

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF AGRICULTURE

### Federal Crop Insurance Corporation

#### 7 CFR Part 400

RIN 0563-AB01

#### General Administrative Regulations; Ineligibility for Programs Under the Federal Crop Insurance Act

**AGENCY:** Federal Crop Insurance Corporation, Department of Agriculture.

**ACTION:** Proposed rule.

**SUMMARY:** The regulations contained in this subpart are issued pursuant to the Federal Crop Insurance Act, as amended (7 U.S.C. 1501 *et seq.*) To prescribe the procedures for determining eligibility for program participation in any program administered under the Federal Crop Insurance Act, as amended, and administering and maintaining an ineligible tracking system. In addition, this rule sets out the criteria for reinstatement of program eligibility.

**DATES:** Written comments, data, and opinions on this proposed rule will be accepted until close of business December 30, 1996 and will be considered when the rule is to be made final. The comment period for information collections under the Paperwork Reduction Act of 1995 continues through December 30, 1996.

**ADDRESSES:** Written comments, data, and opinions on this proposed rule should be sent to the Chief, Product Development Branch, Federal Crop Insurance Corporation (FCIC), United States Department of Agriculture (USDA), 9435 Holmes Road, Kansas City, MO 64131, telephone (816) 926-7730. Written comments will be available for public inspection and copying in room 0324, South Building, USDA, 14th and Independence Avenue, SW., Washington, DC, 8:15 a.m.-4:45 p.m., Monday through Friday, except holidays.

**FOR FURTHER INFORMATION CONTACT:** For further information, contact Bill Smith, Supervisory Program Analyst,

Research and Development Division, Product Development Branch, FCIC, at the Kansas City, MO address listed above, telephone (816) 926-7743. For a copy of the Cost-Benefit Analysis to the General Administrative Regulations; Ineligibility for Programs Under the Federal Crop Insurance Act, contact Bonnie Hart, USDA, FSA, Advisory and Corporate Operations Staff, Regulatory Review Group, P.O. Box 2415, STOP 0572, USDA, Washington, DC 20013-2415, 8:15 a.m.-4:45 p.m., est, Monday through Friday, except holidays, telephone (202) 690-2857.

#### SUPPLEMENTARY INFORMATION:

Executive Order 12866 and Departmental Regulation 1512-1

This action has been reviewed under USDA procedures established by Executive Order 12866 and Departmental Regulation No. 1512-1. This action constitutes a review as to the need, currency, clarity, and effectiveness of these regulations under those procedures. The sunset review date established for these regulations is February 1, 2001.

This rule has been determined to be significant for the purposes of Executive Order 12866, and, therefore, has been reviewed by the Office of Management and Budget (OMB).

#### Cost-Benefit Analysis

A Cost-Benefit Analysis has been completed and is available to interested persons at the address listed above. In summary, the analysis finds that the expected benefits of this action outweigh the cost to society. By allowing the efficient tracking of ineligible individuals, the Federal government will be able to collect about \$6 million annually in debts owed by crop insurance policyholders. The burden on policyholders and crop insurance companies for reporting information to establish the tracking system is estimated to be \$5.1 million. However, most policyholders have already reported their Social Security Number for tracking purposes and will not need to report again. Thus, the reporting burden in future years should be considerably less. Federal costs for maintaining the tracking system are estimated to be about \$660,000 for the first year and somewhat less in future years.

#### Paperwork Reduction Act of 1995

The information collection requirements contained in these regulations have been submitted to OMB for their approval under section 3507(j) of the Paperwork Reduction Act of 1995. This proposed rule will amend the information collection requirements under OMB number 0563-0047, through September 30, 1996.

The title of this information collection is "General Administrative Regulation; Subpart Q, Collection and Storage of Social Security Numbers (SSN) and Employer Identification Numbers (EIN), and Subpart U, Ineligibility for Programs Under the Federal Crop Insurance Act." The information collected is used to correctly identify the participant, and any other person with an interest in the policyholder's operation in excess of 10%, as a policyholder within the systems maintained by FCIC, and to compile the names of debtors, persons in violation of the controlled substance provisions of the Food Security Act of 1985, persons who have committed fraud, misrepresentation, or adopted a scheme or device.

The information requested is necessary to protect the integrity of the program by ensuring that those producer's who have abused the program are not eligible for further program benefits, or for program participation in any program administered under the Federal Crop Insurance Act, as amended, and administering and maintaining an ineligible tracking system.

**Estimate of Burden:** Public reporting burden for this collection of information is estimated to be 25 minutes per response.

**Respondents:** Policyholders and those with a substantial beneficial interest in the policyholder or any person having any interest in the policyholder and receiving separate benefits under another USDA program as a direct result of such interest.

**Estimated Number of Respondents:** 2,032,800.

**Estimated Number of Responses per Respondent:** 1 per year.

**Estimated Total Burden Hours:** 508,200.

The comment period for information collections under the Paperwork

Reduction Act of 1995 continues on the following: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information gathering technology.

Comments regarding paperwork reduction should be submitted to the Desk Officer of Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget (OMB), Washington, D.C., 20503 and to Bonnie Hart, Advisory and Corporate Operations Staff, Regulatory Review Group, Farm Service Agency, P.O. Box 2415, Ag Box 0572, United States Department of Agriculture, Washington, D.C. 20013-2415. Copies of the information collection may be obtained from Bonnie Hart at the above address, telephone (202) 690-2857.

The Office of Management and Budget (OMB) is required to make a decision concerning the collection(s) of information contained in these proposed regulations between 30 and 60 days after submission to OMB. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment on the proposed regulation.

#### Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandate Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. Under section 202 of the UMRA, FCIC generally must prepare a written statement, including a cost-benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures to State, local, or tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any 1 year. When such a statement is needed for a rule, section 205 of the UMRA generally requires FCIC to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, more cost-effective or least burdensome alternative that achieves the objectives of the rule.

This rule contains no Federal mandate (under the regulatory provisions of Title II of the UMRA) for State, local, and tribal governments or the private sector. Thus, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

#### Executive Order 12612

It has been determined under section 6(a) of Executive Order 12612, Federalism, that this rule does not have sufficient Federalism implications to warrant the preparation of a Federalism Assessment. The policies and procedures contained in this rule will not have a substantial direct effect on States or their political subdivisions, or on the distribution of power and responsibilities among the various levels of Government.

#### Regulatory Flexibility Act

This regulation will not have a significant impact on a substantial number of small entities. The amount of work required of insurance companies should not increase because the information used to determine eligibility is already maintained at their office. The amount of work required of insurance companies may actually be reduced because verification with FCIC of a producer's compliance with the controlled substance regulations, currently done manually, will be automated. Therefore, this action is determined to be exempt from the provisions of the Regulatory Flexibility Act (5 U.S.C. 605) and no Regulatory Flexibility Analysis was prepared.

#### Federal Assistance Program

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.450.

#### Executive Order 12372

This program is not subject to the provisions of Executive Order 12372 which require intergovernmental consultation with State and local officials. See the Notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115, June 24, 1983.

#### Executive Order 12778

The Office of General Counsel has determined that these regulations meet the applicable standards provided in sections 2(a) and 2(b)(2) of Executive Order 12778. The provisions of this rule will preempt State and local laws to the extent such State and local laws are inconsistent herewith. The administrative appeal provisions published at 7 CFR part 11 must be exhausted before action for judicial review may be brought.

#### Environmental Evaluation

This action is not expected to have any significant impact on the quality of the human environment, health, and safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

#### Background

It is the intention of FCIC to compile a list of those persons who have been found ineligible for participation in catastrophic risk protection coverage, limited coverage, and additional coverage because of various violations committed under the Federal Crop Insurance Act, as amended, and the Food Security Act of 1985, as amended. Violations which may cause a person's ineligibility include a delinquent debt from non-payment of premium or overstatement of indemnity, a material scheme or device, fraud, conviction of certain controlled substance infractions, or other causes.

#### List of Subjects in 7 CFR Part 400

Administrative practice and procedure, Claims, Crop insurance, Fraud, Reporting and recordkeeping requirements.

Pursuant to the authority contained in the Federal Crop Insurance Act, as amended (7 U.S.C. 1501 *et seq.*) the Federal Crop Insurance Corporation proposes to add a new subpart U to 7 CFR part 400, effective for the 1997 (1998 for Texas and Arizona/California Citrus) and succeeding crop years, to read as follows:

### **PART 400—GENERAL ADMINISTRATIVE REGULATIONS**

#### **Subpart U—Ineligibility for Programs Under the Federal Crop Insurance Act**

##### **Sec.**

- 400.675 Purpose.
- 400.676 OMB control numbers.
- 400.677 Definitions.
- 400.678 Applicability.
- 400.679 Criteria for ineligibility.
- 400.680 Determinations of ineligibility.
- 400.681 Effect of ineligibility.
- 400.682 Criteria for reinstatement of eligibility.
- 400.683 Administration and maintenance.

#### **Subpart U—Ineligibility for Programs Under the Federal Crop Insurance Act**

Authority: 7 U.S.C. 1506(1) and 1506(p).

##### **§ 400.675 Purpose.**

This subpart prescribes conditions under which a person may be determined to be ineligible to participate in any program administered by FCIC under the Federal Crop Insurance Act, as amended. This

subpart also establishes the criteria for reinstatement of eligibility.

#### **§ 400.676 OMB control numbers.**

The collecting of information requirements in this subpart has been approved by the Office of Management and Budget and assigned OMB control number 0563-0047.

#### **§ 400.677 Definitions.**

*Act.*—The Federal Crop Insurance Act, as amended (7 U.S.C. 1501 et seq.).

*Actively engaged in farming.*—Means a person who, in return for a share of profits and losses, makes a significant contribution to the production of an insurable crop in the form of capital, equipment, land, personal labor, or personal management.

*Applicant.*—A person who has submitted an application for crop insurance coverage under the Act.

*Authorized person.*—Any current or past officer, employee, elected official, general agent, agent, contractor, or loss adjuster of FCIC, the insurance provider, or any other government agency whose duties require access to the Ineligible Tracking System to administer the Act.

*Controlled substance.*—Any prohibited drug-producing plants including, but not limited to, cacti of the genus (*lophophora*), coca bushes (*erythroxylum coca*), marijuana (*cannabis sativa*), opium poppies (*papaver somniferum*), and other drug-producing plants, the planting and harvesting of which is prohibited by Federal or state law.

*Debt.*—An amount of money which has been determined by an appropriate agency official to be owed, by any person, to FCIC or an insurance provider under any program administered under the ACT. The debt may have arisen from overpayment, premium non-payment, interest, penalties, or other causes.

*Debtor.*—A person who owes a debt and that debt is delinquent.

*Delinquent debt.*—Any debt owed to FCIC or the insurance provider, under any program administered under the authority of the Act, that has not been paid by the termination date specified in the applicable contract of insurance, or other due date for payment contained in any other agreement or notification of indebtedness, or any overdue debt owed to FCIC or the insurance provider which is the subject of a scheduled installment payment agreement which the debtor has failed to satisfy under the terms of such agreement. Such debt may include any accrued interest, penalty, and administrative charges for which demand for repayment has been made, or unpaid premium including any

accrued interest, penalty and administrative charges (§ 400.116). A delinquent debt does not include debts discharged in bankruptcy and other debts which are legally barred from collection.

*EIN.*—An Employer Identification Number as required under section 6109 of the Internal Revenue Code of 1986 (26 U.S.C. 6109).

*FCIC.*—The Federal Crop Insurance Corporation, a wholly owned corporation within the United States Department of Agriculture.

*FSA.*—The Farm Service Agency or successor agency, USDA.

*Ineligible person.*—A person who is denied participation in any program administered by FCIC under the Act.

*Insurance provider.*—A private insurance company approved by FCIC, or FSA providing crop insurance coverage to producers participating in any Federal crop insurance program administered under the Act.

*Person.*—An individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a State, political subdivision, or an agency of a State.

*Policyholder.*—An applicant whose properly completed application for insurance under the crop insurance program has been accepted by FCIC or an insurance provider.

*Reinsurance agreement.*—An agreement between two parties by which an insurer cedes to a reinsurer certain liabilities arising from the insurer's sale of insurance policies.

*Reinsured company.*—A private insurance company having a Standard Reinsurance Agreement, or other reinsurance agreement, with FCIC, whose crop insurance policies are approved and reinsured by FCIC.

*Scheduled installment payment agreement.*—An agreement between a person and FCIC or the insurance provider to satisfy financial obligations of the person under conditions which modify the terms of the original debt.

*Settlement.*—An agreement between a person and FCIC or the insurance provider to resolve a dispute arising from a debt or other administrative determination.

*SSN.*—An individual's Social Security Number as required under section 6109 of the Internal Revenue Code of 1986.

*Standard Reinsurance Agreement (SRA).*—The primary reinsurance agreement between the reinsured company and FCIC.

*Substantial beneficial interest.*—Any person having an interest of at least ten percent (10%) or more in the applicant or policyholder.

*System of records.*—Records established and maintained by FCIC and FSA containing SSN or EIN data, name, address, city and State, applicable policy numbers, and other information related to Federal crop programs as required by FCIC, from which information is retrieved by a personal identifier including the SSN, EIN, name, or other unique identifier of a person.

#### **§ 400.678 Applicability.**

This subpart applies to any program administered by FCIC under the Act, including:

(a) The Catastrophic Risk Protection Program; and

(b) The Limited and Additional Coverage Program as authorized under sections 508(c) and 508(h) of the Act.

#### **§ 400.679 Criteria for ineligibility.**

A person may be determined to be ineligible to participate in any program administered by FCIC under the authority of the Act, if the person meets one or more of the following criteria:

(a) Has a delinquent debt on a crop insurance policy, issued or reinsured by FCIC, or any delinquent debt due FCIC. Any person with a delinquent debt owed to FCIC or to the insurance provider shall be ineligible to participate in any program administered under the authority of the Act. Delinquent debts are limited to those that arise from crop insurance programs administered by FCIC under the Act. The existence and delinquency of the debt must be verifiable.

(b) Has violated the Controlled Substance (7 CFR part 796) provisions of the Food Security Act of 1985, as amended. Any person who violates the Controlled Substance provisions of the Food Security Act of 1985, as amended, shall be ineligible to participate in all programs administered under the Act.

(c) Has committed fraud, misrepresentation, or adopted a scheme or device to obtain any benefits under the Act. Any person who is found in a criminal or civil proceeding, or a formal or informal administrative proceeding to have willfully and intentionally provided any false or inaccurate information to FCIC or the insurance provider, which the person knew or should have known was false or inaccurate, or adopted a material scheme or device in their participation in programs administered under the authority of the Act, shall be ineligible to participate in all programs administered under the Act. Ineligibility determinations resulting from judicial or administrative proceedings will not be stayed pending review.

**§ 400.680 Determinations of ineligibility.**

If an insurance provider or any other authorized person has evidence that any person meets any of the criteria set forth in this subpart, they must submit the evidence to FCIC. After verification that the person has met one or more of the criteria, a Notice of Ineligibility will be issued and mailed to the person at the person's last known address. The Notice of Ineligibility will state the criteria upon which the determination of ineligibility has been based, a brief statement of the facts to support the determination, the time period of ineligibility, and the person's right for review of the ineligibility determination. Any person receiving such a Notice of Ineligibility may seek reconsideration of the determination of ineligibility from the provider of insurance, or appeal to the USDA National Appeals Division (NAD), pursuant to 7 CFR part 11, within thirty (30) days from the date the Notice of Ineligibility is received by the person.

**§ 400.681 Effect of ineligibility.**

(a) Once the person has been determined to be ineligible:

(1) All policies in which the person has a 100 percent share of all crops covered by the policy will be void effective for the crop year for which the person was determined to be ineligible;

(2) If the ineligible person is a general partnership, all partners will be individually ineligible and any policy in which a partner has a 100 percent interest will be void effective for the crop year for which the partnership was determined to be ineligible. The partnership and all partners will be removed from any policy in which they have a substantial beneficial interest, and the policyholder share under the policies will be reduced commensurate with the ineligible person's share;

(3) If the applicant or policyholder is a corporation, partnership, or other business entity, and an ineligible person has a substantial beneficial interest in the applicant or policyholder, the application may be accepted or existing policies remain in effect, although the ineligible person will be removed from the policies and the policyholder share under the policies will be reduced commensurate with the ineligible person's share;

(4) If the applicant or policyholder is a corporation, partnership, or other business entity that was created to conceal the interest of a person in the farming operation or to evade the ineligibility determination of a person with a substantial beneficial interest in the applicant or policyholder, the corporation, partnership or other

business entity will be disregarded, the individual shareholders or partners will be personally responsible, and any shareholder or partner that is ineligible will be removed from the policy and the policyholder share under the policies will be reduced commensurate with the ineligible person's share;

(5) Any indemnities or payments made on a voided policy or on the portion of the policy reduced because of ineligibility will be declared overpayments and must be repaid; and

(6) If the policy is voided, all premiums may be refunded or if an ineligible person is removed from a policy, the portion of the premium commensurate with the ineligible person's share may be refunded, unless FCIC determines the person has willfully and intentionally provided false or inaccurate information to FCIC or an insurance provider.

(b) The spouse and minor children of an individual are considered to be the same as the individual for purposes of this subpart except that:

(1) The spouse who was actively engaged in farming in a separate farming operation prior to their marriage will be a separate person with respect to that separate farming operation so long as that operation remains separate and distinct from any farming operation conducted by the other spouse;

(2) A minor child who is actively engaged in farming in a separate farming operation will be a separate person with respect to that separate farming operation if:

(i) The parent or other entity in which the parent has a substantial beneficial interest does not have any interest in the minor's separate farming operation or in any production from such operation;

(ii) The minor has established and maintains a separate household from the parent;

(iii) The minor personally carries out the farming activities with respect to the minor's farming operation; and

(iv) The minor establishes separate accounting and record keeping for the minor's farming operation.

(c) An individual shall be considered to be a minor until the age of 18 is reached. Court proceedings conferring majority on an individual under 18 years of age will not change such individual's status as a minor.

(d) Any person determined to be ineligible will be denied subsequent participation in any program administered under the Act until eligibility is reinstated pursuant to this subpart.

(e) Any person who has been determined ineligible for:

(1) Controlled substance violations will be denied benefits for the crop year of the conviction and the four succeeding crop years;

(2) Adopting a material scheme or device will be denied benefits for one crop year; and

(3) Fraud or misrepresentation may be disqualified from receiving benefits under the Catastrophic Risk protection plan for up to two crop years and for any plan of insurance providing coverage greater than the catastrophic coverage, may be disqualified from receiving benefits for up to ten crop years.

**§ 400.682 Criteria for reinstatement of eligibility.**

A person who has been determined ineligible may have eligibility reinstated as follows:

(a) A delinquent debt owed on a crop insurance policy insured or reinsured by FCIC or any delinquent debt due FCIC. Eligibility may be reinstated after payment of the debt, or acceptance by FCIC or the insurance provider of a scheduled installment payment agreement. Eligibility will be reinstated as of the date the debt is paid or the date the agreement is accepted.

(b) Violations of the Controlled Substance provisions of the Food Security Act of 1985, as amended. Eligibility will be reinstated in accordance with § 400.681.

(c) Commission of a fraud, misrepresentation, and adoption of a material scheme or device to obtain benefits under any program administered under the Act. Eligibility may be restored when the period of disqualification has expired and payment of all penalties and overpayments have been completed.

(d) Timing of reinstatement of eligibility. If the date of reinstatement of eligibility occurs after the applicable sales closing date for the crop year, the person may not participate in any program administered under the Act until the following crop year.

(e) After eligibility has been reinstated, the person must complete a new application for crop insurance coverage on or before the applicable sales closing date.

**§ 400.683 Administration and maintenance.**

(a) Ineligible producer data will be maintained in a system of records in accordance with the Privacy Act, 5 U.S.C. 552a.

(1) The Ineligible Tracking System is a record of all persons who have been determined to be ineligible for participation in any program pursuant

to this subpart. This system contains identifying information of the ineligible person including, but not limited to, name, address, telephone number, SSN or EIN, reason for ineligibility, and time period for ineligibility.

(2) Information in the Ineligible Tracking System may be used by Federal agencies, FCIC employees, contractors, and private companies and their personnel who require such information in the performance of their duties in connection with any program administered under the Act. The information may be furnished to other users including, but not limited to, FCIC contracted agencies; credit reporting agencies and collection agencies; in response to judicial orders in the course of litigation; and other users as may be appropriate or required by law or regulation. The individual information will be made available in the form of various reports and notices produced from the Ineligible Tracking System, based on valid requests.

(3) Supporting documentation regarding the determination of ineligibility and reinstatement of eligibility will be maintained by FCIC and FSA, or its contractors, private companies, and Federal and State agencies. This documentation will be maintained consistent with the electronic information contained within the Ineligible Tracking System.

(b) Information may be entered into the Ineligible Tracking System by FCIC or FSA personnel.

(c) All persons applying for or renewing crop insurance contracts issued or reinsured by FCIC will be subject to validation of their eligibility status against the Ineligible Tracking System. Applications or benefits approved and accepted are considered approved or accepted subject to review of eligibility status in accordance with this subpart.

Signed in Washington, D.C., October 22, 1996.

Kenneth D. Ackerman,  
Manager, Federal Crop Insurance  
Corporation.

[FR Doc. 96-27768 Filed 10-30-96; 8:45 am]

BILLING CODE 3410-FA-P

## Animal and Plant Health Inspection Service

### 9 CFR Parts 51, 56, 71, 75, 76, 78, 80, and 85

[Docket No. 96-041-1]

#### Interstate Movement of Livestock; Approved Livestock Facilities, Hog Cholera Provisions, and Livestock Identification

**AGENCY:** Animal and Plant Health Inspection Service, USDA.

**ACTION:** Proposed rule.

**SUMMARY:** We are proposing to amend the regulations regarding the interstate movement of livestock by combining the provisions for the approval of livestock markets for cattle and bison, horses, and swine into a single section. These changes are the result of a comprehensive review of the Animal and Plant Health Inspection Service's regulations, programs, and policies regarding livestock markets and stockyards. We are also proposing to remove the regulations that restrict the movement of swine and swine products from areas quarantined for hog cholera and that provide for the payment of compensation to the owners of swine destroyed because of hog cholera. We would remove the hog cholera regulations because the United States has been free of hog cholera since 1978 and import requirements have proven adequate to prevent the reintroduction of the disease into this country. These proposed actions would eliminate unnecessary or duplicative regulations and remove the implication that hog cholera has not yet been eradicated in the United States.

**DATES:** Consideration will be given only to comments received on or before December 30, 1996.

**ADDRESSES:** Please send an original and three copies of your comments to Docket No. 96-041-1, Regulatory Analysis and Development, PPD, APHIS, Suite 3C03, 4700 River Road Unit 118, Riverdale, MD 20737-1238. Please state that your comments refer to Docket No. 96-041-1. Comments received may be inspected at USDA, room 1141, South Building, 14th Street and Independence Avenue SW., Washington, DC, between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays. Persons wishing to inspect comments are requested to call ahead on (202) 690-2817 to facilitate entry into the comment reading room.

**FOR FURTHER INFORMATION CONTACT:** Dr. James P. Davis, Senior Staff Veterinarian, Surveillance and Animal

Identification Team, National Animal Health Programs, VS, APHIS, 4700 River Road Unit 36, Riverdale, MD 20737-1231, (301) 734-5970; or E-mail: jdavis@aphis.usda.gov.

#### SUPPLEMENTARY INFORMATION:

##### Background

The regulations in subchapters B and C of chapter I, title 9, of the Code of Federal Regulations contain provisions designed to prevent the dissemination of animal diseases in the United States and facilitate their control and eradication. Subchapter B, "Cooperative Control and Eradication of Livestock or Poultry Diseases," comprises 9 CFR parts 49 through 56; subchapter C, "Interstate Transportation of Animals (Including Poultry) and Animal Products," is made up of 9 CFR parts 70 through 89. In this document, we are proposing to amend or delete portions of those two subchapters in order to eliminate duplication, streamline existing provisions, and remove unnecessary regulations.

##### Approval of Livestock Facilities

The regulations in subchapter C include provisions for the approval of livestock markets and stockyards where livestock are gathered for sale purposes. Those approvals are intended to ensure that the markets and stockyards are constructed and operated in a manner that will prevent the transmission of diseases among the livestock assembled for sales or auctions on the premises. Currently, the regulations in subchapter C contain five different approvals for livestock markets or stockyards: One in part 75 for horses, two in part 76 for swine, and two in part 78 for cattle and bison. Although each approval necessarily differs in certain aspects from the others due to considerations related to the specific diseases of concern and the types of animals involved, there are many elements that are common to all five approvals. In 1995, we undertook a comprehensive review of the Animal and Plant Health Inspection Service's (APHIS) regulations, programs, and policies regarding livestock markets and stockyards, and one recommendation that resulted from that review was that the five livestock market or stockyard agreements be consolidated into a single agreement. We are, therefore, proposing to remove the stockyard and market approval provisions from parts 75, 76, and 78 and combine them into a single section that would be located in part 71, "General Provisions." We believe that having a single section dealing with the approval of markets and stockyards