D. Executive Order 13175

This proposed rule has been reviewed in accordance with the requirements of Executive Order 13175, Consultation and Coordination with Indian Tribal Governments. The review reveals that this regulation will not have substantial and direct effects on tribal governments and will not have significant tribal implications.

F. General Notice of Public Rulemaking

This proposed rule reflects recommendations submitted by the NOSB to the Secretary to add two substances to the National List and to reclassify one substance on the National List. A 60-day period for interested persons to comment on this rule is provided.

List of Subjects in 7 CFR Part 205

Administrative practice and procedure, Agriculture, Archives and records, Crops, Imports, Labeling, National List, Organically produced products, Plants, Reporting and recordkeeping requirements, Seals and insignia, Soil conservation.

For the reasons set forth in the preamble, 7 CFR part 205, subpart G is proposed to be amended as follows:

PART 205—NATIONAL ORGANIC PROGRAM

■ 1. The authority citation for 7 CFR part 205 continues to read as follows:

Authority: 7 U.S.C. 6501–6522.

■ 2. Amend § 205.601 as follows:

■ a. Revise paragraph (h) and add new paragraphs (h)(1) and (h)(2),

■ b. Add new paragraph (i)(11).

The revision and additions to read as follows:

§ 205.601 Synthetic substances allowed for use in organic crop production.

* * * * *

(h) As slug or snail bait.

(1) Ferric phosphate (CAS # 10045–86–0).

(2) Elemental sulfur.

* * * * *

(i) * * *

(11) Polyoxin D zinc salt.

* * * * *

■ 3. Amend § 205.605 as follows:

■ a. In paragraph (a), add in alphabetical order, an entry for ''magnesium chloride.''

■ b. In paragraph (b), remove the entry for ''magnesium chloride—derived from seawater.''

The addition to read as follows:

§ 205.605 Nonagricultural (nonorganic) substances allowed as ingredients in or on processed products labeled as ''organic'' or ''made with organic (specified ingredients or food group(s)).''

* * * * *

(a) * * *

* * * * *

Magnesium chloride.

* * * * *

Dated: February 12, 2019.

Bruce Summers,

Administrator, Agricultural Marketing Service.

[FR Doc. 2019–02518 Filed 2–14–19; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 985

[Doc. No. AMS–SC–18–0084; SC19–985–1 PR]

Marketing Order Regulating the Handling of Spearmint Oil Produced in the Far West; Salable Quantities and Allotment Percentages for the 2019–2020 Marketing Year

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule.

SUMMARY: This proposed rule invites comments on a recommendation from the Far West Spearmint Oil Administrative Committee (Committee) to establish salable quantities and producer allotments of Class 1 (Scotch) and Class 3 (Native) spearmint oil produced in Washington, Idaho, Oregon, and designated parts of Nevada and Utah (the Far West) for the 2019–2020 marketing year. This proposed rule would also remove references to past volume regulation no longer in effect.

DATES: Comments must be received by March 18, 2019.

ADDRESSES: Interested persons are invited to submit written comments concerning this proposed rule. Comments must be sent to the Docket Clerk, Marketing Order and Agreement Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250–0237; Fax: (202) 720–8938; or internet: *http://www.regulations.gov.* Comments should reference the document number and the date and page number of this issue of the **Federal Register** and will be made available for public inspection in the Office of the Docket Clerk during regular business hours or can be viewed at: *http://www.regulations.gov.* All comments submitted in response to this proposed rule will be included in the record and will be made available to the public. Please be advised that the identity of the individuals or entities submitting the comments will be made public on the internet at the address provided above.

FOR FURTHER INFORMATION CONTACT: Barry Broadbent, Marketing Specialist, or Gary Olson, Regional Director, Northwest Marketing Field Office, Marketing Order and Agreement Division, Specialty Crops Program, AMS, USDA; Telephone: (503) 326–2724, Fax: (503) 326–7440, or Email: *Barry.Broadbent@usda.gov* or *GaryD.Olson@usda.gov.*

Small businesses may request information on complying with this regulation by contacting Richard Lower, Marketing Order and Agreement Division, Specialty Crops Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250–0237; Telephone: (202) 720–2491, Fax: (202) 720–8938, or Email: *Richard.Lower@usda.gov.*

SUPPLEMENTARY INFORMATION: This action, pursuant to 5 U.S.C. 553, proposes to amend regulations issued to carry out a marketing order as defined in 7 CFR 900.2(j). This proposed rule is issued under Marketing Order No. 985, as amended (7 CFR part 985), regulating the handling of spearmint oil produced in the Far West. Part 985 (referred to as the ''Order'') is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), hereinafter referred to as the ''Act.'' The Committee locally administers the Order and is comprised of spearmint oil producers operating within the area of production, and a public member.

The Department of Agriculture (USDA) is issuing this proposed rule in conformance with Executive Orders 13563 and 13175. This action falls within a category of regulatory actions that the Office of Management and Budget (OMB) exempted from Executive Order 12866 review. Additionally, because this proposed rule does not meet the definition of a significant regulatory action, it does not trigger the requirements contained in Executive Order 13771. See OMB's Memorandum titled ''Interim Guidance Implementing Section 2 of the Executive Order of January 30, 2017, titled 'Reducing Regulation and Controlling Regulatory Costs' '' (February 2, 2017).

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is not intended to have retroactive effect. Under the Order now in effect, salable quantities and producer allotment percentages may be established for classes of spearmint oil produced in the Far West. This proposed rule would establish quantities and percentages for Class 1 (Scotch) and Class 3 (Native) spearmint oil for the 2019–2020 marketing year, which begins on June 1, 2019.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with USDA a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and request a modification of the order or to be exempted therefrom. Such a handler is afforded the opportunity for a hearing on the petition. After the hearing, USDA would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to review USDA's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

Pursuant to §§ 985.50, 985.51, and 985.52, the Order requires the Committee to meet each year to consider supply and demand of spearmint oil and to adopt a marketing policy for the ensuing marketing year. When such considerations indicate a need to establish or to maintain stable market conditions through volume regulation, the Committee recommends salable quantity limitations and producer allotments (allotments) to regulate the quantity of Far West spearmint oil available to the market.

According to § 985.12, ''salable quantity'' is the total quantity of each class of oil (Scotch or Native) that handlers may purchase from, or handle on behalf of, producers during a given marketing year. The total industry allotment base is the aggregate of all allotment bases held individually by producers as prescribed under § 985.53(d)(1). The total allotment base is generally revised each year on June 1 due to producer base being lost because of the ''bona fide effort'' production provision of § 985.53(e).

Each producer's prorated share of the salable quantity of each class of oil, or their ''annual allotment'' as defined in § 985.13, is calculated by using an allotment percentage. The percentage is derived by dividing the salable quantity by the total industry allotment base for that same class of oil.

The Committee met on October 17, 2018, to consider its marketing policy for the 2019–2020 marketing year. At that meeting, the Committee determined that, based on the current market and supply conditions, volume regulation for both classes of oil would be necessary. With a 6–2 vote, the Committee recommended a salable quantity and allotment percentage for Scotch spearmint oil of 832,081 pounds and 38 percent. The two members voting in opposition to the recommendation favored volume regulation, but at an undesignated higher level than what was proposed. The Committee voted unanimously on its recommended salable quantity and allotment percentage for Native spearmint oil of 1,395,813 pounds and 56 percent. Salable quantities and allotment percentages have been placed into effect each season since the Order's inception in 1980.

Scotch Spearmint Oil

The Committee's recommended 2019–2020 marketing year salable quantity and allotment percentage for Scotch spearmint oil represent an increase from the previous year's levels. The proposed 2019–2020 marketing year salable quantity of 832,081 pounds is 71,421 pounds more than the 2018–2019 marketing year salable quantity of 760,660 pounds. The allotment percentage, recommended at 38 percent for the 2019–2020 marketing year, is an increase from the 35 percent in effect the previous year. The total estimated allotment base for the coming marketing year is estimated at 2,189,668 pounds. This figure represents a one-percent increase over the 2018–2019 marketing year total allotment base of 2,168,008.

The Committee considered several factors in making its recommendation, including the current and projected future supply, estimated future demand, production costs, and producer prices. The Committee's recommendation also accounts for established acreage of Scotch spearmint oil, consumer demand, existing carry-in, reserve pool volume, and increased production in competing markets.

According to the Committee, as costs of production have increased, many producers have forgone new plantings of Scotch spearmint. This has resulted in a significant decline in production of Scotch spearmint oil over past years. Production has decreased from 1,113,346 pounds produced in 2016, to 817,857 pounds produced in 2017, and to an estimated 671,662 pounds for 2018.

Industry reports also indicate that the relatively low trade demand for Scotch spearmint oil is likely the result of decreased consumer demand for spearmint-flavored products, especially chewing gum in China and India. Scotch spearmint oil sales have averaged 794,808 pounds per year over the last three years, and 902,076 pounds over the last five years. For the 2018–2019 crop, the Committee estimates trade demand to be 805,000 pounds.

In addition, increasing production of spearmint oil in competing markets, most notably Canada and the U.S. Midwest, has also put downward pressure on the Scotch market.

Given the general decline in demand and anticipated market conditions for the coming year, the Committee decided it was prudent to estimate that the Scotch spearmint oil trade demand for the 2019–2020 marketing year trade would be 805,000 pounds, unchanged from the prior year. Should the proposed volume regulation levels prove insufficient to adequately supply the market, the Committee has the authority to recommend intra-seasonal increases, as it has in previous marketing years.

The Committee calculated the minimum salable quantity of Scotch spearmint oil that would be required during the 2019–2020 marketing year (590,335 pounds) by subtracting the estimated salable carry-in on June 1, 2019, (214,645) from the estimated trade demand (805,000). This minimum salable quantity represents the minimum amount of Scotch spearmint oil that may be needed to satisfy estimated demand for the coming year. To ensure that the market would be fully supplied, the Committee recommended a 2019–2020 marketing year salable quantity of 832,081 pounds. The recommended salable quantity of 832,081 pounds, combined with an estimated 214,645 pounds of salable quantity carried in from the previous year, would yield a total available supply of 1,046,726 pounds Scotch spearmint oil for the 2019–2020 marketing year, and would leave an estimated 241,726 pounds of salable oil to carry into the 2020–2021 marketing year.

Salable carry-in is the primary measure of excess spearmint oil supply under the Order, as it represents overproduction in prior years that is currently available to the market without restriction. Under volume regulation, spearmint oil that is designated as salable continues to be available to the market until it is sold and may be marketed at any time at the discretion of the owner. Salable quantities established under volume regulation over the last three seasons have exceeded sales, leading to a gradual build of Scotch spearmint oil salable carry-in.

The Committee estimates that there will be 215,757 pounds of salable carry-in of Scotch spearmint oil on June 1, 2019. If current market conditions are maintained and the Committee's projections are correct, salable carry-in would increase to 241,726 pounds at the beginning of the 2020–2021 marketing year. This level would be above the quantity that the Committee generally considers favorable (150,000 pounds). However, the Committee anticipates that this higher salable carry-in would be manageable given the expected declining production levels of Scotch spearmint oil. The Committee believes that, given the current economic conditions in the Scotch spearmint oil industry, some Scotch spearmint oil producers will not produce enough oil in the 2019–2020 marketing year to fill all of their base allotment. Therefore, it is anticipated that the actual quantity of Scotch spearmint oil carried into the next marketing year will be less than the quantity calculated above.

Spearmint oil held in reserve is oil that has been produced in excess of a producer's marketing year allotment and is not available to the market in the current marketing year without an increase in the salable quantity and allotment percentage. Oil held in the reserve pool is another indicator of excess supply. Scotch spearmint oil held in the reserve pool, which was completely depleted at the beginning of the 2014–2015 marketing year, has been gradually increasing over the past five years. The Committee reported that there were 71,088 pounds of Scotch spearmint oil held in the reserve pool as of May 31, 2017. The reserve pool increased to 202,638 pounds on May 31, 2018 but is expected to drop back down to 115,473 pounds by May 31, 2019. This quantity of reserve pool oil should be an adequate buffer to supply the market, if necessary, if the industry experiences an unexpected increase in demand.

The Committee recommended a producer allotment percentage of 38 percent for the 2019–2020 marketing year for Scotch spearmint oil. During its October 17, 2018, meeting, the Committee calculated an initial allotment percentage by dividing the minimum required salable quantity (590,355 pounds) by the total estimated allotment base (2,189,688 pounds), resulting in 27 percent. However, producers and handlers at the meeting indicated that the computed percentage (27 percent) might not adequately supply the potential 2019–2020 Scotch spearmint oil market demand and may also result in inadequate carry-in for the subsequent marketing year. After deliberation, the Committee increased the recommended allotment percentage to 38 percent. The total estimated allotment base (2,189,688 pounds) for the 2019–2020 marketing year multiplied by the recommended salable allotment percentage (38 percent) yields 832,081 pounds, which is the recommended salable quantity for the 2019–2020 marketing year.

The 2019–2020 marketing year computational data for the Committee's recommendations is detailed below.

(A) *Estimated carry-in of Scotch spearmint oil on June 1, 2019: 214,645 pounds.* This figure is the difference between the 2018–2019 marketing year total available supply of 1,019,645 pounds and the 2018–2019 marketing year estimated trade demand of 805,000 pounds.

(B) *Estimated trade demand of Scotch spearmint oil for the 2019–2020 marketing year: 805,000 pounds.* This figure was established at the Committee meeting held on October 17, 2018.

(C) *Salable quantity of Scotch spearmint oil required from the 2019–2020 marketing year production: 590,355 pounds.* This figure is the difference between the estimated 2019–2020 marketing year trade demand (805,000 pounds) and the estimated carry-in on June 1, 2019 (214,645 pounds). This salable quantity represents the minimum amount of Scotch spearmint oil production that may be needed to satisfy estimated demand for the coming year.

(D) *Total estimated Scotch spearmint oil allotment base of for the 2019–2020 marketing year: 2,189,688 pounds.* This figure represents a one-percent increase over the 2018–2019 total actual allotment base of 2,168,008 pounds, as prescribed by § 985.53(d)(1). The one-percent increase equals 21,680 pounds. This total estimated allotment base is generally revised each year on June 1 in accordance with § 985.53(e).

(E) *Computed Scotch spearmint oil allotment percentage for the 2019–2020 marketing year: 27 percent.* This percentage is computed by dividing the minimum required salable quantity (590,355 pounds) by the total estimated allotment base (2,189,688 pounds).

(F) *Recommended Scotch spearmint oil allotment percentage for the 2019–2020 marketing year: 38 percent.* This is the Committee's recommendation and is based on the computed allotment percentage (27 percent) and input from producers and handlers at the October 17, 2018, meeting. The recommended 38 percent allotment percentage reflects the Committee's belief that the computed percentage (27 percent) may not adequately supply anticipated 2019–2020 Scotch spearmint oil market demand.

(G) *Recommended Scotch spearmint oil salable quantity for the 2019–2020 marketing year: 832,081 pounds.* This figure is the product of the recommended salable allotment percentage (38 percent) and the total estimated allotment base (2,189,688 pounds) for the 2019–2020 marketing year.

(H) *Estimated total available supply of Scotch spearmint oil for the 2019–2020 marketing year: 1,046,726 pounds.* This figure is the sum of the 2019–2020 marketing year recommended salable quantity (832,081 pounds) and the estimated carry-in on June 1, 2019 (214,645 pounds).

For the reasons stated above, the Committee believes that the recommended salable quantity and allotment percentage would adequately satisfy trade demand, would result in a reasonable carry-in for the following year, and would contribute to the orderly marketing of Scotch spearmint oil.

Native Spearmint Oil

The Committee recommended a Native spearmint oil salable quantity of 1,395,813 pounds and an allotment percentage of 56 percent for the 2019–2020 marketing year. These figures are, respectively, 87,866 pounds and 3 percentage points higher than the levels established for the 2018–2019 marketing year.

The Committee utilized handlers' anticipated sales estimates of Native spearmint oil for the coming year, historical and current Native spearmint oil production, inventory statistics, and international market data obtained from consultants for the spearmint oil industry to arrive at these recommendations.

The Committee anticipates that 2018 production will total 1,477,128 pounds, similar to last year's production but down from 1,694,684 pounds produced in 2016. Committee figures show that total Native spearmint acres remained relatively static and that the estimated yield, at 167.4 pounds per acre, was up from 160.9 pounds per acre in 2017. Sales of Native spearmint oil for the 2017–2018 marketing year spiked, up 21 percent from the previous year to 1,565,515 pounds. Sales for the current marketing year have cooled a bit, but the Committee still estimates sales through the 2018–2019 marketing year of 1,450,000 pounds.

The Committee expects that only 8,005 pounds of salable Native spearmint oil from prior years will be carried into the 2019–2020 marketing year. This amount is down from the 48,062 pounds of salable oil carried into the 2018–2019 marketing year, and 143,011 pounds carried into the 2017–2018 marketing year.

Further, the Committee estimates that there will be 1,150,927 pounds of Native spearmint oil in the reserve pool at the beginning of the 2019–2020 marketing year. This figure is 130,344 pounds higher than the quantity of reserve pool oil held by producers the previous year and is consistent with the gradual increase in reserves experienced over the past three marketing years.

The Committee expects end users of Native spearmint oil to continue to rely on Far West production as their main source of high-quality Native spearmint oil, but demand may be at lower quantities than the past year moving forward in response to long-term market factors. A sharp spike in demand for Native spearmint oil was experienced by handlers late in the 2017–2018 marketing year, spurred by the popularity of a new product in the market. This sharp spike in demand caused the remaining available 2017–2018 marketing year salable quantity to be depleted. While sales in the 2018–2019 marketing year are expected to come down from the prior year spike, the Committee still anticipates demand at relatively high levels.

The Committee estimates the 2019–2020 marketing year Native spearmint oil trade demand to be 1,400,000 pounds. This figure is based on input provided by producers at six production area meetings held in mid-October 2018, as well as estimates provided by handlers and other meeting participants at the October 17, 2018, meeting. This figure represents a decrease of 50,000 pounds from the previous year's estimate. The average estimated trade demand for Native spearmint oil derived from the producer meetings was 1,380,000 pounds, whereas the handlers' estimates ranged from 1,300,000 to 1,500,000 pounds. The average of Native spearmint oil sales over the last three years is 1,364,782 pounds. The quantity marketed over the most recent full marketing year, 2017–2018, was 1,565,515 pounds. However, the Committee considers that year to be an anomaly. The Committee chose to be slightly conservative in the establishment of its trade demand estimate for the 2019–2020 marketing year to avoid oversupplying the market.

The estimated 2019–2020 marketing year carry-in of 8,005 pounds of Native spearmint oil, plus the recommended salable quantity of 1,395,813 pounds, would result in an estimated total available supply of 1,403,818 pounds of oil during the 2019–2020 marketing year. With the corresponding estimated trade demand of 1,400,000 pounds, the Committee projects that 3,818 pounds of oil will be carried into the 2019–2020 marketing year, resulting in a decrease of 4,187 pounds year-over-year. The Committee estimates that there will be 1,150,927 pounds of Native spearmint oil held in the reserve pool at the beginning of the 2019–2020 marketing year. Should the industry experience an unexpected increase in trade demand, oil in the Native spearmint oil reserve pool could be released to satisfy that demand.

The Committee recommended a producer allotment percentage of 56 percent for the 2019–2020 marketing year. During its October 17, 2018, meeting, the Committee calculated an initial producer allotment percentage by dividing the minimum required salable quantity (1,391,995 pounds) by the total estimated allotment base (2,492,523 pounds), resulting in 55.8 percent. However, producers and handlers at the meeting expressed that the computed percentage of 55.8 percent may not adequately supply the potential 2019–2020 Native spearmint oil market demand or result in adequate carry-in for the subsequent marketing year. After deliberation, the Committee increased the recommended allotment percentage to 56 percent. The total estimated allotment base (2,492,523 pounds) for the 2019–2020 marketing year multiplied by the recommended salable allotment percentage (56 percent) yields 1,395,813 pounds, the recommended salable quantity for the year.

The 2019–2020 marketing year computational data for the Committee's recommendations is further outlined below.

(A) *Estimated carry-in of Native spearmint oil on June 1, 2019: 8,005 pounds.* This figure is the difference between the revised 2018–2019 marketing year total available supply of 1,458,005 pounds and the revised 2018–2019 marketing year estimated trade demand of 1,450,000 pounds.

(B) *Estimated trade demand of Native spearmint oil for the 2019–2020 marketing year: 1,400,000 pounds.* This estimate was established by the Committee at the October 17, 2018, meeting.

(C) *Salable quantity of Native spearmint oil required from the 2019–2020 marketing year production: 1,391,995 pounds.* This figure is the difference between the estimated 2019–2020 marketing year estimated trade demand (1,400,000 pounds) and the estimated carry-in on June 1, 2019 (8,005 pounds). This is the minimum amount of Native spearmint oil that the Committee believes would be required to meet the anticipated 2019–2020 marketing year trade demand.

(D) *Total estimated allotment base of Native spearmint oil for the 2019–2020 marketing year: 2,492,523 pounds.* This figure represents a one-percent increase over the 2018–2019 total actual allotment base of 2,467,845 pounds as prescribed in § 985.53(d)(1). The one-percent increase equals 24,678 pounds of oil. This estimate is generally revised each year on June 1, due to adjustments resulting from the bona fide effort production provisions of § 985.53(e).

(E) *Computed Native spearmint oil allotment percentage for the 2019–2020 marketing year: 55.8 percent.* This percentage is calculated by dividing the required salable quantity (1,391,995 pounds) by the total estimated allotment base (2,492,523 pounds) for the 2019–2020 marketing year.

(F) *Recommended Native spearmint oil allotment percentage for the 2019–2020 marketing year: 56 percent.* This is the Committee's recommendation based on the computed allotment percentage (55.8 percent) and input from producers and handlers at the October 17, 2018, meeting. The recommended 56 percent allotment percentage is also based on the Committee's belief that the computed percentage (55.8 percent) may not adequately supply the potential market for Native spearmint oil in the 2019–2020 marketing year.

(G) *Recommended Native spearmint oil 2019–2020 marketing year salable quantity: 1,395,813 pounds.* This figure is the product of the recommended allotment percentage (56 percent) and the total estimated allotment base (2,492,523 pounds). This amount is slightly less than the estimated trade demand for the 2019–2020 marketing year but could be increased as needed through an intra-seasonal increase in the salable quantity and allotment percentage.

(H) *Estimated available supply of Native spearmint oil for the 2019–2020 marketing year: 1,403,808 pounds.* This figure is the sum of the 2019–2020 recommended salable quantity (1,395,813 pounds) and the estimated carry-in on June 1, 2019 (8,005 pounds).

The Committee's recommended Scotch and Native spearmint oil salable quantities and allotment percentages of 832,081 pounds and 38 percent, and 1,395,813 pounds and 56 percent, respectively, would match the available supply of each class of spearmint oil to the estimated demand of each, thus avoiding extreme fluctuations in inventories and prices. This proposed rule, if finalized, would be similar to regulations issued in prior seasons.

The salable quantities in this proposed rule are not expected to cause a shortage of either class of spearmint oil. Any unanticipated or additional market demand for either class of spearmint oil which may develop during the marketing year could be satisfied by an intra-seasonal increase in the salable quantity and corresponding allotment percentage. The Order contains a provision in § 985.51 for intra-seasonal increases to allow the Committee the flexibility to respond quickly to changing market conditions.

Under volume regulation, producers who produce more than their annual allotments during the marketing year may transfer such excess spearmint oil to producers who have produced less than their annual allotment. In addition, on December 1 of each year, producers who have not transferred their excess spearmint oil to other producers must place their excess spearmint oil production into the reserve pool to be released in the future in accordance with market needs and under the Committee's direction.

In conjunction with the issuance of this proposed rule, USDA has reviewed the Committee's marketing policy statement for the 2019–2020 marketing year. The Committee's marketing policy statement, a requirement whenever the Committee recommends volume regulation, meets the requirements of §§ 985.50 and 985.51.

The establishment of the proposed salable quantities and allotment percentages would allow for anticipated market needs. In determining anticipated market needs, the Committee considered historical sales, as well as changes and trends in production and demand. This proposal would also provide producers with information regarding the amount of spearmint oil that should be produced for the 2019–2020 season to meet anticipated market demand.

Initial Regulatory Flexibility Act

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), the Agricultural Marketing Service (AMS) has considered the economic impact of this proposed rule on small entities. Accordingly, AMS has prepared this initial regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf.

There are approximately 33 producers and 90 producers of Scotch and Native spearmint oil, respectively, in the regulated production area and approximately 8 spearmint oil handlers subject to regulation under the Order. Small agricultural service firms are defined by the Small Business Administration (SBA) as those having annual receipts of less than $7,500,000, and small agricultural producers are defined as those having annual receipts of less than $750,000 (13 CFR 121.201).

The Committee reported that recent producer prices for spearmint oil range from $15.50 to $18.00 per pound. The National Agricultural Statistics Service (NASS) reported that the 2017 U.S. season average spearmint oil producer price per pound was $16.20. Multiplying $16.20 per pound by 2016–17 spearmint oil utilization of 2,186,751 million pounds yields a crop value estimate of about $35.4 million. Total 2016–17 spearmint oil utilization, reported by the Committee, is 621,236 pounds and 1,565,515 pounds for Scotch and Native spearmint oil, respectively.

Given the accounting requirements for the volume regulation provisions of the Order, the Committee maintains accurate records of each producer's production and sales. Using the $16.20 average spearmint oil price, and Committee production data for each producer, the Committee estimates that 11 of the 33 Scotch spearmint oil producers and 34 of the 90 Native spearmint oil producers could be classified as small entities under the SBA definition.

There is no third party or governmental entity that collects and reports spearmint oil prices received by spearmint oil handlers. However, the Committee estimates an average spearmint oil handling markup at approximately 20 percent of the price received by producers. Multiplying 1.20 by the 2016 producer price of $16.20 yields a handler f.o.b. price per pound estimate of $19.44.

Multiplying this handler f.o.b price by spearmint oil utilization of 2,186,751 pounds results in an estimated handler-level spearmint oil value of $42.5 million. Dividing this figure by the number of handlers (8) yields estimated average annual handler receipts of about $5.3 million, which is below the SBA threshold for small agricultural service firms.

Furthermore, using confidential data on pounds handled by each handler, and the abovementioned estimated handler price per pound, the Committee reported that it is likely that at least two of the eight handlers had 2017–2018 marketing year spearmint oil sales value that exceeded the SBA threshold.

Therefore, in view of the foregoing, the majority of producers of spearmint oil may be classified as large entities and the majority of handlers of spearmint oil may be classified as small entities.

This proposed rule would establish the quantity of spearmint oil produced in the Far West, by class, which handlers may purchase from, or handle on behalf of, producers during the 2019–2020 marketing year. The Committee recommended this action to help maintain stability in the spearmint oil market by matching supply to estimated demand, thereby avoiding extreme fluctuations in supplies and prices. Establishing quantities that may be purchased or handled during the marketing year through volume regulations allows producers to coordinate their spearmint oil production with the expected market demand. Authority for this proposal is provided in §§ 985.50, 985.51, and 985.52.

The Committee estimated trade demand for the 2019–2020 marketing year for both classes of oil at 2,205,000 pounds and expects that the combined salable carry-in will be 222,650 pounds. The combined required salable quantity is 1,982,350 pounds. Under volume regulation, total sales of spearmint oil by producers for the 2019–2020 marketing year would be held to 2,450,544 pounds (the recommended salable quantity for both classes of spearmint oil of 2,227,894 pounds plus 222,650 pounds of carry-in). This total available supply of 2,450,544 pounds should be more than adequate to supply the 2,205,000 pounds of anticipated total trade demand for spearmint oil. In addition, as of May 31, 2018, the total reserve pool for both classes of spearmint oil stood at 1,223,221 pounds. Furthermore, that quantity is expected to rise over the course of the 2018–2019 marketing year to 1,266,400. Should trade demand increase unexpectedly during the 2019–2020 marketing year, reserve pool spearmint oil could be released into the market to supply that increase in demand.

The recommended allotment percentages, upon which 2019–2020 producer allotments are based, are 38 percent for Scotch spearmint oil and 56 percent for Native spearmint oil. Without volume regulation, producers would not be held to these allotment levels, and could sell unrestricted quantities of spearmint oil. The USDA econometric model estimated that the season average producer price per pound (from both classes of spearmint oil) would decline about $2.20 per pound because of the higher quantities of spearmint oil that would be produced and marketed without volume regulation. The surplus situation for the spearmint oil market that would exist without volume regulation in 2019–2020 also would likely dampen prospects for improved producer prices in future years because of the buildup in stocks.

The use of volume regulation allows the industry to fully supply spearmint oil markets while avoiding the negative consequences of over-supplying these markets. The use of volume regulation is believed to have little or no effect on consumer prices of products containing spearmint oil and would not result in fewer retail sales of such products.

The Committee discussed alternatives to the recommendations contained in this rule for both classes of spearmint oil. The Committee rejected the idea of not regulating any volume for either class of spearmint oil because of the severe, price-depressing effects that would likely occur without volume regulation. The Committee also discussed and considered salable quantities and allotment percentages that were above and below the levels that were ultimately recommended for both classes of spearmint oil. Ultimately, the action taken by the Committee was to increase the salable quantity and allotment percentage for both Scotch and Native spearmint oil from the levels established for the 2018–2019 marketing year.

As noted earlier, the Committee's recommendation to establish salable quantities and allotment percentages for both classes of spearmint oil was made after careful consideration of all available information including: (1) The estimated quantity of salable oil of each class held by producers and handlers; (2) the estimated demand for each class of oil; (3) the prospective production of each class of oil; (4) the total of allotment bases of each class of oil for the current marketing year and the estimated total of allotment bases of each class for the ensuing marketing year; (5) the quantity of reserve oil, by class, in storage; (6) producer prices of oil, including prices for each class of oil; and (7) general market conditions for each class of oil, including whether the estimated season average price to producers is likely to exceed parity.

Based on its review, the Committee believes that the salable quantities and allotment percentages recommended would achieve the objectives sought. The Committee also believes that, should there be no volume regulation in effect for the upcoming marketing year, the Far West spearmint oil industry would return to the pronounced cyclical price patterns that occurred prior to the promulgation of the Order. As previously stated, annual salable quantities and allotment percentages have been issued for both classes of spearmint oil since the Order's inception. The salable quantities and allotment percentages proposed herein are expected to facilitate the goal of maintaining orderly marketing conditions for Far West spearmint oil for the 2019–2020 and future marketing years.

Costs to producers and handlers, large and small, resulting from this proposal are expected to be offset by the benefits derived from a more stable market and increased returns. The benefits of this rule are expected to be equally available to all producers and handlers regardless of their size.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the Order's information collection requirements have been previously approved by OMB and assigned OMB No. 0581–0178, Specialty Crops. No changes are necessary in those requirements as a result of this action. Should any changes become necessary, they would be submitted to OMB for approval.

This proposed rule would establish the salable quantities and allotment percentages for Scotch spearmint oil and Native spearmint oil produced in the Far West during the 2019–2020 marketing year. Accordingly, this proposal would not impose any additional reporting or recordkeeping requirements on either small or large spearmint oil producers or handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public-sector agencies.

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

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

In addition, the Committee's meeting was widely publicized throughout the spearmint oil industry and all interested persons were invited to attend the meeting and participate in Committee deliberations on all issues. Like all Committee meetings, the October 17, 2018, meeting was a public meeting and all entities, both large and small, were able to express views on this issue. Finally, interested persons are invited to submit comments on this proposed rule, including the regulatory and informational impacts of this action on small businesses.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: *http://www.ams.usda.gov/rules-regulations/moa/small-businesses.* Any questions about the compliance guide should be sent to Richard Lower at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

A 30-day comment period is provided to allow interested persons to respond to this proposal. All written comments timely received will be considered before a final determination is made on this matter.

List of Subjects in 7 CFR Part 985

Marketing agreements, Oils and fats, Reporting and recordkeeping requirements, Spearmint oil.

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

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

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

Authority: 7 U.S.C. 601–674.

■ 2. A new § 985.234 is added to read as follows:

§ 985.234 Salable quantities and allotment percentages—2019–2020 marketing year.

The salable quantity and allotment percentage for each class of spearmint oil during the marketing year beginning on June 1, 2019, shall be as follows:

(a) Class 1 (Scotch) oil—a salable quantity of 832,081 pounds and an allotment percentage of 38 percent.

(b) Class 3 (Native) oil—a salable quantity of 1,395,813 pounds and an allotment percentage of 56 percent.

§ 985.236 [Removed]

■ 3. Remove § 985.236.

Dated: February 12, 2019

Bruce Summers,

Administrator, Agricultural Marketing Service.

[FR Doc. 2019–02514 Filed 2–14–19; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2019–0020; Product Identifier 2018–NM–144–AD]

RIN 2120–AA64

Airworthiness Directives; Airbus SAS Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: We propose to supersede Airworthiness Directive (AD) 2018–19–18, which applies to certain Airbus SAS Model A300 B4–603, B4–620, and B4–622 airplanes; Model A300 B4–600R series airplanes; Model A300 C4–605R Variant F airplanes; and Model A300 F4–605R airplanes. AD 2018–19–18 requires, depending on airplane configuration, a modification of certain angle fitting attachment holes; repetitive inspections for cracking of certain holes of the internal lower angle fitting web, certain holes of the internal lower angle fitting horizontal splicing, the aft bottom panel, and a certain junction area; and related investigative and corrective actions if necessary. Since we issued AD 2018–19–18, we have determined that additional airplanes are affected by the unsafe condition. This proposed AD would retain the actions required by AD 2018–19–18, expand the applicability, and, for certain airplanes, would require repetitive inspections for cracking of certain holes of the center wing box (CWB) lower angle fittings and the CWB lower panel, and corrective actions if necessary. We are proposing this AD to address the unsafe condition on these products.

DATES: We must receive comments on this proposed AD by April 1, 2019.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov.* Follow the instructions for submitting comments.
- *Fax:* 202–493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.
- *Hand Delivery:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For the incorporation by reference (IBR) material described in the ''Related IBR material under 1 CFR part 51'' section in **SUPPLEMENTARY INFORMATION**, contact European Aviation Safety Agency (EASA), Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; telephone +49 221 89990 1000; email *ADs@easa.europa.eu;* internet *www.easa.europa.eu.* You may find this IBR material on the EASA website at *https://ad.easa.europa.eu.* You may view this IBR material at the FAA, Transport Standards Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206–231–3195. It is also available in the AD docket on the internet at *http://www.regulations.gov.*

Examining the AD Docket

You may examine the AD docket on the internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2019–0020; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the regulatory evaluation, any comments received, and other information. The street address for Docket Operations (telephone 800–647–5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT: Dan Rodina, Aerospace Engineer, International Section, Transport Standards Branch, FAA, 2200 South 216th St., Des Moines, WA 98198; telephone and fax 206–231–3225.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposal. Send your comments to an address listed under the **ADDRESSES** section. Include ''Docket No. FAA–2019–0020; Product Identifier 2018–NM–144–AD'' at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this NPRM. We will consider all comments received by the closing date and may amend this NPRM based on those comments.

We will post all comments we receive, without change, to *http://www.regulations.gov,* including any personal information you provide. We will also post a report summarizing each substantive verbal contact we receive about this NPRM.

Discussion

We issued AD 2018–19–18, Amendment 39–19418 (83 FR 49793, October 3, 2018) (''AD 2018–19–18''), for certain Airbus SAS Model A300 B4–603, B4–620, and B4–622 airplanes; Model A300 B4–600R series airplanes; Model A300 C4–605R Variant F airplanes; and Model A300 F4–605R airplanes. AD 2018–19–18 requires, depending on airplane configuration, a modification of certain angle fitting attachment holes; repetitive inspections for cracking of certain holes of the internal lower angle fitting web, certain holes of the internal lower angle fitting horizontal splicing, the aft bottom panel, and a certain junction area; and related investigative and corrective actions if necessary. AD 2018–19–18 resulted from reports of cracking on a certain frame (FR) angle fitting. We issued AD 2018–19–18 to address cracking of the FR47 angle fitting, which could result in reduced structural integrity of the airplane.

Actions Since AD 2018–19–18 Was Issued

We have determined that additional airplanes are affected by the unsafe condition. Airbus SAS Model A300 B4–622R and Model A300 F4–600R series airplanes that have accomplished Airbus Modification 12171 and Airbus Modification 12249 need to be inspected in order to address the unsafe condition.

EASA, which is the Technical Agent for the Member States of the European Union, has issued EASA AD 2018–0229, dated October 23, 2018 (''EASA AD 2018–0229'') (also referred to as the Mandatory Continuing Airworthiness Information, or ''the MCAI''), to correct an unsafe condition for certain Airbus SAS Model A300 B4–603, B4–620, B4–622, B4–605R, B4–622R, C4–605R Variant F, F4–605R, and F4–622R airplanes. The MCAI states:

> Prompted by cracks found on CWB FR47 angle fittings, Airbus issued SB [service bulletin] A300–57–6049, SB A300–57–6050, and SB A300–57–6086.
>
> These cracks, if not detected and corrected, could affect the structural integrity of the CWB of the aeroplane.
>
> Consequently, DGAC [Direction Générale de l'Aviation Civile] France published AD