This rule revises the quantity of Class 1 (Scotch) and Class 3 (Native) spearmint oil that handlers may purchase from, or handle on behalf of, producers during the 2011–2012 marketing year. This rule increases the Scotch spearmint oil salable quantity from 693,141 pounds to 733,913 pounds, and the allotment percentage from 34 percent to 36 percent. In addition, this rule increases the Native spearmint oil salable quantity from 1,012,949 pounds to 1,266,161 pounds, and the allotment percentage from 44 percent to 55 percent. The marketing order regulates the handling of spearmint oil produced in the Far West and is administered locally by the Spearmint Oil Administrative Committee (Committee). The Committee recommended this rule for the purpose of avoiding extreme fluctuations in supplies and prices and to help maintain stability in the Far West spearmint oil market.

DATES: Effective June 1, 2011, through May 31, 2012; comments received by December 5, 2011 will be considered prior to issuance of a final rule.

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. Under the provisions of the marketing order now in effect, salable quantities and allotment percentages may be established for classes of spearmint oil produced in the Far West. This rule increases the quantity of Scotch and Native spearmint oil produced in the Far West that handlers may purchase from, or handle on behalf of, producers during the 2011–2012 marketing year, which began on June 1, 2011, and ends on May 31, 2012.

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. A 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.

The original salable quantity and allotment percentages for Scotch and Native spearmint oil for the 2011–2012 marketing year were recommended by the Committee at its October 13, 2010, meeting. The Committee recommended salable quantities of 694,774 pounds and 1,012,983 pounds, and allotment percentages of 34 percent and 44 percent, respectively, for Scotch and Native spearmint oil. A proposed rule was published in the Federal Register on March 4, 2011 (76 FR 11971). Comments on the proposed rule were solicited from interested persons until April 4, 2011. No comments were received. Subsequently, a final rule establishing the salable quantities and allotment percentages for Scotch and Native spearmint oil for the 2011–2012 marketing year was published in the Federal Register on May 13, 2011 (76 FR 27952).

This rule revises the quantity of Scotch and Native spearmint oil that handlers may purchase from, or handle.
on behalf of, producers during the 2011–2012 marketing year, which ends on May 31, 2012. Pursuant to authority contained in §§ 985.50, 985.51, and 985.52 of the order, the full eight member Committee met on August 17, 2011, to consider pertinent market information on the current supply, demand, and price of spearmint oil. The Committee, in two separate motions, recommended that the 2011–2012 marketing year Scotch and Native spearmint oil allotment percentages be increased by 2 percent and 11 percent, respectively. The motion to increase the allotment percentage for Scotch was unanimous and the motion to increase the allotment percentage for Native passed with seven members in favor and one member opposed. The member opposed to the motion agreed that an increase was necessary for the industry to respond to increasing demand, but based his vote on the opinion that an 11 percent increase was too high this early in the marketing year. Thus, taking into consideration the following discussion, this rule increases the 2011–2012 marketing year salable quantities and allotment percentages for Scotch and Native spearmint oil to 733,913 pounds and 36 percent, and 1,266,161 pounds and 55 percent, respectively.

The salable quantity is the total quantity of each class of oil that handlers may purchase from, or handle for, producers during the marketing year. The total salable quantity is divided by the total industry allotment base to allotment percentage. Each producer is allotted a share of the salable quantity by applying the allotment percentage to the producer’s individual allotment base for the applicable class of spearmint oil.

The total industry allotment base for Scotch spearmint oil for the 2011–2012 marketing year was estimated by the Committee at the October 13, 2010, meeting at 2,043,453 pounds. This was later revised at the beginning of the 2011–2012 marketing year to 2,038,595 pounds to reflect the loss of 4,858 pounds. After accounting for the reserve pool to contain 454,715 pounds of spearmint oil and the Native reserve pool to contain 606,942 pounds of spearmint oil.

When the allotment percentage increases established by this rule are applied to each individual producer, each such producer may deliver up to an amount equal to such allotment from their 2011–2012 marketing year’s production, from spearmint oil transferred from another producer’s 2011–2012 marketing year production, or from the respective class of oil held in reserve. However, pursuant to §§ 985.56 and 985.156, producers with excess oil are only able to transfer such excess oil to other producers to fill deficiencies in annual allotments prior to October 31 of each marketing year. The Committee expects that all individuals entitled to a pro rata increase in the salable quantity allotment for each class of spearmint oil will be able to exercise the full marketing rights associated with such an increase.

Therefore, the 2 percent increase in the Scotch spearmint oil allotment percentage established by this rule is expected to result in a 2011–2012 marketing year salable quantity of 733,913 pounds. Likewise, the 11 percent increase in the Native spearmint oil allotment percentage established by this rule is expected to result in a 2011–2012 marketing year salable quantity of 1,266,161 pounds. This reflects an additional 40,772 pounds of Scotch spearmint oil and 253,212 pounds of Native spearmint oil being made available to the market by this rule.

The following summarizes the Committee recommendations:

**Scotch Spearmint Oil Recommendation**

(A) Estimated 2011–2012 Scotch Allotment Base—2,043,453 pounds. This is the estimate on which the original 2011–2012 salable quantity and allotment percentage was based.

(B) Revised 2011–2012 Scotch Allotment Base—2,038,595 pounds. This is 4,858 pounds less than the estimated allotment base of 2,043,453 pounds. The difference is the result of some producers failing to produce all of their 2010–2011 allotment.

(C) Original 2011–2012 Scotch Allotment Percentage—34 percent. This was unanimously recommended by the Committee on October 13, 2010.

(D) Original 2011–2012 Scotch Salable Quantity—694,774 pounds. This figure is 34 percent of the estimated 2011–2012 allotment base of 2,043,453 pounds.

(E) Adjusted 2011–2012 Scotch Salable Quantity—693,141 pounds. This figure reflects the salable quantity actually available at the beginning of the 2011–2012 marketing year. This quantity is derived by applying the 34 percent allotment percentage to the revised allotment base of 2,038,595. This adjusted salable quantity also accounts for a 19 pound increase due to rounding.

(F) Current Revision to the 2011–2012 Scotch Salable Quantity and Allotment Percentage:

1. Increase in Scotch Allotment Percentage—2 percent. The Committee...
recommended a 2 percent increase at its August 17, 2011, meeting.

(2) 2011–2012 Scotch Allotment Percentage—36 percent. This figure is derived by adding the increase of 2 percent to the original 2011–2012 allotment percentage of 34 percent.

(3) Calculated Revised 2011–2012 Scotch Salable Quantity—733,913 pounds. This figure is 36 percent of the revised 2011–2012 allotment base of 2,038,595 pounds plus the 19 pound rounding adjustment.

(4) Computed Increase in the 2011–2012 Scotch Salable Quantity—40,772 pounds. This figure is 2 percent of the revised 2011–2012 allotment base of 2,038,595 pounds.

The 2011–2012 marketing year began on June 1, 2011, with an estimated carry-in of 227,241 pounds of salable Scotch spearmint oil. When the estimated carry-in is added to the revised 2011–2012 salable quantity of 693,141 pounds, the result is a total estimated available supply of Scotch spearmint oil for the 2011–2012 marketing year of 920,382 pounds. Of this amount, 733,877 pounds of Scotch spearmint oil have already been sold or committed, which leaves just 186,505 pounds available for sale for the remainder of the 2011–2012 marketing year.

In making this recommendation to increase the available supply of Scotch spearmint oil, the Committee considered all available information on price, supply, and demand. The Committee also considered reports and other information from handlers and producers in attendance at the meeting and reports given by the Committee manager from handlers and producers who were not in attendance. By increasing the 2011–2012 Scotch spearmint oil salable percentage by 2 percent, an estimated additional 40,772 pounds will be made available to the market. This amount combined with the 186,505 pounds currently available, will make a total of 227,277 pounds available to the market and bring the total available supply of Scotch spearmint oil for the marketing year to 961,154 pounds.

The Committee believes that the supply of Scotch spearmint oil available to the market, without an increase in the salable quantity, would be insufficient to satisfy the current demand for oil at reasonable price levels. Therefore, it is the opinion of the industry that this action is essential to ensuring an adequate supply of Scotch spearmint oil to the market.

Native Spearmint Oil Recommendation

(A) Estimated 2011–2012 Native Allotment Base—2,302,233 pounds. This is the estimate on which the original 2011–2012 Native spearmint oil salable quantity and allotment percentage was based.

(B) Revised 2011–2012 Native Allotment Base—2,301,926 pounds. This is 307 pounds less than the estimated allotment base of 2,302,233 pounds. The difference is the result of some producers failing to produce all of their 2010–2011 allotment.

(C) Original 2011–2012 Native Allotment Percentage—44 percent. This was unannouncedly recommended by the Committee at its October 13, 2010 meeting.

(D) Original 2011–2012 Native Salable Quantity—1,012,983 pounds. This figure is 44 percent of the estimated 2011–2012 allotment base of 2,302,233.

(E) Adjusted 2011–2012 Native Salable Quantity—1,012,949 pounds. This figure reflects the salable quantity actually available at the beginning of the 2011–2012 marketing year. This quantity is derived by applying the 44 percent allotment percentage to the revised allotment base of 2,301,926. The adjusted salable quantity also accounts for a 101 pound increase due to rounding.

(F) Current Revision to the 2011–2012 Native Salable Quantity and Allotment Percentage:

(1) Increase in Native Allotment Percentage—11 percent. The Committee recommended an 11 percent increase at its August 17, 2011, meeting.

(2) 2011–2012 Native Allotment Percentage—55 percent. This figure is derived by adding the increase of 11 percent to the original 2011–2012 allotment percentage of 44 percent.

(3) Calculated Revised 2011–2012 Native Salable Quantity—1,266,161 pounds. This figure is 55 percent of the revised 2011–2012 allotment base of 2,301,926 pounds, plus the 101 pound increase due to rounding.

(4) Computed Increase in the 2011–2012 Native Salable Quantity—253,212 pounds. This figure is 11 percent of the revised 2011–2012 allotment base of 2,301,926 pounds.

The 2011–2012 marketing year began on June 1, 2011, with an estimated carry-in of 164,809 pounds of salable Native spearmint oil. When the estimated carry-in is added to the revised 2011–2012 salable quantity of 1,012,949 pounds, the result is a total estimated available supply of Native spearmint oil for the 2011–2012 marketing year of 1,177,758 pounds. Of this amount, 1,076,114 pounds of oil have already been sold or committed for the 2011–2012 marketing year, which leaves just 101,644 pounds available for sale.

In making this recommendation, the Committee considered all available information on price, supply, and demand. The Committee also considered reports and other information from handlers and producers in attendance at the meeting and reports given by the Committee manager from handlers and producers who were not in attendance. By increasing the 2011–2012 Native spearmint oil salable percentage by 11 percent, an estimated additional 253,212 pounds will be made available to the market. This amount combined with the 101,644 pounds currently available, will make a total of 354,856 pounds available to the market and bring the total available supply of Native spearmint oil for the year to 1,430,970 pounds.

When the original 2011–2012 marketing policy statement was drafted, handlers estimated that the demand for Native spearmint oil for the 2011–2012 marketing year may be 1,130,000 pounds. However, when the Committee made its original recommendation for the establishment of the Native spearmint oil salable quantity and allotment percentage for the 2011–2012 marketing year, it had not anticipated the increase in demand for Native spearmint oil that the market is currently experiencing. Based on its analysis of available information, USDA has determined that the salable quantity and allotment percentage for Scotch spearmint oil for the 2011–2012 marketing year should be increased to 733,913 pounds and 36 percent, respectively. In addition, USDA has determined that the salable quantity and allotment percentage for Native spearmint oil for the 2011–2012 marketing year should be increased to 1,076,114 pounds and 36 percent, respectively.
marketing year should be increased to 1,266,161 pounds and 55 percent, respectively.

This rule relaxes the regulation of Scotch and Native spearmint oil and will allow producers to meet market demand while improving producer returns. In conjunction with the issuance of this rule, the Committee’s revised marketing policy statement for the 2011–2012 marketing year has been reviewed by USDA. The Committee’s marketing policy statement, a requirement whenever the Committee recommends implementing volume regulations or recommends revisions to existing volume regulations, meets the intent of § 985.50 of the order. During its discussion of revising the 2011–2012 salable quantities and allotment percentages, the Committee considered: (1) The estimated quantity of salable oil of each class held by producers and handlers; (2) the estimated demand for each class of oil; (3) prospective production of each class of oil; (4) total of allotment bases of each class of oil for the current marketing year and the estimated total of allotment bases of each class for the ensuing marketing year; (5) the quantity of reserve oil, by class, in storage; (6) producer prices of oil, including prices for each class of oil; and (7) general market conditions for each class of oil, including whether the estimated season average price to producers is likely to exceed parity. Conformity with USDA’s “Guidelines for Fruit, Vegetable, and Specialty Crop Marketing Orders” has also been reviewed and confirmed.

The increases in the Scotch and Native spearmint oil salable quantity and allotment percentage allows for anticipated market needs for both classes of oil. In determining anticipated market needs, consideration by the Committee was given to historical sales, and changes and trends in production and demand.

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 action 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, as amended, and the regulations thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf.

There are 8 spearmint oil handlers subject to regulation under the order, and approximately 32 producers of Scotch spearmint oil and approximately 88 producers of Native spearmint oil in the regulated production area. Small agricultural service firms are defined by the Small Business Administration (SBA) (13 CFR 121.201) as those having annual receipts of less than $7,000,000, and small agricultural producers are defined as those having annual receipts of less than $750,000.

Based on the SBA’s definition of small entities, the Committee estimates that two of the eight handlers regulated by the order could be considered small entities. Most of the handlers are large corporations involved in the international trading of essential oils and the products of essential oils. In addition, the Committee estimates that 8 of the 32 Scotch spearmint oil producers and 22 of the 86 Native spearmint oil producers could be classified as small entities under the SBA definition. Thus, a majority of handlers and producers of Scotch spearmint oil may not be classified as small entities.

The use of volume control regulation allows the industry to fully supply spearmint oil markets while avoiding the negative consequences of over-supplying these markets. Volume control is believed to have little or no effect on consumer prices of products containing spearmint oil and likely does not result in fewer retail sales of such products. Without volume control, producers would not be limited in the production and marketing of spearmint oil. Under those conditions, the spearmint oil market would likely fluctuate widely. Periods of oversupply could result in low producer prices and a large volume of oil stored and carried over to future crop years. Periods of undersupply could lead to excessive price spikes and could drive end users to source flavoring needs from other markets, potentially causing long-term economic damage to the domestic spearmint oil industry. The marketing order’s volume control provisions have been successfully implemented in the domestic spearmint oil industry for nearly three decades and provide benefits for producers, handlers, manufacturers, and consumers.

This rule increases the quantity of Scotch and Native spearmint oil that handlers may purchase from, or handle on behalf of, producers during the 2011–2012 marketing year, which ends on May 31, 2012. Additionally, this rule increases the Native spearmint oil salable quantity from 693,141 pounds to 733,913 pounds and the allotment percentage from 34 percent to 36 percent. Additionally, this rule increases the Native spearmint oil salable quantity from 1,012,949 pounds to 1,266,161 pounds and the allotment percentage from 44 percent to 55 percent.

Based on projections available at the meeting, the Committee considered a number of alternatives to this increase. The Committee not only considered leaving the salable quantity and allotment percentage unchanged, but also considered other potential levels of increase. The Committee reached its recommendation to increase the salable quantity and allotment percentage for both Scotch and Native spearmint oil after careful consideration of all available information, and believes that the levels recommended will achieve the objectives sought. Without the increase, the Committee believes the industry would not be able to satisfactorily meet market demand.

In accordance with the Paperwork Reduction Act of 1995, (44 U.S.C. chapter 35), the order’s information collection requirements have been previously approved by the Office of Management and Budget (OMB) and assigned OMB No. 0581–0178, Vegetable and Specialty Crop Marketing Orders. No changes in those requirements as a result of this action are necessary. Should any changes become necessary, they would be submitted to OMB for approval.

This rule will not impose any additional reporting or recordkeeping requirements on either small or large spearmint oil 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.

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

Further, the Committee’s meeting was widely publicized throughout the spearmint oil industry and all interested persons were invited to attend the meeting and participate in Committee deliberations. Like all Committee meetings, the August 17, 2011, meeting was a public meeting and all entities, both large and small, were invited to express their views on this issue.

Finally, interested persons are invited to
submit information on the regulatory and informational impacts of this action on small businesses.

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/MarketingOrdersSmallBusinessGuide. Any questions about the compliance guide should be sent to Laurel May at the previously mentioned address in the FOR FURTHER INFORMATION CONTACT section.

This rule invites comments on a change to the salable quantity and allotment percentage for both Scotch and Native spearmint oil for the 2011–2012 marketing year. Any comments received will be considered prior to finalization of this rule.

After consideration of all relevant material presented, including the Committee’s recommendation, and other information, it is found that this interim 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) This rule increases the quantity of Scotch and Native spearmint oil that may be marketed during the marketing year, which ends on May 31, 2012; (2) the current quantity of Scotch and Native spearmint oil may be inadequate to meet demand for the 2011–2012 marketing year, thus making the additional oil available as soon as is practicable will be beneficial to both handlers and producers; (3) the Committee recommended these changes at a public meeting and interested parties had an opportunity to provide input; and (4) this rule provides a 60-day comment period and any comments received will be considered prior to finalization of this rule.

List of Subjects in 7 CFR Part 985
Marketing agreements, Oils and fats, Reporting and recordkeeping requirements, Spearmint oil.

For the reasons set forth in the preamble, 7 CFR part 985 is amended as follows:

PART 985—MARKETING ORDER REGULATING THE HANDLING OF SPEARMINT OIL PRODUCED IN THE FAR WEST

1. The authority citation for 7 CFR part 985 continues to read as follows:

2. In § 985.230, paragraphs (a) and (b) are revised to read as follows:

Note: This section will not appear in the annual Code of Federal Regulations.

(a) Class 1 (Scotch) oil—a salable quantity of 733,913 pounds and an allotment percentage of 36 percent.

(b) Class 3 (Native) oil—a salable quantity of 1,266,161 pounds and an allotment percentage of 55 percent.

Dated: September 30, 2011.

Ellen King,
Associate Administrator, Agricultural Marketing Service.

ACTION: Final rule.


Practice and Procedure: Rules of General Application, Safeguards, Antidumping and Countervailing Duty, and Adjudication and Enforcement

BACKGROUND
Since Section 335 of the Tariff Act of 1930 (19 U.S.C. 1335) authorizes the Commission to adopt such reasonable procedures, rules, and regulations as it deems necessary to carry out its functions and duties. This rulemaking seeks to improve provisions of the Commission’s existing Rules of Practice and Procedure. The Commission is amending its rules covering proceedings such as investigations and reviews conducted under Title VII and section 337 of the Tariff Act of 1930 (19 U.S.C. 1337, 1671 et seq.), sections 202, 406, 421, 422 of the Trade Act of 1974 (19 U.S.C. 2252, 2436, 2451, 2451a), and sections 302 and 312 of the North American Free Trade Agreement Implementation Act (19 U.S.C. 3352, 3372).

Consistent with its ordinary practice, the Commission is issuing these amendments in accordance with provisions of section 553 of the APA (5 U.S.C. 553), although not all provisions apply to this rulemaking. The APA procedure entails the following steps: (1) Publication of a notice of proposed rulemaking; (2) solicitation of public comments on the proposed amendments; (3) Commission review of public comments on the proposed amendments; and (4) publication of final amendments at least thirty days prior to their effective date.

The Commission will now require that most filings with the agency be made by electronic means. The electronic version will constitute the