

# Rules and Regulations

Federal Register

Vol. 61, No. 246

Friday, December 20, 1996

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 52

[FV-97-326]

#### Quality Through Verification and Other Audit-Based Quality Assurance Programs for the Fruit and Vegetable Industry

**AGENCY:** Agricultural Marketing Service.

**ACTION:** Notice of public meeting.

**SUMMARY:** The U.S. Department of Agriculture (USDA), Agricultural Marketing Service (AMS) announces a forthcoming public meeting for interested parties especially firms and individuals who provide quality assurance or laboratory support to the fruit and vegetable industry to discuss the Agency's Quality Through Verification Program and certain other audit-based quality assurance programs operated by the Agency's Fruit and Vegetable Division.

**DATES:** February 6, 1997, 9:00 a.m. – 11:00 a.m.

**ADDRESSES:** U.S. Department of Agriculture, South Building, Fruit and Vegetable Division, 1400 Independence Avenue, SW, Agricultural Marketing Service Conference Room 3501, Washington, DC 20250. Telephone (202) 690-0262.

**FOR FURTHER INFORMATION CONTACT:** Eric Forman, Deputy Director, U.S. Department of Agriculture, Agricultural Marketing Service, Fruit and Vegetable Division, P.O. Box 96456, Room 2085 South Building, Washington, DC 20090-6456. Telephone (202) 690-0262.

**SUPPLEMENTARY INFORMATION:** The purpose of the meeting is to review the first-phase development of the Quality Through Verification (QTV) Program and other audit-based quality assurance programs administered by the Fruit and

Vegetable Division, and to obtain input regarding their administration, operations, and applicability to the marketplace. QTV is a voluntary, user-fee inspection program for processed and minimally processed fruits and vegetables and certain other commodities in which USDA specialists work with company management to validate the facility's HACCP-based QTV Plan and, through on-site audits, verify its effectiveness. HACCP is a scientific, analytical, and economical approach to ensure food is safe, wholesome, and of high quality. Firms operating under QTV can use a specifically designed USDA QTV shield on their packages. Other programs are directed principally to the assurance of uniform quality in fresh-pack fruits, vegetables, and related products. These programs are in the pilot stage of development.

The exchange of views and information among industry, technical experts, other interested parties, and the Department should result in improved public understanding and participation as well as cost effective and reliable implementation of these programs. The meeting is open to the public, but space is limited. Persons wishing to provide statements or otherwise attend should notify the Deputy Director by January 21, 1997.

At that time please inform the Deputy Director of any special accommodations that may be needed. Any member of the public may file a written statement with AMS before, during, or after the meeting. Minutes of the meeting will be available on request.

Dated: December 16, 1996.

Robert C. Keeney,

*Director, Fruit and Vegetable Division.*

[FR Doc. 96-32285 Filed 12-19-96; 8:45 am]

BILLING CODE 3410-02-M

#### 7 CFR Part 955

[Docket No. FV96-955-1 FIR]

#### Vidalia Onions Grown in Georgia; Assessment Rate

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Final rule.

**SUMMARY:** The Department of Agriculture (Department) is adopting as a final rule, without change, the

provisions of an interim final rule establishing an assessment rate for the Vidalia Onion Committee (Committee) under Marketing Order No. 955 for the 1996-97 and subsequent fiscal periods. The Committee is responsible for local administration of the marketing order which regulates the handling of Vidalia onions grown in Georgia. Authorization to assess Vidalia onion handlers enables the Committee to incur expenses that are reasonable and necessary to administer the program.

**EFFECTIVE DATE:** September 15, 1996.

**FOR FURTHER INFORMATION CONTACT:** Doris Jamieson, Marketing Assistant, Southeast Marketing Field Office, Fruit and Vegetable Division, AMS, USDA, P.O. Box 2276, Winter Haven, FL 33883-2276, telephone 941-299-4770; FAX 941-299-5169, or Martha Sue Clark, Program Assistant, Marketing Order Administration Branch, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, room 2525-S, Washington, DC 20090-6456, telephone 202-720-9918; FAX 202-720-5698. Small businesses may request information on compliance with this regulation by contacting: Jay Guerber, Marketing Order Administration Branch, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, Room 2525-S, Washington, DC 20090-6456; telephone 202-720-2491; FAX 202-720-5698.

**SUPPLEMENTARY INFORMATION:** This rule is issued under Marketing Agreement and Order No. 955, both as amended (7 CFR part 955), regulating the handling of Vidalia onions grown in Georgia, hereinafter referred to as the "order." The marketing agreement and order are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the "Act."

The Department is issuing this rule in conformance with Executive Order 12866.

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. Under the marketing order now in effect, Vidalia onion handlers are subject to assessments. Funds to administer the order are derived from such assessments. It is intended that the assessment rate as issued herein will be applicable to all assessable Vidalia onions beginning September 15, 1996, and continuing until amended, suspended, or terminated. This rule will not preempt any State or local laws,

regulations, or policies unless they present an irreconcilable conflict with this rule.

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 the Secretary 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 handler is afforded the opportunity for a hearing on the petition. After the hearing the Secretary 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 the Secretary'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 requirements set forth in the Regulatory Flexibility Act (RFA), the Agricultural Marketing Service (AMS) has considered the economic impact of this rule on small entities.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, 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. Thus, both statutes have small entity orientation and compatibility.

There are approximately 250 producers of Vidalia onions in the production area and approximately 145 handlers subject to regulation under the marketing order. Small agricultural producers have been defined by the Small Business Administration (13 CFR 121.601) as those having annual receipts of less than \$500,000, and small agricultural service firms are defined as those whose annual receipts are less than \$5,000,000. The majority of Vidalia onion producers and handlers may be classified as small entities.

The Vidalia onion marketing order provides authority for the Committee, with the approval of the Department, to formulate an annual budget of expenses and collect assessments from handlers to administer the program. The members of the Committee are producers and handlers of Vidalia onions. They are familiar with the Committee's needs and with the costs for goods and services in their local area and are thus in a position to formulate

an appropriate budget and assessment rate. The assessment rate is formulated and discussed in a public meeting. Thus, all directly affected persons have an opportunity to participate and provide input.

The Committee met on August 1, 1996, and unanimously recommended 1996-97 expenditures of \$370,000 and an assessment rate of \$0.10 per 50-pound bag or equivalent of Vidalia onions. In comparison, last year's budgeted expenditures were \$343,000. The assessment rate of \$0.10 is the same as last year's established rate. Major expenditures recommended by the Committee for the 1996-97 fiscal period include \$110,000 for marketing, \$95,000 for research, \$139,000 for program administration, and \$26,000 for compliance. Budgeted expenses for these items in 1995-96 were \$146,500, \$48,500, \$122,600, and \$25,400, respectively.

The assessment rate recommended by the Committee was derived by dividing anticipated expenses by expected shipments of Vidalia onions. Vidalia onion shipments for the year are estimated at 3,614,000 which should provide \$361,400 in assessment income. The Committee also anticipates shipments of 70,000 50-pound bags of previously unassessed Vidalia onions which have been in storage, which will yield an additional \$7,000 in assessment income. Income derived from handler assessments, along with interest income, will be adequate to cover budgeted expenses. Funds in the reserve will be kept within the maximum permitted by the order.

An interim final rule regarding this action was published in the September 24, 1996, issue of the Federal Register (61 FR 49952). That rule provided for a 30-day comment period. No comments were received.

While this rule will impose some additional costs on handlers, the costs are in the form of uniform assessments on all handlers. Some of the additional costs may be passed on to producers. However, these costs will be offset by the benefits derived by the operation of the marketing order. Therefore, the AMS has determined that this rule will not have a significant economic impact on a substantial number of small entities.

The assessment rate established in this rule will continue in effect indefinitely unless modified, suspended, or terminated by the Secretary upon recommendation and information submitted by the Committee or other available information.

Although this assessment rate is effective for an indefinite period, the

Committee will continue to meet prior to or during each fiscal period to recommend a budget of expenses and consider recommendations for modification of the assessment rate. The dates and times of Committee meetings are available from the Committee or the Department. Committee meetings are open to the public and interested persons may express their views at these meetings. The Department will evaluate Committee recommendations and other available information to determine whether modification of the assessment rate is needed. Further rulemaking will be undertaken as necessary. The Committee's 1996-97 budget and those for subsequent fiscal periods will be reviewed and, as appropriate, approved by the Department.

After consideration of all relevant material presented, including the information and recommendation submitted by the Committee and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined that good cause exists for not postponing the effective date of this rule until 30 days after publication in the Federal Register because: (1) The Committee needs to have sufficient funds to pay its expenses which are incurred on a continuous basis; (2) the 1996-97 fiscal period began on September 15, 1996, and the marketing order requires that the rate of assessment for each fiscal period apply to all assessable Vidalia onions handled during such fiscal period; (3) handlers are aware of this action which was unanimously recommended by the Committee at a public meeting and is similar to other assessment rate actions issued in past years; and (4) an interim final rule was published on this action and provided for a 30-day comment period; no comments were received.

#### List of Subjects in 7 CFR Part 955

Marketing agreements, Onions, Reporting and recordkeeping requirements.

Note: This section will appear in the Code of Federal Regulations.

For the reasons set forth in the preamble, 7 CFR part 955 is amended as follows:

#### **PART 955—VIDALIA ONIONS GROWN IN GEORGIA**

Accordingly, the interim final rule amending 7 CFR part 955 which was published at 61 FR 49952 on September 24, 1996, is adopted as a final rule without change.

Dated: December 16, 1996.  
Robert C. Keeney,  
*Director, Fruit and Vegetable Division.*  
[FR Doc. 96-32286 Filed 12-19-96; 8:45 am]  
BILLING CODE 3410-02-P

## FARM CREDIT ADMINISTRATION

**12 CFR Parts 600, 603, 611, 614, 615, 618, and 619**

**RIN 3052-AB61**

### **Organization and Functions; Privacy Act Regulations; Organization; Loan Policies and Operations; Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations; General Provisions; Definitions**

**AGENCY:** Farm Credit Administration.

**ACTION:** Interim rule; request for comment.

**SUMMARY:** The Farm Credit Administration (FCA or Agency) through the Farm Credit Administration Board (Board) amends the current regulations in parts 600, 603, 611, 614, 615, 618, and 619 to eliminate unnecessary, outdated, duplicative, or burdensome regulatory requirements, to replace outdated regulatory language with more current terminology, and to clarify the intended meaning of certain regulatory provisions. This is an interim rule, with request for comment, because the changes cover issues that are primarily technical in nature.

**DATES:** The regulations shall be effective upon the expiration of 30 days after publication during which either or both houses of Congress are in session. Written comments must be received on or before January 31, 1997. Notice of effective date will be published in the Federal Register.

**ADDRESSES:** Comments may be mailed or delivered to Patricia W. DiMuzio, Director, Regulation Development Division, Office of Policy Development and Risk Control, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090 or by facsimile at (703) 734-5784. Comments may also be submitted via electronic mail to "reg-comm@fca.gov". Copies of all communications received will be available for review by interested parties in the Office of Policy Development and Risk Control, Farm Credit Administration.

#### **FOR FURTHER INFORMATION CONTACT:**

Linda C. Sherman, Policy Analyst,  
Regulation Development Division,  
Office of Policy Development and  
Risk Control, Farm Credit  
Administration, McLean, VA 22102-

5090, (703) 883-4498, TDD (703) 883-4444.

or

Wendy R. Laguarda, Senior Attorney,  
Legal Counsel Division, Office of  
General Counsel, Farm Credit  
Administration, McLean, VA 22102-  
5090, (703) 883-4020, TDD (703) 883-  
4444.

#### **SUPPLEMENTARY INFORMATION:**

##### **I. Basic Objectives for Interim Regulation**

The FCA is continuing efforts to streamline its regulations as part of its commitment to the principles contained in the Board's Policy Statement on Regulatory Philosophy (Policy Statement). See 60 FR 26034 (May 16, 1995). Pursuant to the Policy Statement, the FCA will strive to ensure that each regulation has a well-defined objective that addresses specific problems or risks. The Policy Statement commits the FCA to repeal regulations that prescribe detailed management and operational practices for Farm Credit System (System) institutions and that are not needed to enhance safe and sound bank operations. It is in furtherance of these objectives that the Agency is making a number of deletions, clarifications, and technical amendments to its regulations.

##### **II. Background Information**

As part of its ongoing efforts to streamline the regulatory process, the Agency took the following initiatives to determine ways to reduce regulatory burden:

A. The establishment of an FCA task force, pursuant to the Agency's Strategic Action Plan, to eliminate nonstatutory prior approvals of routine business matters;

B. A 1993 Solicitation for Public Comments concerning ways to reduce regulatory burden (See 58 FR 34003, June 23, 1993);

C. The consideration of Regulatory Petitions submitted by the public that recommended certain changes to existing regulations;

D. The establishment of an FCA task force on agricultural credit bank (ACB) issues to evaluate the need for technical changes to existing regulations in order to include ACBs; and

E. The consideration of FCA staff submissions containing suggestions for regulatory deletions and amendments.

Substantive issues arising from such actions have been incorporated into existing or new Agency regulatory projects. In order to provide regulatory relief in the most expeditious manner possible, remaining non-substantive and

technical issues are addressed in this regulation.

#### **III. Section-by-Section Analysis**

##### **1. 12 CFR 600.5 (Subpart A)—Farm Credit Administration**

This section is amended to reflect the Agency's recent organizational changes.

##### **2. 12 CFR 603.310 (b)—Privacy Act Regulations**

This section is amended to reflect the fact that the Privacy Act Officer position has moved from the Office of Congressional and Public Affairs to the Office of General Counsel.

##### **3. 12 CFR 611.1135 (Subpart I)—Service Organizations**

Section 611.1135(e) requires prior approval by the FCA for amending the bylaws of service corporations. Section 4.25 of the Farm Credit Act of 1971, as amended (Act) authorizes the FCA to charter service corporations. However, section 5.17(b) of the Act provides that the FCA shall not have the authority to approve bylaws, or amendments, modifications or changes to bylaws, of System institutions. Further, § 4.26 of the Act no longer authorizes the FCA to approve bylaws of service corporations. Thus, the FCA is deleting § 611.1135(e) and removing the FCA prior approval requirement for amendments to bylaws for service corporations.

As part of the normal chartering application process, service corporation bylaws will continue to be reviewed by the FCA. Such review will be limited, however, to whether the bylaws violate any statutory, regulatory or safety and soundness provisions.

Under the Farm Credit System Reform Act of 1996, Pub. L. 104-105, 110 Stat. 162, February 10, 1996, associations are authorized to form service corporations. Technical changes to make § 611.1135 consistent with the 1996 legislation have been incorporated into the interim rule. This rule also replaces outdated language with more current terminology. For example, the word "Chairman" is deleted, and in its place the words "Farm Credit Administration" are inserted.

##### **4. 12 CFR 611.1140 and 611.1145 (Subpart J)—Merger and Reorganization Proposals Required by the Agricultural Credit Act of 1987**

The FCA is deleting all of subpart J. These regulations were issued to facilitate the consolidation of System institutions as required by section 412 of the Agricultural Credit Act of 1987. All consolidations were required to be completed by January 1, 1990. Hence, these regulations, including the FCA