

**DEPARTMENT OF AGRICULTURE****Agricultural Marketing Service****7 CFR Part 1214**

[Doc. No. AMS–SC–24–0004]

**Christmas Tree Promotion, Research, and Information Order****AGENCY:** Agricultural Marketing Service, USDA.**ACTION:** Final rule.

**SUMMARY:** This final rule implements changes to the Christmas Tree Promotion, Research, and Information Order (Order). These changes include amending the Board's name from "Christmas Tree Promotion Board" to "Real Christmas Tree Board", increasing the administrative expenses cap from 10 to 15 percent, allowing importers to request refunds of assessments paid on trees that were shipped to the United States but not sold, and increasing the mandatory period to maintain books and records relating to the Order. This action also makes several non-substantive clarifications and changes to modernize the Board's procedures.

**DATES:** Effective April 8, 2026.**FOR FURTHER INFORMATION CONTACT:**

George Webster, Marketing Specialist, or Alexandra Caryl, Chief, Mid-Atlantic Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; telephone: (202) 720–8085; or email: [George.Webster@usda.gov](mailto:George.Webster@usda.gov) or [Alexandra.Caryl@usda.gov](mailto:Alexandra.Caryl@usda.gov).

**SUPPLEMENTARY INFORMATION:** This final rule affecting the Order (7 CFR part 1214) is authorized by the Commodity Promotion, Research, and Information Act of 1996 (Act) (7 U.S.C. 7411–7425).

**Executive Orders 12866**

This action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This rule amends an existing research and promotion program and is necessary for the continued operation of the Christmas Tree Promotion, Research, and Information Order. Additionally, this action is exempt from the requirements of Executive Order 14192, "Unleashing Prosperity Through Deregulation," pursuant to section 5(c).

**Executive Order 13175**

This action has been reviewed in accordance with the requirements of Executive Order 13175, "Consultation and Coordination with Indian Tribal Governments." AMS has assessed the impact of this final rule on Indian

Tribes and determined that this rule does not have Tribal implications that require consultation under Executive Order 13175. AMS hosts a quarterly teleconference with Tribal leaders where matters of mutual interest regarding the marketing of agricultural products are discussed. Information about the changes to the regulations will be shared during an upcoming quarterly call.

**Executive Order 12988**

This action has been reviewed under Executive Order 12988, "Civil Justice Reform." It is not intended to have retroactive effect. Section 524 of the Commodity Promotion, Research, and Information Act of 1996 (the Act) (7 U.S.C. 7423) provides that it shall not affect or preempt any other Federal or State law authorizing promotion or research relating to an agricultural commodity.

Under section 519 of the Act (7 U.S.C. 7418), a person subject to an order may file a written petition with USDA stating that an order, any provision of an order, or any obligation imposed in connection with an order, is not established in accordance with the law, and request a modification of an order or an exemption from an order. Any petition filed challenging an order, any provision of an order, or any obligation imposed in connection with an order, shall be filed within two years after the effective date of an order, provision, or obligation subject to challenge in the petition. The petitioner will have the opportunity for a hearing on the petition. Thereafter, USDA will issue a ruling on the petition. The Act provides that the district court of the United States for any district in which the petitioner resides or conducts business shall have the jurisdiction to review a final ruling on the petition if the petitioner files a complaint for that purpose not later than 20 days after the date of the entry of USDA's final ruling.

**Background**

Under the Christmas Tree Promotion, Research, and Information Order (7 CFR part 1214) (Order), the Christmas Tree Promotion Board (Board), with USDA oversight, administers a Nationally coordinated program of research, promotion, and information designed to maintain and expand markets for fresh cut Christmas trees. The program is financed by assessments on domestic producers and importers of 500 or more Christmas trees annually. The Board, which is composed of one importer and eleven domestic producers from three regions across the United States, unanimously recommended these

changes during a meeting on September 21, 2023. These changes include: changing the Board name; revising timelines associated with budget and financial requirements; clarifying assessment and exemption requirements; and modernizing language in the Order. The rule also makes clarifying changes and changes to administrative requirements.

**Change of Board Name**

Currently the Order refers to the Board as the "Christmas Tree Promotion Board". In 2022, the Board rebranded to the "Real Christmas Tree Board" to alleviate confusion amongst industry members and to distinguish the program from other national organizations who represent both real and artificial Christmas trees. This change aligns the language of the Order with the Board's name, as it has been used on their website and marketing materials since 2022 and permits the Board to use the new name for all business purposes. This change amends §§ 1214.2 and 1214.40 of the Order.

**Changes to Budget and Financial Requirements**

Section 1214.46(p) currently states that the Board must submit a budget for approval within 60 days after assessments are due to the Board, which falls on April 15th. This requirement is removed so Board staff can provide a more accurate budget when final revenue and expenses of the current fiscal period are known. To accommodate this change, a budget submission deadline is added in § 1214.50(a) which requires the Board to submit a budget for review no more than 90 days or less than 60 days prior to the fiscal period. This change requires the budget to be submitted between May 1st and June 1st, giving the Board additional time to calculate accurate budget numbers.

Section 1214.50(j) is revised to increase the maximum allowable administrative expenses of the Board from 10 percent of annual revenue (assessment and other income received) to 15 percent of annual revenue. Section 515(e)(5) of the Act (7 U.S.C. 7414(e)(5)) allows a spending limit of up to 15 percent of income for the fiscal period for administrative costs. In 2021, 2022, and 2023, the Board's administrative costs were 7.2 percent, 7.3 percent, and 9.3 percent of revenues, respectively. The Board's administrative costs have increased, largely due to inflation, while revenues have decreased because of weather events. The Board expects this trend to persist and seeks greater budgetary flexibility to allow them to

continue paying for administrative costs despite decreases in revenues. Notably, most of the other Orders established pursuant to the Act have a 15 percent administrative cost cap.

Section 1214.51 outlines the Board's financial statement requirements. This final rule revises the financial statement requirement in § 1214.51(a) by requiring financial reporting on a periodic basis as opposed to quarterly. This change aligns the Order to the Board's current procedure of producing financial statements monthly. Section 1214.51(c) states the Board must submit an annual financial statement within 90 days after the fiscal period. This deadline has proven to be difficult to meet as it falls on October 31st, which is in the middle of the Christmas tree harvesting season for the industry. In order to meet this deadline, Board members must meet during their busy season which can negatively affect their businesses. By extending this deadline to 180 days after the fiscal period, the Board members will be out of their busy season and able to meet more easily to review the annual financial statement.

#### **Changes To Clarify Assessments and Exemptions**

Section 1214.52(b) is revised to clarify who is responsible for paying assessments by referencing the definitions of "person" and "producer" in §§ 1214.14 and 1214.17, respectively. Section 1214.52(c), regarding Christmas tree importers, is revised to state that if assessments are not collected at the border by the United States Customs and Border Protection (Customs), they should be paid directly to the Board by February 15th of the crop year in which they are imported. The Board anticipates assessments from importers will be collected by Customs, but in the unlikely event that an assessment is not, importers are required to pay such assessments directly to the Board by February 15th of the crop year in which the trees are imported. Section 1214.52(c)(3) is updated to clarify that if assessments are collected by Customs, they shall be paid when the trees enter the United States.

Section 1214.53(a)(7) is revised to clarify that importers who import less than 500 trees annually shall receive a refund from the Board for assessments collected. The change removes reference to producers because assessments are not collected from producers who are under the de minimis amount specified in § 1214.53(a) but are collected from importers through Customs.

Section 1214.53(b) is revised to allow importers the ability to request a refund for assessments paid on trees imported

into the United States but not sold. This change ensures importers are able to request refunds for assessments paid on any trees that are not sold after importation. Some importers have faced an issue in which their retailer will pay only for the trees sold. This change allows these importers and other importers who may face this problem in the future opportunity for a refund on trees that are imported into the United States but not sold. This option is already available to producers as they can report and pay assessments only on the trees which they were paid for as opposed to importers who pay assessments on each tree imported, regardless of its ultimate disposition.

#### **Changes To Modernize Order Language**

Several changes modernize the Order so the Board can take advantage of different voting and meeting options, specifically electronic capabilities. Using electronic capabilities increases accessibility, enhances efficiency, and decreases administrative costs. Additionally, the changes modernize the language to be in line with current industry practices.

Section 1214.41(a) is revised to allow producers to vote for producer nominees by any means of communication available, so long as the votes cast are verifiable and meet procedural requirements.

Section 1214.44(b) is revised to lower the minimum days of advance notice for Board meetings from 14 to 7 to allow for more flexibility in scheduling meetings, particularly virtual ones. Section 1214.44(c) is revised to clarify that Board members abstaining from any Board vote would not be counted against the motion. This language is consistent with other orders established pursuant to the Act.

Section 1214.44(e) currently provides that in lieu of voting at a properly convened meeting, the Board may take action by other means in certain circumstances. In light of advancement of electronic capabilities, § 1214.44(e) is revised to allow meetings by electronic means or by any means of communication available. Section 1214.102(c) is also updated to allow the Board to vote to take action by any means of communication available. The language in these sections is consistent with other orders established pursuant to the Act.

The changes update the Harmonized Tariff Schedule numbers of Christmas trees that are assessed in §§ 1214.52(c) and 1214.101(e).

#### **Clarifying and Administrative Revisions**

Section 1214.9, which defines Importer, is revised to remove the word "domestically" to clarify that the trees are produced outside of the United States. Section 1214.17, which defines Producer, is revised to change the word "of" in "loss of the production" to the word "in", and to add a semicolon after the clause "and who owns, or shares the ownership and risk of loss in the production of Christmas trees" for clarity and readability. Section 1214.101(d)(1), which defines "eligible domestic producer" in the context of referendum procedures, is also revised to change the word "of" in "loss of the production" to the word "in" for consistency.

Section 1214.41(e) is revised to explain that nominees who are both a producer and an importer, may only seek nomination to the Board and vote in the nomination process as either a producer or an importer, but not both.

Section 1214.53(a)(8) is revised to further explain that the Board has the power to develop safeguard procedures to prevent improper use of exemptions from mandatory assessments. As prescribed by the regulations, any such procedures shall be implemented through rulemaking by the Secretary.

Section 1214.71, which details books and records requirements for producers and importers, is modified to require that they retain all relevant records for at least five years to allow the Board to audit additional years' records and collect any potential past due assessments.

Section 1214.82(a) is revised to clarify that a majority of persons voting in the referendum must be in favor of the program's continuance. This is consistent with the Act and other orders, as well as existing procedure under § 1214.81(a)(2)(i) and (b)(2).

Section 1214.85, which details personal liability, is revised to clarify that committee members and agents of the program shall not be held personally responsible, except for acts of dishonesty or willful misconduct. The language in these sections is consistent with other orders established pursuant to the Act.

The term "fiscal period" is defined in § 1214.8 of the Order, however, in §§ 1214.50(j) and 1214.53(a)(7), the term "fiscal year" is used. These two sections are updated to ensure consistent use of "fiscal period" throughout the Order.

Throughout the Order, there are multiple references to the minimum number of Christmas trees produced or imported annually to meet certain

requirements of the Board. Sections 1214.41(c) and (d), 1214.53(a), and 1214.101 are revised to ensure consistency in stating that the number of trees to exceed the de minimis amount is “500 or more Christmas trees”.

### Formatting Changes

The final rule makes several formatting changes. Section 1214.40(a) corrects the alphabetical list of U.S. states. Additionally, § 1214.101, which consists of definitions, is amended to remove the paragraph (a) through (j) designations and reorder the definitions alphabetically.

### Final Regulatory Flexibility Act Analysis

In accordance with the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), agencies are required to examine the impact of the action on small entities. Accordingly, AMS has considered the economic impact of this action on such entities.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to the actions so that small businesses will not be disproportionately burdened. The Small Business Administration (SBA) defines, in 13 CFR part 121, small firms which engage in “agricultural nursery and tree production” (domestic producers and importers) as those having annual receipts of no more than \$3.25 million (NAICS code 111421).

According to the 2022 Census of Agriculture published by the National Agricultural Statistics Service (NASS), it is estimated that there are 10,113 farms that sold cut Christmas trees in the United States. According to NASS, the value of cut Christmas trees sold in 2022 was \$552,900,000. Dividing that value by the number of farms yields an average annual producer revenue of \$54,672. Therefore, it is estimated that all farms that sold Christmas trees had revenue under \$3.25 million for the purposes of this RFA analysis<sup>1</sup> and would be considered small entities.

Likewise, based on Customs data, there were 150 importers of nursery and tree production (Harmonized Tariff Schedule codes; 0604.20.00.20, 0604.20.00.40, 0604.20.00.60) in 2023. Of these, 5 importers, or 3 percent, had annual receipts of more than \$3.25 million of nursery and tree production. Thus, most importers would be

considered small entities. The final rule does not disproportionately burden small domestic producers and importers of agricultural nursery and tree production (NAICS code 111421).

### Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the information collection and recordkeeping requirements that are imposed by the Order have been approved previously under OMB control number 0581–0268. AMS received no comments specific to the change allowing importers to request a refund of assessments paid on trees that were shipped to the United States but not sold. After reviewing the program’s current paperwork burden estimations, AMS finds that this final rule does not result in an increased burden to the information collection and recordkeeping requirements previously approved. Therefore, no changes to the current paperwork burden estimation will be submitted to OMB for this final rule.

As with all Federal research and promotion programs, reports and forms are periodically reviewed to reduce the burden of 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.

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.

Regarding alternatives, the Board considered not making the changes to the Order and leaving it as-is. If the Order was left unchanged, the administrative cap of 10 percent would continue to be an issue and could result in the Board being out of compliance. Further, without changing the annual financial statement and budget requirements, the Board would continue having problems meeting their submission deadlines which would require increased staff time to reconcile. Board members would also continue needing to meet during harvest season which could adversely affect their businesses if these deadlines are not adjusted. Additionally, confusion amongst industry members and the media regarding the Board’s official name would persist, and importers of Christmas trees would remain responsible for assessments paid on trees imported but not sold if the Order is not updated. After considering these

potential issues, the Board decided against leaving the Order unchanged.

Regarding outreach efforts, the Board discussed these changes throughout 2022 and 2023 and the full Board unanimously recommended the changes during their in-person meeting on September 21, 2023. The Board is made up of domestic producers and importers. Additionally, the Board widely circulated a summary of the Order changes amongst industry members via the Board’s e-newsletter, at state and regional Christmas tree meetings, and through direct communication with other Christmas tree associations.

A proposed rulemaking concerning this action was published in the **Federal Register** on June 13, 2025. A copy of the proposed rulemaking was also made available through the internet by AMS via <https://www.regulations.gov>. A 30-day comment period ending July 14, 2025, was provided for interested parties to respond to the proposal.

### Comment Analysis

During the proposed rule’s 30-day comment period, AMS received 25 comments which may be viewed on <https://regulations.gov>. In total, 22 comments were in support of the changes, one comment was opposed, two comments were unrelated to the proposed changes. The proposed rule is being finalized without change.

Of the 22 comments supporting the changes, 17 commenters expressed broad support for the proposed changes in general. Five other commenters supporting the changes stated that they would help the program run more efficiently, including one commenter who expressed support for the administrative expense cap increase stating that the change puts the program in-line with other similar research and promotion programs, and would allow for greater flexibility in a changing economic environment.

One comment in opposition of the changes stated that the changes should be voted on as they are not what the industry agreed to when starting the program. The same commenter also opposed increasing the administrative expenses cap stating they have not seen a benefit to the industry through the program, and that the other proposed changes were not specified, therefore allowing changes without the industry’s knowledge.

The Board unanimously recommended all proposed changes during a public meeting on September 21, 2023. Further, prior to AMS publishing the proposed rule, the Board widely circulated a summary of the

<sup>1</sup>NASS and Census are the only available data. Given the limited data, equal revenue is assumed in the calculation to be distributed across all producers. This is done to give an idea of how many domestic producers might be considered “small” businesses under the SBA definition.

proposed Order changes amongst industry members via the Board's e-newsletter, at State and regional Christmas tree meetings, and through direct communication with other Christmas tree associations requesting any questions regarding, or concerns with, the changes. The Board has seen administrative costs rise from 7.2 percent of revenue in 2021, to 7.3 percent in 2022, to 9.3 percent in 2023. These inflationary cost increases coincided with decreased revenues due to weather events but the Board expects this trend to persist. Therefore, the administrative expense cap increase was recommended to give the program the flexibility needed to continue operating in compliance with the Order. In addition, most of the other Orders established pursuant to the Act have a 15 percent administrative cost cap. Accordingly, no changes were made to the rule as proposed, based on the comments received.

After consideration of all relevant material presented, including the information and recommendations submitted by the Board, the comments received, and other available information, it is hereby found that this rule is consistent with and will effectuate the purposes of the Act.

**List of Subjects in 7 CFR Part 1214**

Administrative practice and procedure, Advertising, Christmas trees, Marketing agreements, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Agricultural Marketing Service amends 7 CFR part 1214 as follows:

**PART 1214—CHRISTMAS TREE PROMOTION, RESEARCH, AND INFORMATION ORDER**

- 1. The authority citation for 7 CFR part 1214 continues to read as follows:

Authority: 7 U.S.C. 7411–7425; 7 U.S.C. 7401.

**§ 1214.2 [Amended]**

- 2. Amend § 1214.2 by removing the words “Christmas Tree Promotion Board” and adding in their place the words “Real Christmas Tree Board”.

**§ 1214.9 [Amended]**

- 3. Amend § 1214.9 by removing the word “domestically”.
- 4. Revise § 1214.17 to read as follows:

**§ 1214.17 Producer.**

Producer means any person who is engaged in the production of Christmas trees in the United States, and who owns, or shares the ownership and risk

of loss in the production of Christmas trees; or a person who is engaged in the business of producing, or causing to be domestically produced, Christmas trees beyond personal use and having value at first point of sale.

- 5. Revise the undesignated center heading above § 1214.40 to read as follows:

**Real Christmas Tree Board**

- 6. Amend § 1214.40 by:
  - a. Removing the words “Christmas Tree Promotion Board” from paragraph (a) introductory text and adding in their place the words “Real Christmas Tree Board”; and
  - b. Revising paragraph (a)(1)(iii).  
The revision reads as follows:

**§ 1214.40 Establishment and membership.**

- (a) \* \* \*
- (1) \* \* \*
- (iii) Four producer members from Region #3—Eastern Region (states east of the Great Lakes): Alabama, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, Washington, DC, West Virginia, and all U.S. Territories located in the Atlantic Ocean and Caribbean Sea, including but not limited to Puerto Rico.

\* \* \* \* \*

- 7. Amend § 1214.41 by:
  - a. Revising paragraph (a);
  - b. In paragraph (c), removing the words “more than 500” and adding in their place the words “500 or more”; and
  - c. Revising and republishing paragraphs (d) and (e).The revisions and republication read as follows:

**§ 1214.41 Nominations and appointments.**

(a) Voting for producer members will be made by any means of communication available, electronic or otherwise, provided that votes cast are verifiable and that procedural requirements are met.

\* \* \* \* \*

(d) Nomination of producer members will be conducted by the Board. The Board staff will seek nominations for each vacant producer seat from each region from producers who have paid their assessments to the Board in the most recent fiscal period. Producers who produce Christmas trees in more than one region may seek nomination only in the region in which they produce the majority of their Christmas

trees. For selection to the initial Board, the Secretary will notify producers to request nominations to the Board. Subsequent nominations will be submitted to the Board office and placed on a ballot that will be sent to known producers of 500 or more Christmas trees in each region for a vote. Producers who produce Christmas trees in more than one region may only vote in the region in which they produce the majority of their Christmas trees. The nominee receiving the highest number of votes and the nominee receiving the second highest number of votes shall be submitted to the Department as the producers' first and second choice nominees. The Board shall submit nominations to the Secretary not less than 90 days prior to the expiration of the term of office.

(e) Nominations for the importer member(s) will be conducted by the Board. The Board will solicit importer nominations from those importers who have paid their assessments to the Board in the most recent fiscal period. Nominees that are both a producer and an importer may seek nomination to the Board and vote in the nomination process as either a producer or an importer, but not both. For selection to the initial Board, the Secretary will notify importers to request nominations to the Board. Subsequent nominations will be submitted to the Board office and placed on a ballot that will be sent to importers for a vote. The Board shall submit those nominations to the Secretary not less than 90 days prior to the expiration of the term of office. Two nominees for each importer position will be submitted to the Secretary for consideration.

\* \* \* \* \*

- 8. Amend § 1214.44 by:
  - a. In paragraph (b), removing the number “14” and adding in its place the number “7”;
  - b. In paragraph (c), adding the words “and voting” after the word “present”; and
  - c. Revising paragraph (e).  
The revision reads as follows:

**§ 1214.44 Procedure.**

\* \* \* \* \*

(e) The Board may conduct meetings by any means of communication available, electronic or otherwise, that effectively assembles members and the public and facilitates open communication.

\* \* \* \* \*

- 9. Amend § 1214.46 by revising paragraph (p) to read as follows:

**§ 1214.46 Powers and duties.**

\* \* \* \* \*

(p) To prepare and submit for approval of the Secretary rates of assessment and a fiscal period budget of the anticipated expenses to be incurred in the administration of the Order, in accordance with § 1214.50;

\* \* \* \* \*

■ 10. Amend § 1214.50 by revising the first sentence of paragraph (a) introductory text and paragraph (j) to read as follows:

**§ 1214.50 Budget and expenses.**

(a) No more than 90 days or less than 60 days prior to the fiscal period, and as may be necessary thereafter, the Board shall prepare and submit to the Secretary a budget for the fiscal period covering its anticipated expenses and disbursements in administering this part. \* \* \*

\* \* \* \* \*

(j) For fiscal periods beginning 3 or more years after the date of the establishment of the Board, the Board may not expend for administration, maintenance, and functioning of the Board in a fiscal period an amount that exceeds 15 percent of the assessment and other income received by the Board. Reimbursements to the Secretary required under paragraph (i) of this section are excluded from this limitation on spending.

\* \* \* \* \*

■ 11. Amend § 1214.51 by:  
 ■ a. Revising the first sentence of paragraph (a); and  
 ■ b. In paragraph (c), removing the number “90” and adding in its place the number “180”.

The revision reads as follows:

**§ 1214.51 Financial statements.**

(a) The Board shall prepare and submit financial statements to the Secretary on a periodic basis, or at any other time requested by the Secretary.

\* \* \* \* \*

■ 12. Amend § 1214.52 by revising paragraph (b), the second sentence of paragraph (c) introductory text, and paragraphs (c)(2) and (3) to read as follows:

**§ 1214.52 Assessments.**

\* \* \* \* \*

(b) The payment of assessments on domestic Christmas trees that are cut and sold will be the responsibility of the producer, as defined in §§ 1214.14 and 1214.17.

(c) \* \* \* If Customs does not collect an assessment from an importer, the importer will be responsible for paying the assessment directly to the Board in

accordance with paragraph (e) of this section.

\* \* \* \* \*

(2) The import assessment shall be uniformly applied to imported Christmas trees that are identified by the numbers 0604.20.00.20, 0604.20.00.40, and 0604.20.00.60 in the Harmonized Tariff Schedule of the United States or any other numbers used to identify Christmas trees in that schedule.

(3) If collected by Customs, the assessments due on imported Christmas trees shall be paid when the Christmas trees enter into the United States.

\* \* \* \* \*

■ 13. Amend § 1214.53 by revising paragraphs (a)(6) and (7), the first sentence of paragraph (a)(8), and paragraph (b) to read as follows:

**§ 1214.53 Exemption from and refunds of assessments.**

(a) \* \* \*

(6) Producers and importers who received an exemption certificate from the Board but domestically produced or imported 500 or more Christmas trees during the fiscal period shall pay the Board the applicable assessments owed and submit any necessary reports to the Board pursuant to § 1214.70.

(7) Importers who did not apply to the Board for an exemption and imported less than 500 Christmas trees during the fiscal period shall receive a refund from the Board for the applicable assessments within 30 calendar days after the end of the fiscal period. Board staff shall determine the assessments paid and refund the amount due to the importers accordingly.

(8) The Board may develop additional safeguard procedures as it deems necessary for accurately accounting for this exemption and to prevent improper use of this exemption. \* \* \*

(b) *Assessment refunds to importers.* Importers who are exempt from assessment or certify and provide verification that Christmas trees were not sold shall be eligible for a refund of assessments collected by Customs during the applicable fiscal period. No interest will be paid on assessments collected by Customs. The Board shall refund such importers their assessments as collected by Customs no later than 60 calendar days after receipt by the Board.

\* \* \* \* \*

**§ 1214.71 [Amended]**

■ 14. Amend § 1214.71 by removing the word “two” and adding in its place the word “five”.

**§ 1214.82 [Amended]**

■ 15. Amend § 1214.82 in paragraph (a) by adding the words “a majority of” after the words “not favored by”.

■ 16. Revise § 1214.85 to read as follows:

**§ 1214.85 Personal liability.**

No member, committee member, agent, or employee of the Board shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any person for errors in judgment, mistakes, or other acts, either of commission or omission, as such member, committee member, agent, or employee, except for acts of dishonesty or willful misconduct.

■ 17. Amend § 1214.101 by:

■ a. Removing the first-level paragraph designations from paragraphs (a) through (j);

■ b. Placing the definition of “Christmas tree” in alphabetical order; and

■ c. Revising the introductory text and paragraph (1) of the definition of “Eligible domestic producer” and the first sentence of the definition of “Eligible importer”.

The revisions read as follows:

**§ 1214.101 Definitions.**

\* \* \* \* \*

*Eligible domestic producer* means any person who domestically produces 500 or more Christmas trees annually in the United States, and who:

(1) Owns, or shares the ownership and risk of loss in the production of Christmas trees;

\* \* \* \* \*

*Eligible importer* means any person importing 500 or more Christmas trees annually into the United States as a principal or as an agent, broker, or consignee of any person who produces or handles Christmas trees outside of the United States for sale in the United States, and who is listed as the importer of record for such Christmas trees that are identified in the Harmonized Tariff Schedule of the United States by the numbers 0604.20.00.20, 0604.20.00.40, and 0604.20.00.60 during the representative period. \* \* \*

\* \* \* \* \*

■ 18. Amend § 1214.102 by revising paragraph (c) to read as follows:

**§ 1214.102 Voting.**

\* \* \* \* \*

(c) All ballots are to be cast by any means of communication available,

electronic or otherwise, as instructed by the Department.

\* \* \* \* \*

**Erin Morris,**

*Administrator, Agricultural Marketing Service.*

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**BILLING CODE 3410-02-P**

## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 1222

[Doc. No. AMS-SC-25-0353]

#### Paper and Paper-Based Packaging Promotion, Research and Information Order Termination

**AGENCY:** Agricultural Marketing Service, Department of Agriculture (USDA).

**ACTION:** Final rule.

**SUMMARY:** This final rule terminates the Federal research and promotion program for paper and paper-based packaging and the rules and regulations issued thereunder. This action is necessary because termination of the program was favored by a majority of manufacturers and importers voting in the referendum who also represent a majority of the volume of paper and paper-based packaging represented in the referendum. This rulemaking also removes the Paper and Paper-Based Packaging Promotion, Research and Information Order from the Code of Federal Regulations.

**DATES:** This final rule is effective March 9, 2026, without further action or notice.

**FOR FURTHER INFORMATION CONTACT:** George Webster, Marketing Specialist, or Alexandra Caryl, Chief, Mid-Atlantic Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; telephone: (202) 720-8085; or email: [George.Webster@usda.gov](mailto:George.Webster@usda.gov) or [Alexandra.Caryl@usda.gov](mailto:Alexandra.Caryl@usda.gov).

**SUPPLEMENTARY INFORMATION:** This final rule affecting 7 CFR part 1222 is authorized under the Commodity Promotion, Research, and Information Act of 1996 (Act) (7 U.S.C. 7411-7425). The Paper and Paper-Based Packaging Promotion, Research and Information Order, hereinafter referred to as the "Order", is codified at 7 CFR part 1222.

Prior documents in this proceeding: Continuance Referendum and Moratorium on Assessment Collection, June 3, 2025 (90 FR 23421); Paper and Paper-Based Packaging Promotion, Research and Information Order, January 22, 2014 (79 FR 3696); and

Referendum Procedures, September 16, 2013 (78 FR 56817).

#### Executive Order 12866

This action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This rule terminates an existing research and promotion program, the Paper and Paper-Based Packaging Promotion, Research and Information Order, consistent with the latest referendum results. Additionally, this action is exempt from the requirements of Executive Order 14192, "Unleashing Prosperity Through Deregulation," pursuant to section 5(c).

#### Executive Order 13175

This action was reviewed in accordance with the requirements of Executive Order 13175, "Consultation and Coordination with Indian Tribal Governments." AMS has assessed the impact of this final rule on Indian tribes and determined that this rule would not have tribal implications that require consultation under Executive Order 13175. AMS hosts a quarterly teleconference with tribal leaders where matters of mutual interest regarding the marketing of agricultural products are discussed. Information about the changes to the regulations will be shared during an upcoming quarterly call. AMS will continue to work with the USDA Office of Tribal Relations to ensure meaningful consultation is provided as needed with regard to the termination of the Order.

#### Executive Order 12988

This rule was reviewed under Executive Order 12988, "Civil Justice Reform." It is not intended to have retroactive effect. Section 524 of the Commodity Promotion, Research, and Information Act of 1996 (the Act) (7 U.S.C. 7423) provides that it shall not affect or preempt any other Federal or State law authorizing promotion or research relating to an agricultural commodity.

#### Petition and Review of Orders

Under section 519 of the Act (7 U.S.C. 7418), a person subject to an order may file a written petition with USDA stating an order, any provision of an order, or any obligation imposed in connection with an order, is not established in accordance with the law, and request a modification of an order or an exemption from an order. Any petition filed challenging an order, any provision of an order, or any obligation imposed in connection with an order, shall be filed within two years after the effective date of an order, provision, or

obligation subject to challenge in the petition. The petitioner will have the opportunity for a hearing on the petition. Thereafter, USDA will issue a ruling on the petition. The Act provides that the district court of the United States for any district in which the petitioner resides or conducts business shall have the jurisdiction to review a final ruling on the petition, if the petitioner files a complaint for that purpose not later than 20 days after the date of the entry of USDA's final ruling.

#### Background

This final rule terminates the Order as prescribed in 7 CFR 1222.82 and section 522 of the Act. The Act authorizes national promotion, research, and information programs for agricultural commodities. In accordance with the Act, at the request of the paper and paper-based packaging industry, USDA developed and implemented the Order, which became effective on January 23, 2014.

The Order covered persons who manufactured or imported 100,000 short tons or more of paper and paper-based packaging in a year.

Section 518(c) of the Act (7 U.S.C. 7417(c)), and 7 CFR 1222.81(b) provide the Secretary of Agriculture (Secretary) shall conduct subsequent referenda not later than every seven years, at the request of 10 percent or more of eligible voters, or at the request of the Paper and Packaging Board (Board), as established by the Order. Section 518(d) of the Act (7 U.S.C. 7417(d)), and 7 CFR 1222.81(b)(5) also allow for a referendum whenever the Secretary deems it necessary. The Order shall continue if it is favored by a majority of manufacturers and importers voting in the referendum who also represent a majority of the volume represented in the referendum and who, during a representative period, have been engaged in the manufacturing or importation of paper and paper-based packaging, as long as the Secretary finds that the Order tends to effectuate the purposes of the Act.

On January 28, 2025, USDA received a petition requesting a referendum from more than the required 10 percent of eligible voters. As such, a referendum was held from July 14 through July 25, 2025. The representative period for establishing voter eligibility was January 1, 2024, through December 31, 2024. Persons who manufactured or imported 100,000 short tons or more of paper and paper-based packaging during the representative period and were subject to assessment during that time were eligible to vote. Notice of the referendum was published in the