

(d) \* \* \*

(1) \* \* \* For Farm Loan Programs direct loans, this notice will be sent after the borrower is over 90 days past due and immediately after sending notification of servicing rights in accordance with 7 CFR part 766. \* \* \*

**Subpart D—Final Payment on Loans**

■ 43. Section 1951.151 is amended by removing the text “Farm Service Agency (FSA),” in the first sentence; and adding a new last sentence to read as follows:

**§ 1951.151 Purpose.**

\* \* \* In addition, this subpart is inapplicable to Farm Service Agency, Farm Loan Programs.

**Subpart F—Analyzing Credit Needs and Graduation of Borrowers**

■ 44. Section 1951.251 is amended by removing the text “Farm Service Agency (FSA),” in the third sentence; and revising the fourth sentence to read as follows:

**§ 1951.251 Purpose.**

\* \* \* This subpart does not apply to Farm Service Agency, Farm Loan Programs and to RHS direct single family housing (SFH) customers. \* \* \*

**Subparts J, L, S, and T—[Removed]**

■ 45. Subparts J, L, S, and T are removed and reserved.

**PART 1955—PROPERTY MANAGEMENT**

■ 46. The authority citation for part 1955 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1989; 42 U.S.C. 1480.

**Subpart A—Liquidation of Loans Secured by Real Estate and Acquisition of Real and Chattel Property**

■ 47. Section 1955.1 is amended by removing the text “Farm Credit programs of the Farm Service Agency (FSA),” in the second sentence; and revising the fourth sentence to read as follows:

**§ 1955.1 Purpose.**

\* \* \* This subpart does not apply to Farm Service Agency, Farm Loan Programs, to RHS single family housing loans, or to CF loans sold without insurance in the private sector. \* \* \*

**Subpart B—Management of Property**

■ 48. Section 1955.51 is amended by removing the comma immediately following “(RBS)” and adding the word “and” in its place; by removing the text “, and Farm Service Agency (FSA),” in the first sentence of the introductory paragraph; and revising the second sentence of the introductory paragraph to read as follows:

**§ 1955.51 Purpose.**

\* \* \* This subpart does not apply to Farm Service Agency, Farm Loan Programs, or to RHS single family housing loans or community program loans sold without insurance to the private sector. \* \* \*

**Subpart C—Disposal of Inventory Property**

■ 49. Section 1955.101 is amended by revising the fifth sentence to read as follows:

**§ 1955.101 Purpose.**

\* \* \* This subpart does not apply to Farm Service Agency, Farm Loan Programs, Single Family Housing (SFH) inventory property, or to the Rural Rental Housing, Rural Cooperative Housing, and Farm Labor Housing Programs. \* \* \*

**PART 1956—DEBT SETTLEMENT**

■ 50. The authority citation for part 1956 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1989; 31 U.S.C. 3711; 42 U.S.C. 1480.

**Subpart B—Debt Settlement—Farm Loan Programs and Multi-Family Housing**

■ 51. Revise the second sentence of the “debt forgiveness” definition in § 1956.54 to read as follows:

**§ 1956.54 Definitions.**

\* \* \* \* \*  
*Debt forgiveness.* \* \* \* Included, but not limited to, are losses from a writedown or writeoff under 7 CFR part 766, debt settlement, after discharge under the provisions of the bankruptcy code, and associated with release of liability. \* \* \*

**PART 1962—PERSONAL PROPERTY**

■ 52. The authority citation for part 1962 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1989; 42 U.S.C. 1480.

**Subpart A—Servicing and Liquidation of Chattel Security**

■ 53. Section 1962.1 is amended by adding a new last sentence to read as follows:

**§ 1962.1 Purpose.**

\* \* \* This subpart is inapplicable to Farm Service Agency, Farm Loan Programs.

**PART 1965—REAL PROPERTY**

**Subpart A—[Removed]**

■ 54. Subpart A is removed and reserved.

Dated: November 5, 2007.

Mark Keenum,

Under Secretary for Farm and Foreign Agricultural Services.

Dated: November 2, 2007.

Thomas C. Dorr,

Under Secretary for Rural Development.

[FR Doc. 07–5659 Filed 11–14–07; 8:45 am]

BILLING CODE 3410–05–P

**DEPARTMENT OF AGRICULTURE**

**Agricultural Marketing Service**

**7 CFR Part 966**

[Docket No. AMS–FV–07–0114; FV07–966–2 IFR]

**Tomatoes Grown in Florida; Decreased Assessment Rate**

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

**ACTION:** Interim final rule with request for comments.

**SUMMARY:** This rule decreases the assessment rate established for the Florida Tomato Committee (Committee) for the 2007–08 and subsequent fiscal periods from \$0.035 to \$0.0325 per 25-pound carton of tomatoes handled. The Committee locally administers the marketing order which regulates the handling of tomatoes grown in Florida. Assessments upon tomato handlers are used by the Committee to fund reasonable and necessary expenses of the program. The fiscal period begins August 1 and ends July 31. The assessment rate will remain in effect indefinitely unless modified, suspended, or terminated.

**DATES:** Effective November 16, 2007. Comments received by January 14, 2008, will be considered prior to issuance of a final rule.

**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, 1400 Independence Avenue SW., STOP 0237, Washington, DC 20250-0237; Fax: (202) 720-8938; or Internet: <http://www.regulations.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.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:**

William G. Pimental, Marketing Specialist or Christian D. Nissen, Regional Manager, Southeast Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA; Telephone: (863) 324-3375 Fax: (863) 325-8793, or E-mail: [William.Pimental@usda.gov](mailto:William.Pimental@usda.gov) or [Christian.Nissen@usda.gov](mailto:Christian.Nissen@usda.gov).

Small businesses may request information on complying with this regulation by contacting Jay Guerber, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue SW., STOP 0237, Washington, DC 20250-0237; Telephone: (202) 720-2491, Fax: (202) 720-8938, or E-mail: [Jay.Guerber@usda.gov](mailto:Jay.Guerber@usda.gov).

**SUPPLEMENTARY INFORMATION:** This rule is issued under Marketing Agreement No. 125 and Order No. 966, both as amended (7 CFR part 966), regulating the handling of tomatoes grown in Florida, hereinafter referred to as the "order." The order is 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 (USDA) 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 tomato handlers are subject to assessments. Funds to administer the order are derived from such assessments. It is intended that the assessment rate as issued herein will be applicable to all assessable tomatoes beginning August 1, 2007, 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 USDA 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, USDA 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 USDA'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 decreases the assessment rate established for the Committee for the 2007-08 and subsequent fiscal periods from \$0.035 per 25-pound carton to \$0.0325 per 25-pound carton of tomatoes.

The Florida tomato marketing order provides authority for the Committee, with the approval of USDA, to formulate an annual budget of expenses and collect assessments from handlers to administer the program. The members of the Committee are producers of Florida tomatoes. 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 2006-07 and subsequent fiscal periods, the Committee recommended, and USDA approved, an assessment rate that would continue in effect from fiscal period to fiscal period unless modified, suspended, or terminated by USDA upon recommendation and information submitted by the Committee or other information available to USDA.

The Committee met on August 23, 2007, and unanimously recommended 2007-08 expenditures of \$2,101,000.00 and an assessment rate of \$0.0325 per 25-pound carton of tomatoes. In comparison, last year's budgeted expenditures were \$2,193,700. The assessment rate of \$0.0325 is \$0.0025 lower than the rate currently in effect. Last season the industry shipped 2.6 million 25-pound cartons more than the Committee had anticipated, providing greater revenues than expected from assessments. The Committee's 2006-07 expenses were \$200,000 less than budgeted, and they utilized less from reserves than anticipated. The Committee also recommended a

reduced budget for 2007-08. Therefore, the Committee voted to recommend a reduced assessment rate.

The major expenditures recommended by the Committee for the 2007-08 year include \$900,000 for education and promotion, \$467,000 for salaries, \$320,000 for research, and \$71,000 for employee retirement. Budgeted expenses for these items in 2006-07 were \$1,000,000, \$445,900, \$320,000, and \$67,000, respectively.

The assessment rate recommended by the Committee was derived by dividing anticipated expenses, less carry-in and reserve revenues totaling \$476,000, by expected shipments of Florida tomatoes. Tomato shipments for the year are estimated at 50 million 25-pound cartons, which should provide \$1,625,000 in assessment income. Income derived from handler assessments, along with interest income and funds from the Committee's authorized reserve will be adequate to cover budgeted expenses. Funds in the reserve (currently approximately \$780,000) will be kept within the maximum permitted by § 966.44 of the order, which states that excess funds cannot exceed one fiscal period's expenses.

The assessment rate established in this rule will continue in effect indefinitely unless modified, suspended, or terminated by USDA upon recommendation and information submitted by the Committee or other available information.

Although this assessment rate is effective for an indefinite period, the Committee will 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 USDA. Committee meetings are open to the public and interested persons may express their views at these meetings. USDA will evaluate Committee recommendations and other available information to determine whether modification of the assessment rate is needed. Further rulemaking will be undertaken as necessary. The Committee's 2007-08 budget and those for subsequent fiscal periods will be reviewed and, as appropriate, approved by USDA.

**Initial Regulatory Flexibility Analysis**

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.

There are approximately 100 producers of tomatoes in the production area and approximately 70 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 \$750,000, and small agricultural service firms are defined as those whose annual receipts are less than \$6,500,000.

Based on industry and Committee data, the average annual price for fresh Florida tomatoes during the 2006–07 season was approximately \$7.69 per 25-pound container, and total fresh shipments for the 2006–07 season were 52,505,687 25-pound cartons of tomatoes. Committee data indicates that approximately 25 percent of the handlers handle 94 percent of the total volume shipped outside the regulated area. Based on the average price, about 75 percent of handlers could be considered small businesses under SBA's definition. In addition, based on production data, grower prices as reported by the National Agricultural Statistics Service, and the total number of Florida tomato growers, the average annual grower revenue is below \$750,000. Thus, the majority of handlers and producers of Florida tomatoes may be classified as small entities.

This rule decreases the assessment rate established for the Committee and collected from handlers for the 2007–08 and subsequent fiscal periods from \$0.035 to \$0.0325 per 25-pound carton of tomatoes. The Committee unanimously recommended 2007–08 expenditures of \$2,101,000 and an assessment rate of \$0.0325 per 25-pound carton. The assessment rate of \$0.0325 is \$0.0025 lower than the 2006–07 rate. The quantity of assessable tomatoes for the 2007–08 season is estimated at 50 million 25-pound cartons. Thus, the \$0.0325 rate should provide \$1,625,000 in assessment income. Income derived from handler assessments, along with interest income and funds from the Committee's authorized reserve will be adequate to cover budgeted expenses.

The major expenditures recommended by the Committee for the 2007–08 year include \$900,000 for education and promotion, \$467,000 for salaries, \$320,000 for research, and \$71,000 for employee retirement. Budgeted expenses for these items in 2006–07 were \$1,000,000, \$445,900, \$320,000, and \$67,000, respectively.

Last season the industry shipped 2.6 million 25-pound cartons more than the Committee had anticipated, providing greater revenues than expected from assessments. The Committee's 2006–07 expenses were \$200,000 less than budgeted, and they utilized less from reserves than anticipated. The Committee also recommended a reduced budget 2007–08. Therefore, the Committee voted to recommend a reduced assessment rate.

The Committee reviewed and unanimously recommended 2007–08 expenditures of \$2,101,000, which included a decrease in the education and promotion budget. Prior to arriving at this budget, the Committee considered information from various sources, such as the Committee's Executive Subcommittee, Finance Subcommittee, Research Subcommittee, and Education and Promotion Subcommittee. Alternative expenditure levels were discussed by these groups, based upon the relative value of various research projects to the tomato industry. The assessment rate of \$0.0325 per 25-pound carton of assessable tomatoes was then determined by dividing the total recommended budget, less carry-in and reserve revenues totaling \$476,000, by the quantity of tomatoes, estimated at 50 million 25-pound cartons for the 2007–08 fiscal period.

A review of historical information and preliminary information pertaining to the upcoming 2007–08 fiscal period indicates that the grower price for the 2007–08 season could range between \$3.89 and \$16.05 per 25-pound carton of tomatoes. Therefore, the estimated assessment revenue for the 2007–08 fiscal period as a percentage of total grower revenue could range between 0.2 and 0.8 percent.

This action decreases the assessment obligation imposed on handlers. Assessments are applied uniformly on all handlers, and some of the costs may be passed on to producers. However, decreasing the assessment rate reduces the burden on handlers, and may reduce the burden on producers. In addition, the Committee's meeting was widely publicized throughout the Florida tomato industry and all interested persons were invited to attend the meeting and participate in Committee deliberations on all issues. Like all

Committee meetings, the August 23, 2007, 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 comments on this interim final rule, including the regulatory and informational impacts of this action on small businesses.

This action imposes no additional reporting or recordkeeping requirements on either small or large Florida tomato 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.

AMS is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

USDA 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.

After consideration of all relevant material presented, including the information and recommendation submitted by the Committee and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect, and that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because: (1) The 2007–08 fiscal period began on August 1, 2007, and the marketing order requires that the rate of assessment for each fiscal period apply to all assessable tomatoes handled during such fiscal period; (2) this action decreases the assessment rate for assessable tomatoes beginning with the 2007–08 fiscal period; (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; and (4) this interim final rule provides a 60-day comment

period, and all comments timely received will be considered prior to finalization of this rule.

#### List of Subjects in 7 CFR Part 966

Marketing agreements, Reporting and recordkeeping requirements, Tomatoes.

■ For the reasons set forth in the preamble, 7 CFR part 966 is amended as follows:

#### PART 966—TOMATOES GROWN IN FLORIDA

■ 1. The authority citation for 7 CFR part 966 continues to read as follows:

**Authority:** 7 U.S.C. 601–674.

■ 2. Section 966.234 is revised to read as follows:

##### § 966.234 Assessment rate.

On and after August 1 2007, an assessment rate of \$0.0325 per 25-pound carton is established for Florida tomatoes.

Dated: November 8, 2007.

**Lloyd C. Day,**

*Administrator, Agricultural Marketing Service.*

[FR Doc. E7–22277 Filed 11–14–07; 8:45 am]

**BILLING CODE 3410–02–P**

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## DEPARTMENT OF AGRICULTURE

### Animal and Plant Health Inspection Service

#### 9 CFR Part 98

[Docket No. APHIS–2006–0120]

RIN 0579–AC58

#### Importation of Sheep and Goat Semen

**AGENCY:** Animal and Plant Health Inspection Service, USDA.

**ACTION:** Final rule.

**SUMMARY:** We are amending the regulations regarding the importation of animal germplasm by removing specific restrictions on sheep semen from regions where scrapie exists and requiring the inclusion of additional information on the international health certificate accompanying sheep and goat semen. Experience and research have convinced us that sheep and goat semen pose a minimal risk of transmitting scrapie. This action will relieve restrictions on imported sheep semen while continuing to provide safeguards against the introduction and dissemination of scrapie.

**DATES:** *Effective Date:* December 17, 2007.

**FOR FURTHER INFORMATION CONTACT:** Dr. James P. Davis, Senior Staff Veterinarian, Technical Trade Services, National Center for Import and Export, VS, APHIS, 4700 River Road Unit 39, Riverdale, MD 20737–1231; (301) 734–0694.

#### SUPPLEMENTARY INFORMATION:

##### Background

On August 9, 2006, we published a proposed rule in the *Federal Register* (71 FR 45444–45447) in which we proposed to amend the regulations in 9 CFR part 98 regarding the importation of animal germplasm by removing specific restrictions on sheep semen from regions where scrapie exists and requiring the inclusion of additional information on the international health certificate accompanying sheep and goat semen. This action would relieve restrictions on imported sheep semen while continuing to provide safeguards against the introduction and dissemination of scrapie.

Comments were required to be received by October 10, 2006. We received seven comments by that date, from the Canadian Food Inspection Agency, a sheep industry association, sheep breeders, and private citizens. One commenter supported the proposed rule as written. Another commenter stated that there should be a ban on all imports of animal semen into the United States, but did not offer specific comments on the provisions of the proposed rule. The remaining commenters were generally supportive of the proposed rule but made suggestions or raised issues about its provisions.

The Canadian Food Inspection Agency stated that it believed Canada's scrapie program is equivalent to the United States' program and, therefore, sheep semen from Canada should be allowed to be imported without restrictions. The commenter stated that the risk of new strains of scrapie being introduced into the United States from Canada is minimal.

As we stated in the proposed rule, in 1996, when the regulations allowing semen to be imported from Canada without restrictions were established, Canada had a scrapie control program that we regarded as equivalent to that in the United States. In 2001, however, the United States went from a control program to an eradication program which is now in full implementation. Canada has not conducted a scrapie prevalence study and does not conduct national slaughter surveillance for the disease. To fully evaluate Canada's program we would need a complete description of the program, including

numbers and geographic representation of their surveillance and efforts to monitor for unusual strains. We are making no changes to the rule as a result of this comment.

One commenter stated that semen imported from any country should be distributed only to flocks listed in the Scrapie National Database to provide for better traceability in the event of a disease outbreak.

APHIS notes that semen imported from regions not recognized as scrapie-free—at this time, everywhere in the world except Australia and New Zealand—will still be required to be distributed only to listed flocks. We believe the new recordkeeping requirements for first generation (F1) progeny resulting from imported semen will provide sufficient information to conduct traceback investigations in the event of a disease outbreak. We are making no changes as a result of this comment.

One commenter stated that the requirement that only flocks in the Scrapie Flock Certification Program may receive imported semen should be eliminated entirely.

The intent of the proposed rule is to allow all flocks listed in the Scrapie National Database to use semen imported from anywhere in the world; there will be no restrictions on distribution of semen imported from regions recognized as scrapie-free. This does not unreasonably limit distribution of imported semen since there is a high compliance rate for flock premises listing through the National Scrapie Eradication Program, and because any flock may be listed by making a toll-free phone call. To further facilitate distribution of imported semen, we have added a provision in this final rule that allows imported semen to be further distributed to any other listed flock with written notification to the Veterinary Services area office.

One commenter suggested that the identification and recordkeeping requirements for F1 progeny resulting from imported semen should be made a condition of the import permit rather than a separate agreement. The commenter further stated that APHIS should distribute special eartags for identifying F1 progeny at the time the permit is approved. The commenter stated that these suggestions would reduce the burden on both producers and APHIS.

We agree with this commenter and have made changes in this final rule to incorporate these suggestions. Since there will be no written agreement separate from the permit, this final rule also includes a provision that APHIS