H. R. 2962

To provide for the issuance of a promotion, research, and information order applicable to certain handlers of Hass avocados.

IN THE HOUSE OF REPRESENTATIVES

September 28, 1999

Mr. Calvert (for himself, Mr. Condit, Mr. Packard, Mr. Hunter, Mrs. Capps, Mr. Cunningham, Mrs. Bono, Mr. Waxman, Mr. Lewis of California, Mr. Radanovich, Mr. Gallegly, Mr. Kuykendall, Mr. Doollitle, Mr. Gary Miller of California, Mr. Filner, Mr. Bilbray, Mr. Matsui, Mrs. Napolitano, Ms. Sanchez, Mr. Dooley of California, Ms. Woolsey, Mr. Horn, Mr. Campbell, Mr. Dreier, Mr. Thomas, Mr. Thompson of California, Mr. Farr of California, Mr. Becerra, Mr. McKeon, Mr. Ose, Mr. Herger, Mr. Dixon, Mr. Lantos, Ms. Eshoo, Ms. Roybal-Allard, Mr. Rogan, Mr. Sherman, Mr. Berman, Ms. Lofgren, Ms. Pelosi, and Ms. Lee) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for the issuance of a promotion, research, and information order applicable to certain handlers of Hass avocados.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

- 2 (a) SHORT TITLE.—This Act may be cited as the
- 3 "Hass Avocado Promotion, Research, and Information
- 4 Act of 1999".
- 5 (b) Table of Contents of

6 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings and declaration of policy.
- Sec. 3. Definitions.
- Sec. 4. Issuance of orders.
- Sec. 5. Required terms in orders.
- Sec. 6. Referenda.
- Sec. 7. Petition and review.
- Sec. 8. Enforcement.
- Sec. 9. Investigations and power to subpoena.
- Sec. 10. Confidentiality.
- Sec. 11. Authority for Secretary to suspend or terminate order.
- Sec. 12. Construction.
- Sec. 13. Regulations.
- Sec. 14. Authorization of appropriations.

7 SEC. 2. FINDINGS AND DECLARATION OF POLICY.

- 8 (a) FINDINGS.—Congress finds the following:
- 9 (1) Hass avocados are an integral food source
- in the United States that are a valuable and healthy
- part of the human diet and are enjoyed by millions
- of persons every year for a multitude of everyday
- and special occasions.
- 14 (2) Hass avocados are a significant tree fruit
- 15 crop grown by many individual producers, but vir-
- tually all domestically produced Hass avocados for
- the commercial market are grown in the State of
- 18 California.

- 1 (3) Hass avocados move in interstate and for2 eign commerce, and Hass avocados that do not move
 3 in interstate or foreign channels of commerce but
 4 only in intrastate commerce directly affect interstate
 5 commerce in Hass avocados.
 - (4) In recent years, large quantities of Hass avocados have been imported into the United States from other countries.
 - (5) The maintenance and expansion of markets in existence on the date of enactment of this Act, and the development of new or improved markets or uses for Hass avocados are needed to preserve and strengthen the economic viability of the domestic Hass avocado industry for the benefit of producers and other persons associated with the producing, marketing, processing, and consuming of Hass avocados.
 - (6) An effective and coordinated program of promotion, research, and consumer information regarding Hass avocados is necessary for the maintenance, expansion, and development of markets for Hass avocados.
- 23 (b) Purpose.—It is the purpose of this Act to au-24 thorize the establishment, through the exercise of the pow-25 ers provided in this Act, of an orderly procedure for the

- 1 development and financing (through an adequate assess-
- 2 ment on Hass avocados sold by producers and importers
- 3 in the United States) of an effective and coordinated pro-
- 4 gram of promotion, research, and consumer information,
- 5 including funds for marketing and market research activi-
- 6 ties, that is designed to—
- 7 (1) strengthen the position of the Hass avocado
- 8 industry in the domestic marketplace; and
- 9 (2) maintain, develop, and expand markets and
- 10 uses for Hass avocados.
- 11 (c) LIMITATION.—Nothing in this Act may be con-
- 12 strued to provide for the control of production or otherwise
- 13 limit the right of any person to produce, handle, or import
- 14 Hass avocados.
- 15 SEC. 3. DEFINITIONS.
- 16 As used in this Act:
- 17 (1) Board.—The terms "Avocado Board" and
- 18 "Board" mean the Hass Avocado Board established
- under section 5.
- 20 (2) Consumer information.—The term "con-
- sumer information" means any action or program
- 22 that provides information to consumers and other
- persons on the use, nutritional attributes, and other
- information that will assist consumers and other
- persons in making evaluations and decisions regard-

1	ing the purchase, preparation, and use of Hass avo-
2	cados.
3	(3) Customs.—The term "Customs" means
4	the United States Customs Service.
5	(4) Department.—The term "Department"
6	means the United States Department of Agriculture.
7	(5) Hass avocado.—
8	(A) In general.—The term "Hass avo-
9	cado" includes—
10	(i) the fruit of any Hass variety avo-
11	cado tree; and
12	(ii) any other type of avocado fruit
13	that the Board determines is so similar to
14	the Hass variety avocado as to be indistin-
15	guishable to consumers.
16	(B) Form of fruit.—Except as provided
17	in subparagraph (C), the term includes avocado
18	fruit described in subparagraph (A) whether in
19	fresh, frozen, or any other processed form.
20	(C) Exceptions.—In any case in which a
21	handler further processes avocados described in
22	subparagraph (A), or products of such avoca-
23	dos, for sale to a retailer, the Board may deter-
24	mine that such further processed products do
25	not constitute a substantial value of the product

and that, based on its determination, the product shall not be treated as a product of Hass avocados subject to assessment under the order. In addition, the Board may exempt certain frozen avocado products from assessment under the order.

(6) Handler.—

(A) QUALIFIED HANDLER.—The term "qualified handler" means a person operating in the Hass avocados marketing system that sells domestic or imported Hass avocados for United States domestic consumption, and who is responsible for remitting assessments to the Board. The term includes an importer or producer who sells directly to consumers Hass avocados that the importer or producer has imported into the United States or produced, respectively.

(B) EXEMPT HANDLER.—The term "exempt handler" means a person who would otherwise be considered a qualified handler, except that all avocados purchased by the person have already been subject to the assessment for the Board.

1	(7) Importer.—The term "importer" means
2	any person who imports Hass avocados into the
3	United States.
4	(8) Industry information.—The term "in-
5	dustry information" means information and pro-
6	grams that are designed to increase efficiency in
7	processing, enhance the development of new markets
8	and marketing strategies, increase marketing effi-
9	ciency, and activities to enhance the image of Hass
10	avocados and the Hass avocado industry domesti-
11	cally and internationally.
12	(9) Order.—The term "order" means the
13	Hass avocado promotion, research, and information
14	order issued under this Act.
15	(10) Person.—The term "person" means any
16	individual, group of individuals, firm, partnership,
17	corporation, joint stock company, association, coop-
18	erative, or other legal entity.
19	(11) PRODUCER.—The term "producer" means
20	any person who—
21	(A) is engaged in the domestic production
22	of Hass avocados for commercial use; and
23	(B) owns, or shares the ownership and risk

of loss, of such Hass avocados.

- 1 (12) Promotion.—The term "promotion"
 2 means any action to advance the image, desirability,
 3 or marketability of Hass avocados, including paid
 4 advertising, sales promotion, and publicity, in order
 5 to improve the competitive position and stimulate
 6 sales of Hass avocados in the marketplace.
 - (13) Research.—The term "research" means any type of test, study, or analysis relating to market research, market development, and marketing efforts, or relating to the use, quality, or nutritional value of Hass avocados, other related food science research, or research designed to advance the image, desirability, and marketability of Hass avocados.
 - (14) Secretary.—The term "Secretary" means the Secretary of Agriculture.
 - (15) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, the Republic of the Marshall Islands, and the Federated States of Micronesia.
 - (16) United States.—The term "United States" means the United States collectively.

1 SEC. 4. ISSUANCE OF ORDERS.

2 ((a)	IN	General.—

- 3 (1) Issuance.—To effectuate the policy of this
 4 Act specified in section 2(b), the Secretary, subject
 5 to the procedures provided in subsection (b), shall
 6 issue orders under this Act applicable to producers,
 7 importers, and qualified handlers of Hass avocados.
- 8 (2) Scope.—Any order shall be national in scope.
 - (3) ONE ORDER.—Not more than one order shall be in effect at any one time.

(b) Procedures.—

- (1) Proposal for an order.—An existing organization of avocado producers established pursuant to a State statute, or any other person who will be affected by this Act, may request the issuance of, and submit a proposal for an order.
- (2) Publication of Proposal.—The Secretary shall publish a proposed order and give notice and opportunity for public comment on the proposed order not later than 60 days after receipt by the Secretary of a proposal for an order from an existing organization of avocado producers established pursuant to a State statute, as provided in paragraph (1).
- 26 (3) Issuance of order.—

(A) IN GENERAL.—After notice and oppor-
tunity for public comment are provided in ac-
cordance with paragraph (2), the Secretary
shall issue the order, taking into consideration
the comments received and including in the
order such provisions as are necessary to ensure
that the order is in conformity with this Act.
(B) Effective date.—The order shall be
issued and become effective only after an af-
firmative vote in a referendum as provided in
section 6, but not later than 180 days after
publication of the proposed order.
(c) Amendments.—The Secretary, from time to
time, may amend an order. The provisions of this Act ap-
plicable to an order shall be applicable to any amendment
to an order.
SEC. 5. REQUIRED TERMS IN ORDERS.
(a) In General.—An order shall contain the terms
and provisions specified in this section.
(b) Hass Avocado Board.—
(1) Establishment and membership.—
(A) Establishment.—The order shall
provide for the establishment of a Hass Avo-
cado Board, consisting of 11 members, to ad-

minister the order.

1	(B) Membership.—
2	(i) Appointment.—The order shall
3	provide that members of the Board shall
4	be appointed by the Secretary from nomi-
5	nations submitted as provided in this sub-
6	section.
7	(ii) Composition.—The Board shall
8	consist of participating domestic producers
9	and importers.
10	(2) Distribution of appointments.—
11	(A) In general.—The order shall provide
12	that the membership of the Board shall consist
13	of—
14	(i) 7 members who are domestic pro-
15	ducers of Hass avocados and are subject to
16	assessments under the order;
17	(ii) 2 members representing importers
18	that are qualified handlers of Hass avoca-
19	dos; and
20	(iii) 2 members who are domestic pro-
21	ducers of Hass avocados and are subject to
22	assessments under the order or are import-
23	ers that are qualified handlers, to reflect
24	the proportion of domestic production and
25	imports supplying the United States mar-

ket, which shall be based on the Secretary's determination of the average volume of domestic production proportionate to the average volume of imports in the United States market over the previous three years.

(B) Adjustment in board representation.—Three years after the assessment of funds commences pursuant to an order, and at the end of each three-year period thereafter, the Avocado Board shall adjust the proportion of producer representatives to importer representatives on the Board under subparagraph (A)(iii) on the basis of the amount of assessments collected from producers and importers over the immediately preceding three-year period. Any adjustment under this subparagraph shall be subject to the review and approval of the Secretary.

(C) DEFINITION.—In this paragraph, the term "importer that is a qualified handler" means an entity whose principal activity is the importation, sale, and marketing of Hass avocados in the United States (either directly or as an agent, broker, or consignee of any person or

1	nation that produces or handles Hass avocados
2	outside the United States for sale in the United
3	States), and who is subject to assessments as a
4	qualified handler under the order.
5	(3) Nomination process.—The order shall
6	provide that—
7	(A) 2 nominees shall be submitted for each
8	appointment to the Board;
9	(B) nominations for each appointment of a
10	producer or an importer shall be made by do-
11	mestic producers or importers, respectively—
12	(i) in the case of producers, through
13	an election process which utilizes existing
14	organizations of avocado producers estab-
15	lished pursuant to a State statute, with ap-
16	proval by the Secretary; and
17	(ii) in the case of importers, nomina-
18	tions are submitted by importers under
19	such procedures as the Secretary deter-
20	mines appropriate; and
21	(C) in any case in which producers that
22	are qualified handlers or importers that are
23	qualified handlers fail to nominate individuals
24	for an appointment to the Board, the Secretary
25	may appoint an individual to fill the vacancy on

- a basis provided in the order or other regulations of the Secretary.
- 3 (4) ALTERNATES.—The order shall provide for 4 the selection of alternate members of the Board by 5 the Secretary in accordance with procedures speci-6 fied in the order.

(5) TERMS.—The order shall provide that—

- (A) each term of appointment to the Board shall be for 3 years, except that, of the initial appointments, 4 of the appointments shall be for 2-year terms, 4 of the appointments shall be for 3-year terms, and 3 of the appointments shall be for 4-year terms; and
- (B) no member of the Board may serve more than 2 consecutive terms of three years, except that any member serving an initial term of 4 years may serve an additional term of 3 years.
- (6) Replacement.—The order shall provide that if a member or alternate of the Board who was appointed as a domestic producer or importer that is a qualified handler ceases to belong to the group for which such member was appointed, such member or alternate shall be disqualified from serving on the Board.

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1	(7) Compensation.—The order shall provide
2	that members of the Board shall serve without com-
3	pensation, but shall be reimbursed for the reasonable
4	expenses of the members incurred in performing du-
5	ties as members of the Board.
6	(c) General Responsibilities of the Avocado
7	BOARD.—The order shall define the general responsibil-
8	ities of the Avocado Board, which shall include the respon-
9	sibility to—
10	(1) administer the order in accordance with the
11	terms and provisions of the order;
12	(2) recommend to the Secretary rules and regu-
13	lations to effectuate the terms and provisions of the
14	order;
15	(3) employ such persons as the Board deter-
16	mines are necessary, and set the compensation and
17	define the duties of the persons;
18	(4)(A) develop budgets for the implementation
19	of the order and submit the budgets to the Secretary
20	for approval under subsection (d); and
21	(B) propose and develop (or receive and evalu-
22	ate), approve, and submit to the Secretary for ap-
23	proval under subsection (d) plans or projects for
24	Hass avocado promotion, industry information, con-
25	sumer information, or related research;

1	(5)(A) implement plans and projects for Hass
2	avocado promotion, industry information, consumer
3	information, or related research, as provided in sub-
4	section (d); or
5	(B) contract or enter into agreements with ap-
6	propriate persons to implement the plans and
7	projects, as provided in subsection (e), and pay the
8	costs of the implementation, or contracts and agree-
9	ment, with funds received under the order;
10	(6) evaluate on-going and completed plans and
11	projects for Hass avocados and avocado products
12	promotion, industry information, consumer informa-
13	tion, or related research;
14	(7) receive, investigate, and report to the Sec-
15	retary complaints of violations of the order;
16	(8) recommend to the Secretary amendments to
17	the order;
18	(9) invest, pending disbursement under a plan
19	or project, funds collected through assessments au-
20	thorized under this Act only in—
21	(A) obligations of the United States or any
22	agency of the United States;
23	(B) general obligations of any State or any
24	political subdivision of a State;

1	(C) any interest-bearing account or certifi-
2	cate of deposit of a bank that is a member of
3	the Federal Reserve System; or
4	(D) obligations fully guaranteed as to prin-
5	cipal and interest by the United States, except
6	that income from any such invested funds may
7	be used only for a purpose for which the in-
8	vested funds may be used;
9	(10) borrow funds necessary for the startup ex-
10	penses of the order; and
11	(11) provide the Secretary such information as
12	the Secretary may require.
13	(d) Budgets; Plans and Projects.—
14	(1) Submission of Budgets.—The order shall
15	require the Board to submit to the Secretary for ap-
16	proval budgets, on a fiscal year basis, of the antici-
17	pated expenses and disbursements of the Board in
18	the implementation of the order, including the pro-
19	jected costs of Hass avocado promotion, industry in-
20	formation, consumer information, and related re-
21	search plans and projects.
22	(2) Plans and projects.—
23	(A) Promotion and consumer informa-
24	TION.—The order shall provide—

1	(i) for the establishment, implementa-
2	tion, administration, and evaluation of ap-
3	propriate plans and projects for adver-
4	tising, sales promotion, other promotion
5	and consumer information with respect to
6	Hass avocados, and for the disbursement
7	of necessary funds for the purposes de-
8	scribed in this clause; and
9	(ii) that any plan or project referred
10	to in clause (i) shall be directed toward in-
11	creasing the general demand for Hass avo-
12	cados.
13	(B) Industry information.—The order
14	shall provide for the establishment, implementa-
15	tion, administration, and evaluation of appro-
16	priate plans and projects that will lead to the
17	development of new markets, new marketing
18	strategies, or increased efficiency of the Hass
19	avocado industry, and activities to enhance the
20	image of the Hass avocado industry, and for
21	the disbursement of necessary funds for the
22	purposes described in this subparagraph.
23	(C) Research.—The order shall provide

for—

1	(i) the establishment, implementation,
2	administration, and evaluation of plans
3	and projects for market development re-
4	search, research with respect to the sale,
5	distribution, marketing, use, quality, or
6	nutritional value of Hass avocados, and
7	other research with respect to Hass avo-
8	cado marketing, promotion, or consumer
9	information;
10	(ii) the dissemination of the informa-
11	tion acquired through the plans and
12	projects; and
13	(iii) the disbursement of such funds as
14	are necessary to carry out this subpara-
15	graph.
16	(D) Submission to the secretary.—
17	The order shall provide that the Board shall
18	submit to the Secretary for approval a proposed
19	plan or project for Hass avocados promotion,
20	industry information, consumer information, or
21	related research, as described in subparagraphs
22	(A) and (B).
23	(3) Approval by secretary.—A budget,
24	plan, or project for Hass avocados promotion, indus-
25	try information, consumer information, or related re-

1	search may not be implemented prior to approval of
2	the budget, plan, or project by the Secretary.
3	(e) Contracts and Agreements.—
4	(1) Promotion, consumer information, in-
5	DUSTRY INFORMATION AND RELATED RESEARCH
6	PLANS AND PROJECTS.—
7	(A) In general.—To ensure the efficient
8	use of funds, the order shall provide that the
9	Board, with the approval of the Secretary, shall
10	enter into a contract or an agreement with an
11	avocado organization established by State stat-
12	ute in a State with the majority of Hass avo-
13	cado production in the United States, for the
14	implementation of a plan or project for pro-
15	motion, industry information, consumer infor-
16	mation, or related research with respect to
17	Hass avocados, and for the payment of the cost
18	of the contract or agreement with funds re-
19	ceived by the Board under the order.
20	(B) REQUIREMENTS.—The order shall pro-
21	vide that any contract or agreement entered
22	into under this paragraph shall provide that—
23	(i) the contracting or agreeing party
24	shall develop and submit to the Board a

plan or project, together with a budget

1	that includes the estimated costs to be in-
2	curred for the plan or project;
3	(ii) the plan or project shall become
4	effective on the approval of the Secretary;
5	and
6	(iii) the contracting party or agreeing
7	party shall—
8	(I) keep accurate records of all
9	transactions of the party;
10	(II) account for funds received
11	and expended;
12	(III) make periodic reports to the
13	Board of activities conducted; and
14	(IV) make such other reports as
15	the Board or the Secretary shall re-
16	quire.
17	(2) Other contracts and agreements.—
18	The order shall provide that the Board, with the ap-
19	proval of the Secretary, may enter into a contract or
20	agreement for administrative services. Any contract
21	or agreement entered into under this paragraph
22	shall include provisions comparable to the provisions
23	described in paragraph (1)(B).
24	(f) Books and Records of Board.—

1	(1) In general.—The order shall require the
2	Board to—
3	(A) maintain such books and records
4	(which shall be available to the Secretary for in-
5	spection and audit) as the Secretary may re-
6	quire;
7	(B) prepare and submit to the Secretary,
8	from time to time, such reports as the Sec-
9	retary may require; and
10	(C) account for the receipt and disburse-
11	ment of all the funds entrusted to the Board.
12	(2) Audits.—The Board shall cause the books
13	and records of the Board to be audited by an inde-
14	pendent auditor at the end of each fiscal year. A re-
15	port of each audit shall be submitted to the Sec-
16	retary.
17	(g) Control of Administrative Costs.—The
18	order shall provide that the Board shall, as soon as prac-
19	ticable after the order becomes effective and after con-
20	sultation with the Secretary and other appropriate per-
21	sons, implement a system of cost controls based on nor-
22	mally accepted business practices that will ensure that the
23	annual budgets of the Board include only amounts for ad-
24	ministrative expenses that cover the minimum administra-
25	tive activities and personnel needed to properly administer

1	and enforce the order, and conduct, supervise, and evalu-
2	ate plans and projects under the order. The Board shall
3	use, to the extent possible, the resources, staffs, and facili-
4	ties of existing organizations, as provided in subsection
5	(e)(1)(A).
6	(h) Assessments.—
7	(1) Authority.—
8	(A) In general.—The order shall provide
9	that each qualified handler shall remit to the
10	Board, in the manner provided in the order, an
11	assessment collected from the producer, except
12	to the extent that the sale is excluded from as-
13	sessments under paragraph (6). In the case of
14	imports, the assessment shall be levied upon im-
15	ports and remitted to the Board by Customs.
16	(B) Published Lists.—To facilitate the
17	payment of assessments under this paragraph,
18	the Board shall publish lists of qualified han-
19	dlers required to remit assessments under the
20	order and exempt handlers.
21	(C) Making determinations.—
22	(i) Qualified handler status.—
23	The order shall contain provisions regard-
24	ing the determination of the status of a
25	person as a qualified handler or exempt

1 handler that include the rules and require-2 ments specified in section 3(j).

- (ii) PRODUCER-HANDLERS.—For purposes of paragraph (3), a producer-handler shall be considered the qualified handler of Hass avocados produced by such producer-handler. The qualified handler shall be the first person who packs the avocados for sale at wholesale or retail.
- (iii) Importers.—The assessment on imported Hass avocados shall be paid by the importer at the time of entry into the United States and shall be remitted to the Board. Importation occurs when Hass avocados originating outside the United States are released from custody of the United States Customs Service and introduced into the stream of commerce within the United States. Importers include persons who hold title to foreign-produced Hass avocados immediately upon release by the Customs Service, as well as any persons who act on behalf of others, as agents or brokers, to secure the release of Hass avocados from Customs and the introduction

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1	of the released Hass avocados into the cur-
2	rent of commerce.
3	(2) Assessment rates.—With respect to as-
4	sessment rates, the order shall contain the following
5	terms:
6	(A) Initial rate.—The rate of assess-
7	ment on Hass avocados shall be \$.025 per
8	pound.
9	(B) Changes in the rate.—
10	(i) In general.—Once the order in
11	is effect, the uniform assessment rate may
12	be increased or decreased not more than
13	once annually, but in no event shall the
14	rate of assessment be in excess of \$.05 per
15	pound.
16	(ii) Requirements.—Any change in
17	the rate of assessment under this
18	subparagraph—
19	(I) may be made only if adopted
20	by the Board by an affirmative vote of
21	at least seven members of the Board
22	and approved by the Secretary as nec-
23	essary to achieve the objectives of this
24	Act (after public notice and oppor-
25	tunity for comment in accordance

1	with section 553 of title 5, United
2	States Code, and without regard to
3	sections 556 and 557 of such title);
4	(II) shall be announced by the
5	Board not less than 30 days prior to
6	going into effect; and
7	(III) shall not be subject to a
8	vote in a referendum conducted under
9	section 6.
10	(3) Collection by Qualified Handlers.—
11	Except as provided in paragraph (1)(C)(iii), the
12	qualified handler of Hass avocados shall—
13	(A) be responsible for the collection from
14	the producer of assessments under this sub-
15	section; and
16	(B) maintain a separate record of the
17	Hass avocados of each producer whose Hass av-
18	ocados are so handled, including the Hass avo-
19	cados owned by the handlers.
20	(4) Timing of submitting assessments.—
21	The order shall provide that each person required to
22	remit assessments under this subsection shall remit
23	to the Board the assessment due from each sale of
24	Hass avocados that is subject to an assessment with-
25	in such time period after the sale (not to exceed 60

- days after the end of the month in which the sale took place) as is specified in the order.
 - (5) CLAIMING AN EXEMPTION FROM ASSESS-MENTS.—To claim an exemption under section 3(6) as an exempt handler for a particular fiscal year, a person shall submit an application to the Board—
- 7 (A) stating the basis for such exemption; 8 and
 - (B) certifying such person will not purchase Hass avocados in the United States on which an assessment has not been paid for the current fiscal year.
 - (6) EXCLUSION.—An order shall exclude from assessments under the order any sale of Hass avocados for export from the United States.
 - (7) USE OF ASSESSMENT FUNDS.—The order shall provide that assessment funds shall be used for payment of costs incurred in implementing and administering the order, with provision for a reasonable reserve, and to cover the administrative costs incurred by the Secretary in implementing and administering this Act, including any expenses incurred by the Secretary in conducting referenda under this Act, subject to subsection (i).

1	(8) Assessment funds for state associa-
2	TION.—The order shall provide that a State associa-
3	tion shall receive an amount equal to the product ob-
4	tained by multiplying the aggregate amount of as-
5	sessments attributable to the pounds of Hass avoca-
6	dos produced in such State by 85 percent. A State
7	association shall use such funds and any proceeds
8	from the investment of such funds for financing—
9	(A) promotion, research, consumer infor-
10	mation, and industry information plans and
11	projects; and
12	(B) administrative expenses incurred in
13	connection with such plans and projects.
14	(i) Reimbursement of Secretary Expenses.—
15	The order shall provide for reimbursing the Secretary—
16	(1) for expenses not to exceed \$75,000 incurred
17	by the Secretary in connection with any referendum
18	conducted under section 6; and
19	(2) for administrative costs incurred by the Sec-
20	retary for supervisory work of up to 2 employee
21	years after an order or amendment to any order has
22	been issued and made effective.
23	(j) Prohibition on Brand Advertising and Cer-
24	TAIN CLAIMS.—

1	(1) Prohibitions.—Except as provided in
2	paragraph (2), a program or project conducted
3	under this Act shall not—
4	(A) make any reference to private brand
5	names;
6	(B) make false, misleading, or disparaging
7	claims on behalf of Hass avocados; or
8	(C) make false, misleading, or disparaging
9	statements with respect to the attributes or use
10	of any competing products.
11	(2) Exceptions.—Paragraph (1) does not pre-
12	clude the Board from offering its programs and
13	projects for use by commercial parties, under such
14	terms and conditions as the Board may prescribe as
15	approved by the Secretary. For the purposes of this
16	subsection, a reference to State of origin does not
17	constitute a reference to a private brand name.
18	(k) Prohibition on Use of Funds To Influence
19	GOVERNMENTAL ACTION.—
20	(1) In general.—Except as otherwise pro-
21	vided in paragraph (2), the order shall prohibit any
22	funds collected by the Board under the order from
23	being used in any manner for the purpose of influ-
24	encing legislation or government action or policy.

1 (2) EXCEPTION.—Paragraph (1) shall not 2 apply to the development or recommendation of 3 amendments to the order.

(1) BOOKS AND RECORDS; REPORTS.—

(1) In General.—The order shall provide that each qualified handler, producer, and importer subject to the order shall maintain, and make available for inspection, such books and records as are required by the order and file reports at the time, in the manner, and having the content required by the order, to the end that such information is made available to the Secretary and the Board as is appropriate for the administration or enforcement of this Act, the order, or any regulation issued under this Act.

(2) Confidentiality requirement.—

(A) IN GENERAL.—Information obtained from books, records, or reports under paragraph (1) shall be kept confidential by all officers and employees of the Department of Agriculture and by the staff and agents of the Board.

(B) Suits and Hearings.—Information described in subparagraph (A) may be disclosed to the public only—

1	(i) in a suit or administrative hearing
2	brought at the request of the Secretary, or
3	to which the Secretary or any officer of the
4	United States is a party, involving the
5	order; and
6	(ii) to the extent the Secretary con-
7	siders the information relevant to the suit
8	or hearing.
9	(C) GENERAL STATEMENTS AND PUBLICA-
10	TIONS.—Nothing in this paragraph may be con-
11	strued to prohibit—
12	(i) the issuance of general statements,
13	based on the reports, of the number of per-
14	sons subject to the order or statistical data
15	collected from the reports, if the state-
16	ments do not identify the information fur-
17	nished by any person; or
18	(ii) the publication, by direction of the
19	Secretary, of the name of any person who
20	violates the order, together with a state-
21	ment of the particular provisions of the
22	order violated by the person.
23	(3) Lists of importers.—
24	(A) REVIEW.—The order shall provide that
25	the staff of the Board shall periodically review

1	lists of importers of Hass avocados to deter-
2	mine whether persons on the lists are subject to
3	the order.
4	(B) Customs service.—On the request of
5	the Secretary or the Board, the Commissioner
6	of the United States Customs Service shall pro-
7	vide to the Secretary or the Board lists of im-
8	porters of Hass avocados.
9	(m) Consultations With Industry Experts.—
10	(1) In general.—The order shall provide that
11	the Board may seek advice from and consult with
12	experts from the production, import, wholesale, and
13	retail segments of the Hass avocado industry to as-
14	sist in the development of promotion, industry infor-
15	mation, consumer information, and related research
16	plans and projects.
17	(2) Special committees.—
18	(A) In general.—For the purposes de-
19	scribed in paragraph (1), the order shall au-
20	thorize the appointment of special committees
21	composed of persons other than Board mem-
22	bers.
23	(B) Consultation.—A committee ap-

pointed under subparagraph (A)—

1	(i) may not provide advice or rec-
2	ommendations to a representative of an
3	agency, or an officer, of the Federal Gov-
4	ernment; and
5	(ii) shall consult directly with the
6	Board.
7	(n) Other Terms of the Order.—The order shall
8	contain such other terms and provisions, consistent with
9	this Act, as are necessary to carry out this Act (including
10	provision for the assessment of interest and a charge for
11	each late payment of assessments under subsection (h)).
12	SEC. 6. REFERENDA.
13	(a) Requirements for Initial Referendum.—
14	(1) Referendum required.—During the 60-
15	day period immediately preceding the proposed effec-
16	tive date of an order issued under section $4(b)(3)$,
17	the Secretary shall conduct a referendum among
18	qualified producers and importers required to pay
19	assessments under the order, as provided in section
20	5(h)(1).
21	(2) APPROVAL OF ORDER NEEDED.—The order
22	shall become effective only if the Secretary deter-
23	mines that the order has been approved by a simple
24	majority of all votes cast in the referendum.
25	(b) Votes Permitted —

- 1 (1) IN GENERAL.—Each qualified producer and
 2 importer eligible to vote in a referendum conducted
 3 under this section shall be entitled to cast 1 vote if
 4 they satisfy the eligibility requirements as defined in
 5 paragraph (2).
 - (2) ELIGIBILITY.—For purposes of paragraph (1), producers and importers, as these terms are defined in section 3, shall be considered to be eligible to vote if they have been producers or importers with sales of Hass avocados during a period of at least 1 year prior to the referendum.

(c) Manner of Conducting Referenda.—

- (1) IN GENERAL.—Referenda conducted pursuant to this Act shall be conducted in a manner determined by the Secretary.
- (2) ADVANCE REGISTRATION.—A qualified producer or importer of Hass avocados who chooses to vote in any referendum conducted under this Act shall register with the Secretary prior to the voting period, after receiving notice from the Secretary concerning the referendum under paragraph (4).
- (3) Voting.—A qualified producer or importer of Hass avocados who chooses to vote in any referendum conducted under this Act shall vote in accordance with procedures established by the Sec-

- retary. The ballots and other information or reports that reveal or tend to reveal the vote of any qualified handler shall be strictly confidential.
- 4 (4) Notice.—The Secretary shall notify all qualified producers and importers at least 30 days prior to the referendum conducted under this Act.

 The notice shall explain the procedure established under this subsection.
- 9 (d) Suspension or Termination Referenda.—If 10 an order is approved in a referendum conducted under 11 subsection (a), effective beginning on the date that is 3 12 years after the date of the approval, the Secretary—
 - (1) at the discretion of the Secretary, may conduct at any time a referendum of qualified producers and importers required to pay assessments under the order, as provided in section 5(h)(1), subject to the voting requirements of subsection (b), to ascertain whether qualified producers and importers favor suspension or termination of the order; and
 - (2) if requested by the Board or by a representative group comprising 30 percent or more of all qualified producers and importers required to pay assessments under the order, as provided in section 5(h)(1), subject to the voting requirements of subsections (c) and (d), to ascertain whether producers

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1	and importers favor suspension or termination of the
2	order.
3	(e) Suspension or Termination.—If, as a result
4	of a referendum conducted under subsection (d), the Sec-
5	retary determines that suspension or termination of the
6	order is favored by a simple majority of all votes cast in
7	the referendum, the Secretary shall—
8	(1) not later than 180 days after the ref-
9	erendum, suspend or terminate, as appropriate, col-
10	lection of assessments under the order; and
11	(2) suspend or terminate, as appropriate, activi-
12	ties under the order as soon as practicable and in
13	an orderly manner.
14	SEC. 7. PETITION AND REVIEW.
15	(a) Petition and Hearing.—
16	(1) Petition.—A person subject to an order
17	may file with the Secretary a petition—
18	(A) stating that the order, any provision of
19	the order, or any obligation imposed in connec-
20	tion with the order is not in accordance with
21	law; and
22	(B) requesting a modification of the order
23	or an exemption from the order.
24	(2) Hearing.—The petitioner shall be given
25	the opportunity for a hearing on a petition filed

- under paragraph (1), in accordance with regulations issued by the Secretary. Any such hearing shall be conducted in accordance with section 9(b)(2) and be held within the United States judicial district in which the residence or principal place of business of the person is located.
 - (3) RULING.—After a hearing under paragraph (2), the Secretary shall make a ruling on the petition, which shall be final if in accordance with law.
 - (4) LIMITATION.—Any petition filed under this subsection challenging an order, any provision of the order, or any obligation imposed in connection with the order, shall be filed within 2 years after the effective date of the order, provision, or obligation subject to challenge in the petition.

(b) Review.—

(1) COMMENCEMENT OF ACTION.—The district courts of the United States in any district in which a person who is a petitioner under subsection (a) resides or conducts business shall have jurisdiction to review the ruling of the Secretary on the petition of the person, if a complaint requesting the review is filed no later than 20 days after the date of the entry of the ruling by the Secretary.

- 1 (2) Process.—Service of process in pro-2 ceedings under this subsection shall be conducted in 3 accordance with the Federal Rules of Civil Proce-4 dure.
- 5 (3) REMAND.—If the court in a proceeding 6 under this subsection determines that the ruling of 7 the Secretary on the petition of the person is not in 8 accordance with law, the court shall remand the 9 matter to the Secretary with directions—
- 10 (A) to make such ruling as the court shall
 11 determine to be in accordance with law; or
- 12 (B) to take such further action as, in the opinion the court, the law requires.
- 14 (c) Enforcement.—The pendency of proceedings 15 instituted under this section shall not impede, hinder, or 16 delay the Attorney General or the Secretary from obtain-17 ing relief under section 8.

18 SEC. 8. ENFORCEMENT.

- 19 (a) JURISDICTION.—A district court of the United 20 States shall have jurisdiction to enforce, and to prevent 21 and restrain any person from violating, this Act or an 22 order or regulation issued by the Secretary under this Act.
- 23 (b) REFERRAL TO ATTORNEY GENERAL.—A civil ac-24 tion brought under subsection (a) shall be referred to the 25 Attorney General for appropriate action, except that the

1	Secretary is not required to refer to the Attorney General
2	a violation of this Act, or an order or regulation issued
3	under this Act, if the Secretary believes that the adminis-
4	tration and enforcement of this Act would be adequately
5	served by administrative action under subsection (c) or
6	suitable written notice or warning to the person who com-
7	mitted or is committing the violation.
8	(c) CIVIL PENALTIES AND ORDERS.—
9	(1) CIVIL PENALTIES.—
10	(A) In general.—A person who violates a
11	provision of this Act, or an order or regulation
12	issued by the Secretary under this Act, or who
13	fails or refuses to pay, collect, or remit any as-
14	sessment or fee required of the person under an
15	order or regulation issued under this Act, may
16	be assessed by the Secretary—
17	(i) a civil penalty of not less than
18	\$500 nor more than \$5,000 for each viola-
19	tion; and
20	(ii) in the case of a willful failure to
21	remit an assessment as required by an
22	order or regulation, an additional penalty
23	equal to the amount of the assessment.
24	(B) Separate offenses.—Each violation
25	shall be a separate offense.

- 1 (2) CEASE AND DESIST ORDERS.—In addition
 2 to or in lieu of a civil penalty under paragraph (1),
 3 the Secretary may issue an order requiring a person
 4 to cease and desist from continuing a violation of
 5 this Act, or an order or regulation issued under this
 6 Act.
 - (3) Notice and Hearing.—No penalty shall be assessed, or cease and desist order issued, by the Secretary under this subsection unless the Secretary gives the person against whom the penalty is assessed or the order is issued notice and opportunity for a hearing before the Secretary with respect to the violation. Any such hearing shall be conducted in accordance with section 9(b)(2) and shall be held within the United States judicial district in which the residence or principal place of business of the person is located.
 - (4) Finality.—The penalty assessed or cease and desist order issued under this subsection shall be final and conclusive unless the person against whom the penalty is assessed or the order is issued files an appeal with the appropriate district court of the United States in accordance with subsection (d).
- 24 (d) Review by District Court.—
- 25 (1) Commencement of action.—

1	(A) In General.—Any person against
2	whom a violation is found and a civil penalty is
3	assessed or a cease and desist order is issued
4	under subsection (c) may obtain review of the
5	penalty or order by, within the 30-day period
6	beginning on the date the penalty is assessed or
7	the order is issued—
8	(i) filing a notice of appeal in the dis-
9	trict court of the United States for the dis-
10	trict in which the person resides or con-
11	ducts business, or in the United States
12	District Court for the District of Colum-
13	bia; and
14	(ii) sending a copy of the notice by
15	certified mail to the Secretary.
16	(B) Copy of Record.—The Secretary
17	shall promptly file in the court a certified copy
18	of the record on which the Secretary found that
19	the person had committed a violation.
20	(2) STANDARD OF REVIEW.—A finding of the
21	Secretary shall be set aside under this subsection
22	only if the finding is found to be unsupported by
23	substantial evidence.
24	(e) FAILURE TO OBEY AN ORDER —

- (1) In General.—A person who fails to obey a cease and desist order issued under subsection (c) after the order has become final and unappealable, or after the appropriate United States district court had entered a final judgment in favor of the Sec-retary of not more than \$5,000 for each offense, after opportunity for a hearing and for judicial re-view under the procedures specified in subsections (c) and (d).
 - (2) SEPARATE VIOLATIONS.—Each day during which the person fails to obey an order described in paragraph (1) shall be considered as a separate violation of the order.

(f) Failure To Pay a Penalty.—

- (1) IN GENERAL.—If a person fails to pay a civil penalty assessed under subsection (c) or (e) after the penalty has become final and unappealable, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in any United States district court in which the person resides or conducts business.
- (2) Scope of Review.—In an action by the Attorney General under paragraph (1), the validity

- 1 and appropriateness of a civil penalty shall not be
- 2 subject to review.
- 3 (g) Additional Remedies.—The remedies provided
- 4 in this Act shall be in addition to, and not exclusive of,
- 5 other remedies that may be available.

6 SEC. 9. INVESTIGATIONS AND POWER TO SUBPOENA.

- 7 (a) Investigations.—The Secretary may conduct
- 8 such investigations as the Secretary considers necessary
- 9 for the effective administration of this Act, or to determine
- 10 whether any person has engaged or is engaging in any
- 11 act that constitutes a violation of this Act or any order
- 12 or regulation issued under this Act.
- 13 (b) Subpoenas, Oaths, and Affirmations.—
- 14 (1) Investigations.—For the purpose of con-
- ducting an investigation under subsection (a), the
- 16 Secretary may administer oaths and affirmations,
- subpoena witnesses, compel the attendance of wit-
- 18 nesses, take evidence, and require the production of
- any records that are relevant to the inquiry. The
- 20 production of the records may be required from any
- 21 place in the United States.
- 22 (2) Administrative hearings.—For the pur-
- pose of an administrative hearing held under section
- 7(a)(2) or 8(c)(3), the presiding officer may admin-
- 25 ister oaths and affirmations, subpoena witnesses,

compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of the records may be required from any place in the United States.

(c) AID OF COURTS.—

- (1) IN GENERAL.—In the case of contumacy by, or refusal to obey a subpoena issued under subsection (b) to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is conducted, or where the person resides or conducts business, in order to enforce a subpoena issued under subsection (b).
- (2) ORDER.—The court may issue an order requiring the person referred to in a paragraph (1) to comply with a subpoena referred to in paragraph (1).
- (3) Failure to obey the order of the court may be punished by the court as a contempt of court.
- (4) Process.—Process in any proceeding under this subsection may be served in the United States judicial district in which the person being

- 1 proceeded against resides or conducts business, or
- 2 wherever the person may be found.

3 SEC. 10. CONFIDENTIALITY.

- 4 (a) Prohibition.—No information regarding names
- 5 of voters or how a person voted in a referendum conducted
- 6 under this Act shall be made public.
- 7 (b) Penalty.—Any person who knowingly violates
- 8 subsection (a) or the confidentiality terms of an order, as
- 9 described in section 5(k)(2), shall be subject to a fine of
- 10 not less that \$1,000 nor more than \$10,000 or to impris-
- 11 onment for not more than 1 year, or both. If the person
- 12 is an officer or employee of the Department of Agriculture
- 13 or the Board, the person shall be removed from office.
- 14 (c) Additional Prohibition.—No information ob-
- 15 tained under this Act may be made available to any agency
- 16 or officer of the Federal Government for any purpose
- 17 other than the implementation of this Act or an investiga-
- 18 tory or enforcement action necessary for the implementa-
- 19 tion of this Act.
- 20 (d) Withholding Information From Congress
- 21 Prohibited.—Nothing in this Act shall be construed to
- 22 authorize the withholding of information from Congress.

1	SEC. 11. AUTHORITY FOR SECRETARY TO SUSPEND OR
2	TERMINATE ORDER.
3	(a) Grounds for Suspension or Termination.—
4	If the Secretary finds that an order, or any provision of
5	the order, obstructs or does not tend to effectuate the pol-
6	icy of this Act specified in section 2(b), the Secretary shall
7	terminate or suspend the operation of the order or provi-
8	sion under such terms as the Secretary determines are ap-
9	propriate.
10	(b) Effect of Lack of Approval of Order.—
11	If, as a result of a referendum, the Secretary determines
12	that the order is not approved, the Secretary shall, within
13	180 days after making the determination, suspend, or ter-
14	minate, as appropriate, collection of assessments under
15	the order, and suspend or terminate, as appropriate, ac-
16	tivities under the order in an orderly manner as soon as
17	possible.
18	SEC. 12. CONSTRUCTION.
19	(a) Termination or Suspension Not an
20	Order.—The termination or suspension of an order, or
21	a provision of an order, shall not be considered an order
22	under the meaning of this Act.
23	(b) PRODUCER RIGHTS.—This Act—
24	(1) may not be construed to provide for control
25	of production or otherwise limit the right of indi-

- 1 vidual Hass avocado growers to produce Hass avoca-
- 2 dos; and
- 3 (2) shall be construed to treat all persons pro-
- 4 ducing Hass avocados fairly and to implement any
- 5 order in an equitable manner.
- 6 (c) Relationship Between Secretary and
- 7 Board.—In carrying out the Secretary's responsibilities
- 8 to oversee the collection and disbursement of assessment
- 9 funds and the operation of the program within the provi-
- 10 sions of this Act, no official or employee of the Depart-
- 11 ment shall attempt to make decisions as to the best use
- 12 of assessment funds or shape the program to the personal
- 13 preference of the official or employee. The Secretary's re-
- 14 sponsibility is to ensure that the program operates in a
- 15 manner consistent with this Act and other applicable law.
- 16 The Board shall retain sole authority to structure the
- 17 projects and activities within the limits established by this
- 18 Act and the order issued pursuant to this Act, and the
- 19 Secretary shall not substitute its judgment to modify or
- 20 alter such projects and activities. The Secretary shall
- 21 eliminate any unnecessary regulatory costs or require-
- 22 ments to the industry in carrying out the Secretary's over-
- 23 sight and regulatory responsibilities and shall promote the
- 24 most efficient use of producer and importer assessments.

- 1 (d) OTHER PROGRAMS.—Nothing in this Act may be
- 2 construed to preempt or supersede any other program re-
- 3 lating to Hass avocado promotion and consumer informa-
- 4 tion organized and operated under the laws of the United
- 5 States or of a State.

6 SEC. 13. REGULATIONS.

- 7 The Secretary may issue such regulations as are nec-
- 8 essary to carry out this Act and the powers vested in the
- 9 Secretary by this Act, including regulations relating to the
- 10 assessment of late payment charges and interest.

11 SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

- 12 (a) In General.—There are authorized to be appro-
- 13 priated for each fiscal year such sums as are necessary
- 14 to carry out this Act.
- 15 (b) Administrative Expenses.—Funds appro-
- 16 priated under subsection (a) may not be used for the pay-
- 17 ment of the expenses or expenditures of the Board in ad-
- 18 ministering a provision of an order.

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