

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[Docket Number LS-01-10]

Livestock Mandatory Reporting: Confidentiality Guideline

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Notice of modification of confidentiality guideline.

SUMMARY: This notice announces that the Secretary of Agriculture is modifying the confidentiality guideline currently used under the Livestock Mandatory Reporting Act program to protect the identity of reporting firms and preserve the confidentiality of proprietary business transactions. This modification would continue to preserve confidentiality while enabling USDA to issue more frequent and more accurate reports on livestock and meat, and provide all segments of the livestock and meat industries with relevant information on which to base market decisions.

EFFECTIVE DATE: This notice is effective August 20, 2001.

ADDRESSES: Comments may be sent to John E. Van Dyke, Chief, Livestock and Grain Market News Branch, Livestock and Seed Program, Agricultural Marketing Service, USDA, 1400 Independence Avenue, SW, Room 2619-South Building, Stop 0252, Washington, DC 20250-0242; telephone (202) 720-6231, fax (202) 690-3732, E-mail john.vandyke@usda.gov. Comments received may be inspected at 1400 Independence Avenue, SW, Room 2619-South Building, Stop 0252, Washington, DC between 7:30 a.m. and 4 p.m. The comments will also be posted on the Livestock and Grain Market News Branch web site. The address is www.ams.usda.gov/lsg/mnncs/LS_MPR.htm.

FOR FURTHER INFORMATION CONTACT: If you have questions about the modification of the confidentiality guideline for livestock mandatory reporting, please contact John E. Van Dyke, Chief, Livestock and Grain Market News Branch at (202) 720-6231, facsimile (202) 690-3732, or E-mail at john.vandyke@usda.gov.

SUPPLEMENTARY INFORMATION:

Background

The Livestock Mandatory Reporting Act of 1999 (Act) (Pub. L. 106-78; 113 Stat. 1188; 7 U.S.C. 1635-1636(h)) as an amendment to the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 *et seq.*) was intended to enhance the transparency of market information in the livestock and meat industries by providing market participants with access to information on price trends, contracting arrangements and supply and demand conditions. As required by the Act, AMS publishes such information in a manner designed to protect the identity of reporting entities and preserve the confidentiality of transactions.

On April 2, 2001, AMS began the process of collecting and reporting mandatory data, as authorized by the Act. The reporting program differed from most other Federal data reporting programs with respect to the frequency of data collection (two to three times daily, within intervals as short as four hours) and reporting (one hour after receipt of data). As required by statute, a guideline was developed to protect the confidentiality of proprietary business information.

The confidentiality guideline adopted for the program, the so-called "3/60" guideline, was based on similar guidelines used throughout the Federal government. To satisfy the "3/60" confidentiality guideline, the following two conditions were required:

- (1) At least three reporting entities must be reflected in each category of data being reported during an individual reporting period, and
- (2) No single reporting entity could account for 60 percent or more of the total volume reported in any single data category during an individual reporting period.

Because much of the data required by the Act had not been available before implementation of the new program, AMS could not predict the level or

pattern of market activity by reporting entities for each reporting period. AMS therefore chose to apply the confidentiality guideline in a very conservative manner. Essentially, the "3/60" guideline was applied to each data cell in each report that was to be released.

With several weeks of data collection now completed, a much clearer understanding has been developed regarding the purchasing patterns of entities required to provide data under the program. This database permits several observations about the unique nature of the data collection that takes place under the livestock mandatory reporting program. As already noted, this program differs significantly from most other Federal data reporting programs with respect to the frequency of data collection and reporting. Given the extremely short time horizon of most reporting periods, the level of market participation during an individual reporting period frequently does not meet the current confidentiality standard. The consequence of the current approach to protecting confidentiality has been to severely limit the extent to which collected data can be released. Nearly one-third of scheduled daily cattle and swine reports were withheld from publication between April 2 and June 14, 2001, for reasons of confidentiality, and many other reports were released with missing line items or sections.

In addition, the data now available show that for most reports the pattern of entities submitting data is random, even when fewer than three entities supply data for a morning or afternoon report. The data also indicate that, for most reports, no single entity provides the majority of collected data.

Upon review of the current program and the data that have been collected continuously since April 2, 2001, AMS has determined that the level of market participation is sufficiently diverse to permit the release of much of the data currently withheld from the public without compromising the confidentiality of business transactions. To maximize the availability of market information to the public while protecting the identity of individual market participants, AMS intends to extend the time frame over which the required level of market participation may be met, and establish an additional

safeguard during those instances when only one entity supplies data during individual reporting periods. By making these adjustments in the confidentiality guideline used in the livestock mandatory reporting program, AMS anticipates a significant improvement in the percentage of market information that can be released to the public without jeopardizing the confidentiality of proprietary transactions.

AMS will continue the practice of withholding the number and identity of entities providing data for an individual report. In addition, given the frequency of data collection, the following guideline elements will be adopted:

(1) At least three entities must provide data at least 50 percent of the time over the most recent 60-day time period;

(2) No one entity may provide more than 70 percent of the data for a report over the most recent 60-day time period—to ensure that no single entity is providing such a large proportion of the data that its identity might be revealed; and

(3) No one entity may provide data more than 20 percent of the time, as the only entity, over the most recent 60-day time period—to protect the identity of an entity when it is the only plant providing data.

To determine levels of market participation over the most recent 60-day time period, the computer program currently used to collect and publish mandatory data from reporting entities—known as the Mandatory Price Reporting (MPR) system—will be modified to develop a daily computer-generated log detailing application of a “3/70/20” confidentiality guideline over the most recent 60-day period for all reports generated by the MPR system. The 60-day time period evaluated in this process will consist of both required reporting days and any Federal or State government holidays that have fallen on a weekday. The computer-generated log will be reviewed to determine whether reports and/or data items have failed to meet the “3/70/20” guideline, and identify possible aberrations in market activity that could have caused such a problem. Importantly, the computer-generated log will be reviewed to identify any trends in levels or patterns of market participation by reporting entities in current reporting areas. This latter review should prove helpful in anticipating situations where changing market participation could create confidentiality concerns.

AMS anticipates that this modification in the confidentiality guideline for livestock mandatory reporting will result in a significant

improvement in the percentage of market reports made available to the public while continuing to maintain confidentiality. For example, under the current “3/60” confidentiality guideline, approximately 30 percent of all scheduled daily cattle and swine reports (703 out of 2,376) were withheld from publication between April 2 and June 14, 2001. Using the newly developed confidentiality guideline, fewer than 2 percent of these same reports would have been withheld from publication.

The software changes necessary to provide the daily computer-generated logs for review of the “3/70/20” confidentiality guideline over the most recent 60-day time period will require approximately 12 weeks to implement. In the interim, AMS will ensure adherence to the “3/70/20” confidentiality guideline by conducting bi-weekly reviews of all reports and individual data items, using individual queries to examine collected data and determine whether required levels of market participation and diversity are being met.

Authority: 7 U.S.C. 1621 et seq.

Dated: August 3, 2001.

Kenneth C. Clayton,

Acting Administrator, Agricultural Marketing Service.

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DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

[Docket No. 01-064-1]

Animal Disease Risk Assessment, Prevention, and Control Act

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Notice of public meeting and request for comments.

SUMMARY: We are seeking comments and suggestions regarding the development of a report required by the Animal Disease Risk Assessment, Prevention, and Control Act of 2001. The report will discuss the economic impacts that would be associated with the potential introduction of foot-and-mouth disease, bovine spongiform encephalopathy, and related diseases into the United States; the potential risks posed by those diseases to public and animal health; and recommendations to protect the health of animal herds and U.S. citizens from those risks. We will use the information gathered through this notice

and a public meeting to assist us in developing this report.

DATES: We invite you to comment on this docket. We will consider all comments that we receive by September 6, 2001. We will also consider comments made at a public meeting that will be held on August 24, 2001 from 9:00 a.m. to 12:00 p.m.

ADDRESSES: Please send your postal comment and three copies to: Docket No. 01-064-1, Regulatory Analysis and Development, PPD, APHIS, Suite 3C03, 4700 River Road Unit 118, Riverdale, MD 20737-1238 We will also accept comments electronically via the Animal Disease Risk Assessment, Prevention and Control website at <http://comments.aphis.usda.gov>. Please state that your comment refers to Docket No. 01-064-1.

You may read any comments that we receive on this docket in our reading room. The reading room is located in room 1141 of the USDA South Building, 14th Street and Independence Avenue, SW., Washington, DC. Normal reading room hours are 8 a.m. to 4:30 p.m., Monday through Friday, except holidays. To be sure someone is there to help you, please call (202) 690-2817 before coming.

APHIS documents published in the **Federal Register**, and related information, including the names of organizations and individuals who have commented on APHIS dockets, are available on the Internet at <http://www.aphis.usda.gov/ppd/rad/webrepor.html>.

The public meeting will be held at the Animal and Plant Health Inspection Service, 4700 River Road, Riverdale, MD, Conference Rooms C and D.

FOR FURTHER INFORMATION CONTACT: Mr. William O. Macheel, Policy and Program Development, APHIS, 4700 River Road Unit 120, Riverdale, MD 20737-1236; (301) 734-4420.

SUPPLEMENTARY INFORMATION:

Background

Foot-and-Mouth Disease

Foot-and-mouth disease (FMD) is a severe and highly contagious viral infection affecting cattle, deer, goats, sheep swine, and other animals. The most effective means of eradicating FMD is by the slaughter of affected animals. Although FMD was eradicated in the United States in 1929, the virus could be reintroduced by a single infected animal, animal product, or person carrying the virus. Once introduced, FMD can spread quickly through exposure to aerosols from infected animals, direct contact with