

The major expenditures recommended by the Committee for the 2010–11 year include \$110,000 for research, \$98,732 for salaries, \$48,000 for employee benefits, and \$25,300 for insurance and bonds. Budgeted expenses for these items in 2009–10 were \$25,000, \$94,030, \$48,000, and \$25,300, respectively.

The increase in assessment rate is needed to fund research to find an insecticide that will kill or control the Red Bay Ambrosia beetle. The beetle carries the Laurel Wilt fungus which can infect and kill avocado trees. Research into the beetle and fungus had been funded by the University of Florida. However, the Committee was informed that funding ceased on August 1, 2010. Without funding, researchers would have been unable to continue testing to determine which insecticides work best to kill/control the beetle and at what application rate. The Committee believes it is essential for the industry that the research continues. Therefore, they voted to increase the assessment rate to provide the additional research money.

Prior to arriving at this budget, alternative expenditure levels were discussed based upon the relative value of various research projects to the Florida avocado industry. The assessment rate of \$0.37 per 55-pound bushel container of assessable Florida avocados was then determined by dividing the total recommended budget by the quantity of assessable avocados, estimated at 1,000,000 55-pound bushel containers for the 2010–11 season. Considering income from assessments and interest, total income will be approximately \$18,400 above the anticipated expenses, which the Committee determined to be acceptable.

A review of historical information and preliminary information pertaining to the upcoming crop year indicates that the grower price for the 2010–11 season could range between \$9.00 and \$66.00 per 55-pound bushel container of avocados. Therefore, the estimated assessment revenue for the 2010–11 season as a percentage of total grower revenue could range between .6 and 4 percent.

This rule continues in effect the action that increased the assessment obligation imposed on handlers. While assessments impose some additional costs on handlers, the costs are minimal and uniform on all handlers. Some of the additional costs may be passed on to producers. However, these costs are offset by the benefits derived by the operation of the marketing order. In addition, the Committee's meeting was widely publicized throughout the

Florida avocado industry and all interested persons were invited to attend the meeting and participate in Committee deliberations on all issues. Like all Committee meetings, the July 22, 2010, meeting was a public meeting and all entities, both large and small, were able to express views on this issue.

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

USDA has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

Comments on the interim rule were required to be received on or before November 15, 2010. No comments were received. Therefore, for the reasons given in the interim rule, we are adopting the interim rule as a final rule, without change. To view the interim rule, go to <http://www.regulations.gov/search/Regs/home.html#documentDetail?R=0900006480b4f5ec>.

This action also affirms information contained in the interim rule concerning the Executive Orders 12866 and 12988, the Paperwork Reduction Act (44 U.S.C. chapter 35), and the E-Gov Act (44 U.S.C. 101).

After consideration of all relevant material presented, it is found that finalizing the interim rule, without change, as published in the **Federal Register** (75 FR 55942, September 15, 2010) will tend to effectuate the declared policy of the Act.

#### List of Subjects in 7 CFR Part 915

Avocados, Reporting and recordkeeping requirements.

#### PART 915—AVOCADOS GROWN IN SOUTH FLORIDA

■ Accordingly, the interim rule amending 7 CFR part 915, which was published at 75 FR 55942 on September 15, 2010, is adopted as a final rule, without change.

Dated: February 3, 2011.

**David R. Shipman,**

*Associate Administrator, Agricultural Marketing Service.*

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## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 996

[Doc. No. AMS-FV-10-0030; FV10-996-610 Review]

#### Minimum Quality and Handling Standards for Domestic and Imported Peanuts Marketed in the United States; Section 610 Review

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

**ACTION:** Confirmation of regulations.

**SUMMARY:** This action summarizes the results under the criteria contained in section 610 of the Regulatory Flexibility Act (RFA), of an Agricultural Marketing Service (AMS) review of the Minimum Quality and Handling Standards for Domestic and Imported Peanuts Marketed in the United States contained in 7 CFR part 996 (Standards). AMS has determined that the Standards should be continued.

**ADDRESSES:** Interested persons may obtain a copy of the review. Requests for copies should 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 E-mail: [moab.docketclerk@usda.gov](mailto:moab.docketclerk@usda.gov). A copy of the review may also be obtained via the Internet at: <http://www.regulations.gov>.

#### FOR FURTHER INFORMATION CONTACT:

Kenneth G. Johnson, DC Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, Unit 155, 4700 River Road, Riverdale, MD 20737; Telephone: (301) 734-5243; Fax: (301) 734-5275; or E-mail: [Kenneth.Johnson@usda.gov](mailto:Kenneth.Johnson@usda.gov); or Martin Engeler, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 2202 Monterey St., Fresno, California 93721; Telephone: (559) 487-5110; Fax: (559) 487-5906; or E-mail: [Martin.Engeler@ams.usda.gov](mailto:Martin.Engeler@ams.usda.gov).

**SUPPLEMENTARY INFORMATION:** The Minimum Quality and Handling Standards for Domestic and Imported Peanuts Marketed in the United States (Standards), as amended (7 CFR part 996), were established at 7 U.S.C. 7958 pursuant to Public Law 107-171, the Farm Security and Rural Investment Act of 2002 (Act). The Standards regulate the quality and handling of domestic and imported peanuts marketed in the United States.

The Act also provided for establishment of the Peanut Standards Board (Board) to advise the Secretary of Agriculture (Secretary) in establishing the Standards. The Board is comprised of 18 members. Nine of the members are peanut producers representing three producing regions, and nine are peanut industry representatives that also represent the three producing regions. Board members are nominated by the industry and selected by the Department of Agriculture (USDA). The Board is responsible for advising the USDA regarding the quality and handling requirements under the Standards. USDA is required by the Act to consult with the Board prior to making any change to the Standards.

Currently, it is estimated that there are 8,500 peanut producers in the U.S. There are approximately 70 shelling plants operated by approximately 55 shelling entities in the industry, and an estimated 25 importers of peanuts. The Small Business Administration (SBA) defines small farms as those having annual receipts of less than \$750,000. Small agricultural service firms are defined by the SBA as those whose annual receipts are less than \$7,000,000. It is estimated that approximately 90 percent of the peanut producers in the U.S. can be considered small businesses under this definition. It is also estimated that approximately two-thirds of U.S. peanut handlers can be considered small businesses, and nearly all of the importers. The regulations implemented under the Standards are applied uniformly to small and large entities, and are not intended to have differential impacts based on size.

AMS published in the **Federal Register** on February 18, 1999 (64 FR 8014), a plan to review certain regulations under criteria contained in section 610 of the RFA (5 U.S.C. 601–612). Updated plans were published in the **Federal Register** on January 4, 2002 (67 FR 525), August 14, 2003 (68 FR 48574), and again on March 24, 2006 (71 FR 14827). Accordingly, AMS published a notice of review and request for written comments on the Standards in the April 28, 2010, issue of the **Federal Register** (75 FR 22213). The deadline for comments ended June 28, 2010. Several comments were received in response to the notice, and are discussed later in this document.

The review was undertaken to determine whether the Standards should be continued without being changed, amended, or rescinded to minimize the impacts on small entities. In conducting this review, AMS considered the following factors: (1) The continued need for the Standards; (2)

the nature of complaints or comments received from the public concerning the Standards; (3) the complexity of the Standards; (4) the extent to which the Standards overlap, duplicate, or conflict with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (5) the length of time since the Standards have been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the Standards.

The Standards establish minimum incoming and outgoing quality requirements for domestic and imported peanuts marketed in the U.S. Mandatory inspection is required to ensure the quality regulations are met. The Standards also require positive lot identification (PLI) of peanuts so they can be identified and tracked during processing and disposition. Finally, the Standards require reporting and recordkeeping by handlers and importers.

The quality and inspection requirements have helped ensure that domestic and imported peanuts meet an acceptable quality level before being shipped for human consumption. Ensuring a good quality product contributes to consumer confidence. The PLI requirements help to maintain the identity of peanuts throughout the handling process, thus maintaining the integrity of lots being shipped to human consumption outlets, lots that are subjected to the reconditioning process, and lots that are disposed of to non-human consumption outlets. This helps to ensure that nuts certified for human consumption are not commingled with lower quality nuts. In addition, the PLI requirements are a useful tool in product traceability. The reporting and recordkeeping requirements substantiate handler and importer compliance with the Standards.

Regarding complaints or comments received from the public concerning the order, AMS received five comments in response to the notice of review published in the **Federal Register** on April 28, 2010 (75 FR 22213). In addition, nine letters were received from congressional representatives after the comment period was closed. All of the comments expressed support for outgoing quality requirements shipped to human consumption outlets. Three comments received from peanut shellers and sheller associations stated that while they support the quality requirements, they do not support the PLI and recordkeeping requirements associated with reconditioned peanuts. They expressed the belief that these requirements result in inefficiencies and

unnecessary costs to shellers, and that the goal of ensuring peanuts meet minimum quality requirements can be achieved without these requirements. They further contend that foreign peanut shellers are not subject to the same requirements. At least one of the comments pointed out that the Board, which is responsible for advising USDA in regard to the Standards, has not met in at least two years.

Two comments from grower associations support the program as it currently exists. They support not only the quality standards in place, but also the PLI procedures and recordkeeping requirements. These comments stated that it is important to track lots of peanuts that fail to meet the quality standards to ensure those nuts are disposed of properly to protect consumers from poor quality product and to prevent potential related problems or issues for the peanut industry. The comments cite recent adverse events in the peanut industry as an example of the importance of an effective quality control program.

The nine congressional letters essentially reiterate the comments submitted by the peanut shellers and sheller associations. They support food quality and safety, but do not support the PLI requirements for the same reasons cited above.

However, as previously discussed, the PLI requirements help to maintain the identity of peanuts throughout the handling process and are a useful tool in product traceability, and the reporting and recordkeeping requirements substantiate compliance with the Standards.

In considering the complexity of the Standards, AMS has determined that they are not unduly complex.

During the review, the Standards were checked for duplication and overlap with other regulations. AMS did not identify any relevant Federal rules, or State and local regulations that duplicate, overlap, or conflict with the Standards.

The Standards were established in 2002 and have been revised two times, with the last revision occurring in 2005. Since the Standards have been in effect, AMS and the U.S. peanut industry have monitored their implementation and operation. Changes in regulations have been implemented to reflect current industry operating practices, and to solve problems as they occur. The goal of periodic evaluations is to ensure that the Standards continue to fit the needs of the industry and are consistent with the Act.

The Board meets periodically to discuss issues and to determine if, or

what, changes may be necessary to reflect current industry practices. As a result, regulatory changes have been made to the Standards to reflect current industry operations and procedures, and continue to meet the industry's needs.

Based upon our review, AMS has determined that the Minimum Quality and Handling Standards for Domestic and Imported Peanuts Marketed in the United States should be continued. However, USDA believes that a meeting with the Board would be beneficial to discuss any potential improvements to the program. As required by the Act, The Secretary of Agriculture must consult with the Board prior to making any changes to the Standards. Any changes to the Standards would then be made by notice and comment rulemaking by USDA. All comments would be considered in the decision making process by the Board and USDA before recommendations are implemented.

AMS will continue to work with the peanut industry to maintain useful and effective quality and handling standards, and in accordance with the Act will consult with the Board, as appropriate.

Dated: February 3, 2011.

**Rayne Pegg,**

*Administrator, Agricultural Marketing Service.*

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## SMALL BUSINESS ADMINISTRATION

### 13 CFR Parts 120 and 121

[Docket No. SBA-2010-0015]

#### Dealer Floor Plan Pilot Program

**AGENCY:** U.S. Small Business Administration (SBA).

**ACTION:** Program implementation with request for comments.

**SUMMARY:** SBA is introducing a new Dealer Floor Plan Pilot Program to make available 7(a) loan guaranties for lines of credit that provide floor plan financing. This new Dealer Floor Plan Pilot Program was created in the Small Business Jobs Act of 2010. Under the new Dealer Floor Plan Pilot Program, which will be available through September 30, 2013, SBA will guarantee 75 percent of a floor plan line of credit between \$500,000 and \$5,000,000 to eligible dealers of new and used titleable inventory, including but not limited to automobiles, motorcycles, boats (including boat trailers),

recreational vehicles and manufactured housing (mobile homes).

**DATES:** *Effective Date:* The Dealer Floor Plan Pilot Program will be effective on February 9, 2011, and will remain in effect through September 30, 2013.

*Comment Date:* Comments must be received on or before March 11, 2011.

**ADDRESSES:** You may submit comments, identified by SBA docket number SBA-2010-0015 by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *Mail:* Dealer Floor Plan Pilot Program Comments—Office of Financial Assistance, U.S. Small Business Administration, 409 Third Street, SW., Suite 8300, Washington, DC 20416.

- *Hand Delivery/Courier:* Patrick Kelley, Senior Advisor to the Associate Administrator, Office of Capital Access, U.S. Small Business Administration, 409 Third Street, SW., Washington, DC 20416.

SBA will post all comments on <http://www.regulations.gov>. If you wish to submit confidential business information (CBI) as defined in the User Notice at <http://www.regulations.gov>, please submit the information to Patrick Kelley, Senior Advisor to the Associate Administrator, Office of Capital Access, U.S. Small Business Administration, 409 Third Street, SW., Washington, DC 20416, or send an e-mail to [dealerfloorplancomments@sba.gov](mailto:dealerfloorplancomments@sba.gov). Highlight the information that you consider to be CBI and explain why you believe SBA should hold this information as confidential. SBA will review the information and make the final determination whether it will publish the information.

**FOR FURTHER INFORMATION CONTACT:** Patrick Kelley, Senior Advisor to the Associate Administrator, Office of Capital Access, U.S. Small Business Administration, 409 Third Street, SW., Washington, DC 20416; (202) 205-0067; [patrick.kelley@sba.gov](mailto:patrick.kelley@sba.gov).

**SUPPLEMENTARY INFORMATION:** On September 27, 2010, President Obama signed the Small Business Jobs Act of 2010 ("Small Business Jobs Act") (Pub. L. 111-240). Section 1133(a) of the Small Business Jobs Act authorized a new, expanded Dealer Floor Plan (DFP) Pilot Program, which will remain available until September 30, 2013.

#### 1. Comments

Although the new DFP Pilot will be effective February 9, 2011, comments are solicited from interested members of the public on all aspects of the new DFP Pilot. These comments must be

submitted on or before the deadline for comments listed in the DATES section. The SBA will consider these comments and the need for making any revisions as a result of these comments.

## 2. Dealer Floor Plan Pilot Program

### Overview

Under the DFP Pilot, SBA is implementing a 7(a) loan guaranty product targeted to retail dealers of new and used titleable inventory, including but not limited to automobiles, motorcycles, boats (including boat trailers), recreational vehicles and manufactured housing (mobile homes). Key features of the new DFP Pilot are set forth below. More detailed guidance on the new DFP Pilot will be provided in a procedural guide ("DFP Procedural Guide") that will be available on SBA's Web site.

### Eligibility

In addition to standard 7(a) eligibility requirements set forth in 13 CFR part 120 and SBA's Standard Operating Procedure (SOP) 50 10 5(C), Subpart B, Chapter 2, the eligibility of applicants for a floor plan line of credit guaranteed under the DFP Pilot will be limited to retail dealers of titleable inventory (both new and used) that is required to be licensed and/or registered in at least one State after acquisition. The inventory does not need to be licensed and/or registered in the State where it is sold, but it does need to be a type of inventory that could be licensed and/or registered in at least one State of the United States, as "State" is defined in the Small Business Act.

SBA sets size standards that establish which businesses are considered small for certain government programs. Size standards have been established for types of economic activity or industry and, depending on the type of industry, are based on number of employees or revenues. In addition, SBA has established an alternative size standard based on the applicant's tangible net worth and net income. The Small Business Jobs Act established a temporary alternative size standard of a maximum tangible net worth of the applicant of not more than \$15,000,000 and an average net income after Federal income taxes (excluding any carry-over losses) of the applicant for the 2 full fiscal years before the date of the application that is not more than \$5,000,000. SBA's size regulations, including those pertaining to affiliation, are set out in 13 CFR part 121 and apply to the DFP Pilot. The applicant can qualify for a DFP line of credit using either the industry-based size standards