they are purchasing a product composed entirely of one species, e.g., beef, when, in fact, it is in a sheep or pork casing. Thus, the rule requires the disclosure of a material fact about the nature of the product.

Some commenters opposing the proposal also stated that if FSIS believed that consumers have a ''right to know'' what they eat, then FSIS should require that labels of sausage products disclose all ingredients, including gelatin, amino acids, and proteins. One casing manufacturer pointed out that the proposal is inconsistent with FSIS and Food and Drug Administration policy, which does not require source labeling, in general.

The purpose of the proposal was not to address the ''right to know'' for all ingredients in sausages. FSIS's proposal was narrowly crafted to address a situation where consumers may be misled.

FSIS is, therefore, requiring the source labeling of natural sausage casings, if they are derived from a different type of meat or poultry than the meat or poultry encased in the sausage. FSIS is also requiring establishments producing, manufacturing, or using natural sausage casings to maintain records documenting the source of the casings.

With regard to the proposed requirements for regenerated collagen casings, several commenters from the meat and poultry industry and the sausage casings' industry opposed the labeling and recordkeeping requirements for regenerated collagen casings. These commenters stated that the processing of regenerated collagen casings renders the detection of identifiable species protein impossible.

FSIS agrees with the comments in part. Therefore, FSIS is amending the meat and poultry product regulations to require that the labels of sausage products encased in regenerated collagen casings disclose the use of the regenerated collagen casing, but not the source of the casing. FSIS understands that the processing of regenerated collagen casings renders the detection of the species protein impossible; therefore, no recordkeeping for collagen casings is required.

FSIS concludes that providing the information that the casing is from regenerated collagen will indicate to consumers that they are purchasing a sausage product with a casing not necessarily made from the same type of meat or poultry enclosed in the casing. Thus, this material fact about the nature of the product would be disclosed, and the product would not be misbranded.

Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. States and local jurisdictions are preempted by the Federal Meat Inspection Act (FMIA) and the Poultry Products Inspection Act (PPIA) from imposing any marking, labeling, packaging, or ingredient requirements on federally inspected meat and poultry products that are in addition to, or different from, those imposed under the FMIA and the PPIA. States and local jurisdictions may, however, exercise concurrent jurisdiction over meat and poultry products that are within their jurisdiction and outside official establishments for the purpose of preventing the distribution of meat and poultry products that are misbranded or adulterated under the FMIA and PPIA, or, in the case of imported products, that are not at such an establishment, after their entry into the United States.

This final rule is not intended to have retroactive effect.

Under this rule, administrative proceedings will not be required before parties may file suit in court challenging this rule. However, the administrative procedures specified in 9 CFR 306.5 and 381.35 must be exhausted prior to any judicial challenge of the application of the provisions of this rule, if the challenge involves any decision of an FSIS employee relating to any matters under the FMIA and the PPIA.

Executive Order 12866 and Regulatory Flexibility Act

This final rule has been determined to be not significant and therefore has not been reviewed by OMB under Executive Order 12866.

In accordance with 5 U.S.C. 603, FSIS performed a regulatory flexibility analysis, which is set out below, regarding the impact of the rule on small entities. FSIS invited comments concerning potential effects on the number, kind and characteristics of small firms that would incur benefits or costs from implementation of this rule.

This final rule will require manufacturers of sausages encased in natural casings to label the source of those casings, if the casings are derived from a different type of meat or poultry than the encased sausage meat or poultry. This rule will also require that sausages encased in a regenerated collagen casing have a statement on the label indicating that the casing is regenerated collagen. FSIS believes the associated labeling costs will be low. Manufacturers will be able to defer the development of new labels for sausage products in natural casings and regenerated collagen casings until their existing stocks of labels are exhausted. Moreover, the new labels can be generically approved; manufacturers will not have to prepare and submit FSIS Form 7234–1, ''Application for Labels, Marking, or Device,'' or the new label for approval. Identification of the source of natural sausage casings may also be a selling point for some manufacturers.

This regulation will be beneficial to consumers because it will reduce confusion about the source of the casings on sausages and give them additional information with which to make informed choices about the sausages they purchase.

Paperwork Requirements

The paperwork and recordkeeping requirements in this final rule have been approved on an emergency basis by OMB under control number 0583–0119. FSIS is seeking comments on the paperwork and recordkeeping requirements in this rule so that the Agency may receive a three year approval for these requirements.

Abstract: Under this final rule, sausage manufacturers will need to label the source of natural sausage casings if they are derived from a different type of meat or poultry than the meat or poultry encased in the sausage and sausage products encased in regenerated collagen casings will have to have a statement on the label disclosing the use of regenerated collagen casings. FSIS will consider the labels they develop to make these declarations to be generically approved in accordance with 9 CFR 317.5 and 381.133.

Establishments producing, manufacturing, or using natural sausage casings, or sausages encased in natural casings, will be required to maintain records documenting the source of the casings.

Estimate of Burden: FSIS estimates that it will take 15 minutes for establishments to make the appropriate labeling changes. FSIS estimates that the recordkeeping for the origin of the casing will occur once a day and take establishments 2 minutes to complete.

Respondents: Establishments manufacturing natural and regenerated collagen sausage casings, and establishments manufacturing sausages encased in natural and regenerated collagen casings.

Estimated number of Respondents: 40 meat and poultry establishments.

Estimated number of Responses per Respondent: 10,000

Estimated Total Annual Burden on Respondents: 344 hours.

Comments are invited on: (a) Whether the final collection of information is necessary for the proper performance of the functions of the Agency, including whether the information will have practical utility; (b) the accuracy of the Agency's estimate of the burden of the proposed collection of information including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of collection of information on those who are to respond, including through use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Additional Public Notification

Public awareness of all segments of rulemaking and policy development is important. Consequently, in an effort to better ensure that minorities, women, and persons with disabilities are aware of this final rule, 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 to a much broader, more diverse audience. For more information and to be added to the constituent fax list, fax your request to the Congressional and Public Affairs Office, at (202) 720–5704.

List of Subjects

9 CFR Part 317

Food labeling, Food packaging, Meat inspection.

9 CFR Part 381

Food labeling, Poultry and poultry products.

For the reasons discussed in the preamble, FSIS is amending 9 CFR parts 317 and 381 of the Federal meat and

poultry products inspection regulations as follows:

PART 317—LABELING, MARKING DEVICES, AND CONTAINERS

1. The authority citation for part 317 continues to read as follows:

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

2. Section 317.8 is amended by adding new subparagraphs (b)(37) and (b)(38) to paragraph (b) to read as follows:

§ 317.8 False or misleading labeling or practices generally; specific prohibitions and requirements for labels and containers.

* * * * *

(b) * * *

(37) The labels of sausages encased in natural casings made from meat or poultry viscera shall identify the type of meat or poultry from which the casings were derived, if the casings are from a different type of meat or poultry than the encased meat or poultry. The identity of the casing, if required, may be placed on the principal display panel or in the ingredient statement. Establishments producing, manufacturing, or using natural sausage casings are to maintain records documenting the meat or poultry source in accordance with part 320 of this chapter.

(38) The labels of sausages encased in regenerated collagen casings shall disclose this fact on the product label. The fact that the sausage is encased in collagen may be placed on the principal display panel or in the ingredient statement.

PART 381—POULTRY PRODUCTS INSPECTION REGULATIONS

3. The authority citation for part 381 continues to read as follows:

Authority: 7 U.S.C. 138f, 450; 21 U.S.C. 451–470; 7 CFR 2.18, 2.53.

4. Section 381.117 is amended by adding paragraphs (f) and (g) to read as follows:

§ 381.117 Name of product and other labeling.

* * * * *

(f) The labels of sausages encased in natural casings made from meat or poultry viscera shall identify the type of meat or poultry from which the casings were derived, if the casings are from a different type of meat or poultry than the encased meat or poultry. The identity of the casing, if required, may be placed on the principal display panel or in the ingredient statement. Establishments producing, manufacturing, or using natural sausage casings are to maintain records documenting the meat or poultry source in accordance with subpart Q of this part.

(g) The labels of sausages encased in regenerated collagen casings shall disclose this fact on the product label. The fact that the sausage is encased in collagen may be placed on the principal display panel or in the ingredient statement.

Done at Washington, DC, on July 31, 2001.

Thomas J. Billy,

Administrator.

[FR Doc. 01–19598 Filed 8–3–01; 8:45 am]

BILLING CODE 3410–DM–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 721

Federal Credit Union Incidental Powers Activities

AGENCY: National Credit Union Administration.

ACTION: Final rule.

SUMMARY: The National Credit Union Administration (NCUA) is issuing a final rule that revises a regulation by categorizing activities deemed to be within the incidental powers of a federal credit union (FCU). The final rule also describes how interested parties may request a legal opinion on whether an activity is within an FCU's incidental powers or apply to add new activities or categories to the regulation. The rule also clarifies the conflict of interest provisions applicable to activities authorized by this regulation.

DATES: The rule is effective September 5, 2001.

FOR FURTHER INFORMATION CONTACT: Michael J. McKenna, Senior Staff Attorney, or Chrisanthy J. Loizos, Staff Attorney, Office of General Counsel at the National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314–3428 or telephone: (703) 518–6540.

SUPPLEMENTARY INFORMATION:

A. Background

On November 18, 1999, the NCUA Board (the Board) issued a request for comments in an Advance Notice of Proposed Rulemaking (ANPR) on whether the Board should restructure part 721 of NCUA's regulations and adopt provisions regarding incidental powers within the regulation. 64 FR 66413 (November 26, 1999). At the time, the Board envisioned that it would create four sections within part 721 and expand its test for analyzing the incidental powers of FCUs. After receiving the public's comments on the ANPR, the Board issued a Notice of Proposed Rulemaking on November 16, 2000. 65 FR 70526 (November 24, 2000).

In the proposed rule, the Board restructured part 721 into seven sections. The proposed rule established a definition for an incidental powers activity by using a three-prong test. The proposed rule also set out categories determined to be within an FCU's incidental powers. A majority of the proposed categories are activities NCUA has previously established as within the incidental powers of FCUs in legal opinions. The proposed rule identified the following twelve categories: Certification services, correspondent services, electronic financial services, excess capacity, financial counseling services, finder activities, marketing activities, monetary instrument services, operational programs, stored value products, and trustee or custodial services. Each category in the proposed rule contained examples of incidental powers activities.

The proposed rule provided that FCUs could seek advisory opinions from NCUA's General Counsel as to whether a proposed activity fits into one of the authorized categories or is otherwise an incidental powers activity. It also established a process for FCUs to petition NCUA to approve new activities or categories of activities. The proposed rule also allowed FCUs to receive compensation from any activity determined to be within their incidental powers. Finally, the proposed rule amended the conflicts of interest provision in part 721, to conform to similar conflict provisions in NCUA's regulations.

B. Overview of Regulation

Incidental Powers Authority

The legal authority for the expanded activities authorized by the final rule is the incidental powers provision of the Federal Credit Union Act (FCU Act), 12 U.S.C. 1757(17). The FCU Act expressly grants FCUs the power to, among other activities, purchase, hold and dispose of property; make loans to members; make certain investments; accept share, share draft and share certificate accounts; and sell and cash negotiable instruments. 12