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OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 330

RIN 3206-AH26

Career Transition Assistance for Surplus and Displaced Federal Employees; Effective Date Correction

AGENCY: Office of Personnel Management.

ACTION: Final regulation; correction of effective date.

SUMMARY: The Office of Personnel Management (OPM) published final regulations to implement the President's memorandum of September 12, 1995, requiring Federal agencies to develop career transition assistance programs to help their employees affected by downsizing obtain other employment on June 9, 1997 (62 FR 31315). The effective date in the **DATES** section on page 31315, column 1, contained incomplete and misleading information. This document corrects the **DATES** section as set forth below to accurately reflect OPM's intent with regard to the effective dates and compliance dates of the final regulations.

DATES: Effective dates: The final regulation is effective July 9, 1997, except that the revision of subpart F of 5 CFR part 330 is effective September 8, 1997.

Compliance dates: Agencies will comply with the regulatory changes affecting the Interagency Career Transition Assistance Plan (ICTAP) by July 9, 1997. Agencies will amend their Career Transition Assistance Plans (CTAP), reflecting regulatory changes on providing internal selection priority and services to their surplus and displaced employees, as soon as possible, but no later than September 8, 1997.

FOR FURTHER INFORMATION CONTACT: Susan Shelton or Ed McHugh on (202)

606-0960, FAX (202) 606-2329, or TDD (202) 606-0023.

Office of Personnel Management.

James B. King,

Director.

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DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

9 CFR Part 94

[Docket No. 94-106-5]

RIN 0579-AA71

Importation of Beef From Argentina

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: We are amending the regulations concerning the importation of animal products to allow, under certain conditions, the importation of fresh, chilled or frozen beef from Argentina. This change is warranted because it removes unnecessary restrictions on the importation of meat from Argentina into the United States.

EFFECTIVE DATE: August 25, 1997.

FOR FURTHER INFORMATION CONTACT: Dr. Gary Colgrove, Chief Staff Veterinarian, National Center for Import and Export, VS, APHIS, 4700 River Road Unit 38, Riverdale, MD 20737-1231, (301) 734-8590.

SUPPLEMENTARY INFORMATION:

Background

The Animal and Plant Health Inspection Service (APHIS), United States Department of Agriculture (USDA), has promulgated regulations regarding the importation of animals and animal products in order to guard against the introduction into the United States of animal diseases not currently present or prevalent in this country. These regulations are set forth in the Code of Federal Regulations (CFR), title 9, chapter 1, subchapter D.

On April 18, 1996, we published in the **Federal Register** a proposed rule (61 FR 16978-17105, Docket No. 94-106-1) to revise the regulations in six different parts of 9 CFR to establish importation criteria for certain animals and animal

products based on the level of disease risk in specified geographical regions. In proposing the amendments to the regulations, we stated that we considered the proposed regulatory changes to be consistent with and to meet the requirements of international trade agreements that had recently been entered into by the United States.

We solicited comments concerning our proposal for 90 days ending July 17, 1996. During the comment period, several commenters requested that we extend the period during which we would accept comments. In response to these requests, on July 11, 1996, we published in the **Federal Register** a notice that we would consider comments on the proposed rule for an additional 60 days ending September 16, 1996 (61 FR 36520, Docket No. 94-106-4). During the comment period, we conducted four public hearings at which we accepted oral and written comments from the public. These public hearings (announced in the **Federal Register** on May 6 and May 29, 1996, 61 FR 20190-20191 and 26849-26850, Docket Nos. 94-106-2 and 94-106-3, respectively) were held in Riverdale, MD; Atlanta, GA; Kansas City, MO; and Denver, CO.

We received 113 comments on the proposed rule on or before September 16, 1996. These comments came from representatives of State and foreign governments, international economic and political organizations, veterinary associations, State departments of agriculture, livestock industry associations and other agricultural organizations, importing and exporting associations, members of academia and the research community, brokerage firms, exhibitors, animal welfare organizations, and other members of the public.

Based on our review of the comments received, it is clear that drafting a final rule in response to recommendations submitted by commenters will require close analysis of numerous and complex issues. However, it is also clear to us that there are a limited number of provisions within the proposal that we can make final at this time. Where these provisions involve trade, we believe that delaying their implementation is unwarranted and not in the best interests of trade relations with other countries. On June 26, 1997, we published a final rule in the **Federal Register** to allow the importation of

fresh, chilled or frozen pork from the State of Sonora, Mexico (62 FR (INSERT FR CITE), Docket No. 94-106-6), based on the provisions for such importation set forth in our proposed rule. Similarly, in this final rule, we are establishing provisions, described below, to allow the importation, under certain conditions, of fresh, chilled or frozen beef from Argentina. Among these provisions are those that would allow the importation of fresh, chilled or frozen beef from Argentina under specified conditions. Therefore, in this final rule, we are establishing provisions to allow such importation, as described below. Although the regulations in current 9 CFR 94.1 prohibit the importation of fresh, chilled or frozen beef from countries affected with either foot-and-mouth disease (FMD) or rinderpest, the rule changes described below deal only with the status of Argentina with regard to foot-and-mouth disease (FMD). This is because rinderpest has never been known to exist in Argentina, and the regulations in part 94 restricting importations from Argentina have been based on its FMD status.

As part of the proposed rule, we proposed to designate Argentina as a region in which there has been no case of foot-and-mouth disease (FMD) for at least 1 year, but from which certain animals and animal products would pose some disease risk if imported into the United States without mitigating measures. We cited the fact that vaccination for FMD is still being conducted in Argentina as one reason for certain animals and animal products presenting a risk if imported into the United States without mitigating measures being applied. Vaccination of animals for FMD makes it difficult to distinguish between responses because of the actual disease and responses from the vaccinations. Further, if the disease is present in a region, vaccinating an infected animal can suppress the symptoms of the disease and thus prevent those symptoms from manifesting themselves at a clinical level, so that it appears as if the disease is eradicated. This is referred to as masking the disease. Additionally, we noted that Argentina supplements its national meat supply by importing fresh, chilled and frozen meat of ruminants and swine from countries of greater risk for FMD.

Mitigating Measures

In our proposal, we set forth a number of mitigating measures that we believed to be adequate to reduce to a negligible level the risk of disease introduction from importations of fresh, chilled and

frozen meat of ruminants from Argentina. These measures included certification of the following: (1) That the meat has not been in contact with meat from regions of greater disease risk; (2) that the meat originated from premises where FMD and rinderpest have not been present during the lifetime of any ruminants or swine slaughtered for export; (3) that the meat originated from premises on which ruminants or swine have not been vaccinated with modified or attenuated live viruses for FMD during the lifetime of any of the ruminants or swine slaughtered for export; (4) that the meat is from ruminants or swine that have not been vaccinated for other specified diseases; (5) that the meat comes from carcasses that have been allowed to mature at 40 to 50 °F (4 to 10 °C) for a minimum of 36 hours after slaughter and have reached a maximum pH of 6.0 in the loin muscle at the end of the maturation period; and (6) that all bone, blood clots, and lymphoid tissue have been removed from the meat.

Public Comments

Of the comments we received on our proposed rule, a small number addressed our proposed classification of Argentina and mitigating measures for animals and animal products from Argentina. The commenters on these issues included members of the domestic livestock industry, a State department of agriculture, representatives of foreign governments and meat producers, and other members of the public. We discuss below each of the issues raised by the commenters with regard to the importation of beef from Argentina, since this final rule addresses only the importation of beef from Argentina. We will discuss all other comments on the proposed rule, as appropriate, in future rulemaking documents.

Some commenters expressed general concern that the regulations as proposed would increase the risk of FMD being introduced into the United States, without providing specific information supporting those concerns. Other commenters expressed general support for our proposed classification of Argentina with regard to FMD. Some commenters stated that meat may not present as much risk as live animals, because any FMD virus in meat may be inactivated by pH change. These commenters suggested no changes and we are making no changes based on their comments.

One of the mitigating measures in our proposal for the importation of fresh, chilled or frozen meat of bovines from Argentina was that the meat must

originate from premises where FMD has not been present during the lifetime of any bovines slaughtered for export of meat. One commenter stated the regulations should instead require that the premises have been free of FMD during the lifetime of any ruminant or swine currently living on the premises. We are making no changes based on this comment. Under the scenario suggested by the commenter, premises infected with FMD during the lifetime of any ruminants or swine currently living on the premises could not export beef to the United States until all animals on the premises at the time of the infection were sold or slaughtered. We consider such a restriction unnecessarily stringent. The proposed regulations required that meat originate from premises where FMD and rinderpest have not been present during the lifetime of any bovines slaughtered for export of meat. Moreover, under the regulations we proposed, fresh, chilled or frozen beef could not be imported from Argentina if the meat originated from premises where ruminants or swine have been vaccinated with modified or attenuated live viruses for FMD at any time during the lifetime of the bovines slaughtered for export of meat. In effect, this prohibition of vaccination makes the animals intended for export sentinel animals for FMD. Absence of disease in these animals is an excellent indicator that the premises is free of FMD.

A commenter addressed the criteria we used in proposing to consider Argentina as a country of low risk for FMD. Instead of 1 year with no reported cases of the disease, as was proposed, the commenter recommended that the criterion be 5 years with no reported cases of the disease. The condition we proposed of at least 1 year with no reported cases of FMD is consistent with the standards set forth in our existing regulations. Research and our experience enforcing the regulations has shown that from the time of the last reported case of FMD in a country, some period of time should pass before importation restrictions are relieved, due to the possibility that some animals not showing clinical evidence of the disease might be carrier animals. Internationally, a number of countries recognize 12 months as a sufficient "waiting period." We believe that after a waiting period of 12 months, it is safe to conclude that no carrier animals exist in that country.

The difference between Argentina and countries we have recognized in the past as free of FMD is that Argentina continues to vaccinate for FMD in some situations and areas where that country

perceives an increased risk of disease introduction. Although the practice of vaccination does not mean that FMD exists in a country, it does introduce risk factors such as the possibility of introducing disease from improperly inactivated vaccine or the masking of chronic cases of FMD. To mitigate these additional risk factors, we proposed to require the measures described above in this **SUPPLEMENTARY INFORMATION** under the heading "Mitigating Measures," including the requirement that the meat to be exported originated from premises on which ruminants or swine have not been vaccinated with modified or attenuated live viruses for FMD during the lifetime of any of the bovines slaughtered for export. We believe from our experience that the mitigation measures we proposed will reduce any disease risk to a negligible level.

Some commenters objected to the proposed classification of Argentina. Of those commenters expressing concern, some cited the reliance in Argentina on vaccination for FMD. As discussed above, we agree that the practice of vaccination can reduce the certainty that a country or other region is free of a specific disease, and so we are imposing restrictions, also described above, on the importation of beef from Argentina to mitigate to a negligible level any risk that might exist. Moreover, due to the continued practice of vaccination in Argentina, we have determined that an additional mitigating measure should be required to ensure that animals slaughtered for beef for importation do not come into contact with animals that might not meet the other required mitigating measures. Therefore, we are requiring in § 94.21, as set forth in this rule, the requirement that fresh, chilled or frozen beef to be imported from Argentina come from bovines that were moved directly from the premises of origin to the slaughterhouse without any contact with other animals.

One commenter stated that under the recommendations of a 1994 assessment for disease risk for Argentina, that country should be considered a country in which FMD exists, or, at the minimum, as a country with an unknown status. The commenter expressed concern that cases of FMD were reported in Argentina until 1994. The commenter also pointed out that Argentina has 380 km of unprotected border with Bolivia and 500 km of unprotected border with Chile. We are making no changes based on this comment. Although the report recognized the existence of FMD in Argentina until 1994, there have been no reported cases of the disease in

Argentina since that year. With regard to borders, Chile is listed in the regulations (9 CFR 94.1) as a country free of FMD and rinderpest. The border area with Bolivia referenced by the commenter is in a desert area, with little vegetation and very few, if any, cattle. Consequently, there is very little risk of any animal crossings of concern from that area. Additionally, the national police in Argentina have authority to enforce sanitary regulations along the border and elsewhere in the country, and are active in carrying out such enforcement.

Some commenters stated that the proposed classification of Argentina contained no quantitative risk assessment for that classification. One commenter recommended that Argentina be considered to have an unknown risk status for FMD until a quantitative risk assessment has been done to determine the final risk and the appropriate biosecurity measures for that country and the public has had an opportunity to comment on it. The commenter stated that a careful review of the situation in Argentina might lead to a decision to divide that country, for risk classification purposes, into regions separated by the Parana River and the Barrancas-Colorado Rivers. We are making no changes based on this comment. We conducted an extensive review of the data made available to us by Argentina, developed a quantitative risk assessment following a site visit to that country, and did not find any disease risk basis to differentiate between various regions in Argentina. The factors used in developing the risk assessment are discussed below.

Some commenters stated that the proposed rule contained no discussion of how the proposed disease classification of Argentina was arrived at, and no final risk analysis calculation. Some commenters requested that the risk assessment results and methods be publicized. In our proposed rule, we included a discussion of the basis for the proposed disease classification of Argentina. This discussion was set forth on page 16988 of the proposed rule and included the following points. The last outbreak of FMD in Argentina occurred in 1994. Vaccinations for FMD in Argentina continue, and Argentina supplements its national meat supply by importing fresh, chilled and frozen meat of ruminants and swine from countries in which FMD is known to exist. Additionally, APHIS reviewed information submitted by the government of Argentina, and sent a team of APHIS officials to Argentina in 1994 to conduct an on-site evaluation of that country's animal health program.

In assessing the risk of the introduction of FMD virus into the United States through the importation of up to 20,000 metric tons of fresh, chilled or frozen beef from Argentina, we created a scenario tree for the risk assessment. As part of the scenario tree, we identified factors and potential situations that could contribute to an increased risk of the introduction of FMD. We then estimated, based on the information available to us and on our 1994 site visit to Argentina, the likelihood of each of the factors or situations occurring.

The factors or situations we identified included the following: (1) The prevalence of residual infection in Argentina; (2) the risk of disease re-introduction from neighboring areas; (3) the likelihood of not detecting disease outbreaks; (4) the likelihood of infected animals not being detected before leaving the farm; (5) the likelihood of infected animals not being detected in transit; (6) the likelihood of FMD not being detected at antemortem inspection; (7) the likelihood of FMD not being detected at postmortem inspection; (8) the likelihood of FMD-infected material not being removed during slaughter; (9) the likelihood of the FMD virus surviving the process of meat maturation; (10) the likelihood of FMD virus not being eliminated during deboning of meat; and (11) the likelihood of the virus not being eliminated through pH meter checks.

After estimating the likelihood of each of the above situations occurring, we concluded in our risk assessment that if 20,000 metric tons of beef were exported indefinitely at the level of risk calculated in 1994, this would result in the movement of FMD-infected meat to the receiving country once every 444,537 years. We stated that these values were time-sensitive, and that the longer Argentina went without additional cases of FMD, the less the risk of exporting FMD would become. From the time the risk assessment was developed until the present, no cases of FMD have been found to exist in Argentina. Based on the information available to us, and on the risk assessment we used, we consider the FMD risk from the importation of fresh, chilled or frozen beef from Argentina to be low. Details concerning the on-site evaluation, including the APHIS 1994 risk assessment for Argentina and an updated risk assessment recently prepared by APHIS, are available by contacting the person listed under **FOR FURTHER INFORMATION CONTACT**.

One commenter stated that, although vaccination has historically been viewed as an indicator of a disease

presence, and it is true that many vaccines can hide the incidence of a disease or produce false positives, the assessment of vaccination use should be reconsidered. The commenter stated that vaccination should be an acceptable risk reduction or "biosecurity" measure in some instances, without resulting in an automatic classification to a higher risk status. The commenter inquired whether the role of vaccination has been fully evaluated, or whether such an evaluation will take place on a case-by-case basis. We are making no changes based on this comment. We agree that vaccination is a useful tool in areas that present a higher risk because of factors such as proximity to areas where FMD exists, or past disease experience. We also agree that vaccine use is not necessarily an indicator of the existence of a disease agent. However, we do not believe it can be definitely assumed that vaccine use is not masking a disease agent at a low level. We intend to continue to evaluate the issue of vaccine use and the risk it presents with various diseases and vaccines. We will, if appropriate, propose changes in the future with regard to the regulatory assessment of the use of vaccination, when we believe we can be sure of a region's disease status, notwithstanding the use of vaccination within that region.

Some commenters stated that, in general, a country or region should not be designated as an area of low risk if that country or region imports products from a country or region of a higher risk, or if it borders a country or region of higher risk. In particular, the commenters cited the fact that Argentina imports fresh, chilled and frozen meat of ruminants and swine from countries where FMD is known to exist, and shares land borders with countries of an unknown risk. The commenters stated that Argentina should be considered to present the same level of risk as the highest risk country or region from which it imports. We are making no changes based on these comments. In determining the risk of importations from Argentina, we considered the factors cited by the commenters. Although Argentina does share borders with countries of higher risk, access across those borders is restricted through either natural barriers or border patrols. Additionally, among the restrictions we proposed to impose on the importation of fresh, chilled or frozen meat from Argentina are the requirements that the meat has not been in contact with meat from regions of greater disease risk, and that the meat comes from deboned carcasses that have

been allowed to mature to a pH level sufficient to inactivate the FMD virus.

Some commenters requested we eliminate the proposed requirement for deboning fresh meat before importation from Argentina, and also for other countries that may be similarly classified for FMD. We are making no changes based on these comments. We consider deboning, and the other measures described in the following paragraph, necessary to minimize the disease risk from such importations. Furthermore, much of the meat shipped internationally is already deboned and cryogenically packed. We do not believe, therefore, that requiring meat to be deboned before shipment to the United States from such regions will present a significant hardship.

In § 94.1 of our proposal, we proposed that fresh, chilled or frozen meat from ruminants or swine raised and slaughtered in regions classified as proposed for Argentina for FMD could not be imported into the United States if the meat has not reached a maximum of 6.0 pH in the loin muscle. Additionally, all bone, blood clots, and lymphoid tissue would need to have been removed from the meat. Several commenters stated that these requirements should not apply to regions classified as proposed for Argentina, because such regions would already need to be free of the disease agent for at least 1 year. We are making no changes based on these comments. Argentina is a country where vaccination for FMD is still carried out. This may mask low-level infections in the animals. The mitigation measures proposed will significantly reduce any potential FMD risk from the importation of beef from Argentina.

In the **SUPPLEMENTARY INFORMATION** section of our proposed rule, we stated that acidic or alkaline conditions readily kill the FMD virus. One commenter took issue with this statement, stating that research has shown that although a pH below 6.0 or above 11.5 will inactivate the FMD virus, the virus resident in the micro-environment of animal tissue—such as lymphatic tissue, bone marrow, or coagulated blood—is resistant to inactivation over a practical pH range. Although we agree with the commenter, the regulations as proposed already address the concerns raised. We assume that by "micro-environment," the commenter is referring to those areas of meat in the carcass that are in the immediate area of the bones, lymphatic tissue, or coagulated blood. In the proposed regulations, one of the conditions for importing fresh, chilled or frozen meat from Argentina was that

all bone, blood clots, and lymphoid tissue be removed from the meat.

We are, however, making a change to one of the proposed provisions discussed by the commenter—the pH level considered necessary to inactivate the FMD virus. We proposed to require that fresh, chilled or frozen meat to be imported from Argentina "have reached a maximum pH of 6.0." Upon review of the comment we received and of generally accepted literature on the subject, we agree with the commenter that the pH level reached should be less than 6.0. The literature showed that, while a pH level of 6.0 was sufficient to inactivate the bulk of an FMD virus population, small fractions of that population were able to withstand the 6.0 level (Cottral, *et al.*). A majority of available literature on this topic indicates that a pH level of 5.8 or less will relieve this concern. Therefore, we are making this change in § 94.21 as set forth in this rule.

Equivalency of Mitigation Measures

One commenter stated the proposed requirements for the importation of animal products under part 94 do not allow for the exporting countries to apply different, but equivalent, risk mitigation measures. The commenter stated such an omission is contrary to the equivalence principle under WTO-SPS. We are making no changes based on this comment at this time. In our proposal, we proposed quantitative risk assessment options that would allow different risk mitigation measures. We are currently reviewing the comments we received on these options and will address them in future rulemaking. Additionally, should alternative risk mitigation measures be submitted to APHIS, we will review and consider them carefully and, when appropriate, we will incorporate them into our regulatory system.

Comments on Initial Regulatory Flexibility Analysis

Several commenters addressed the Initial Regulatory Flexibility Analysis we published in our proposed rule. The commenters objected to the statement in our analysis that selected cuts of meat from grass-fed cattle from Argentina could possibly be classified as grain-fed beef. The commenters stated that, under standard industry practice, such a classification would not be made by the exporting country. We agree that our statement as written could be misleading. Our intent in the proposal was not to imply that grass-fed beef could potentially be identified as grain-fed beef by the exporting country. Rather, we were referring to the system

of quality grading carried out by the Department's Agricultural Marketing Service. At the retail level, the USDA grades most familiar to the consumer are "prime," "choice," and "select." These grades are followed in descending order by a number of other grades. Beef from grass-fed cattle is much less likely to achieve the higher grade classifications familiar to consumers than is beef from grain-fed cattle, because beef from grass-fed cattle does not generally have the characteristic marbling of grain-fed beef required for the higher quality grades. However, in theory, certain cuts of meat from certain grass-fed cattle might qualify for some of the higher grades. In order to clarify our meaning, we have worded our Final Regulatory Flexibility Analysis in this document to read that "selected cuts from grass-fed cattle could possibly be graded as the same quality as grain-fed beef available to consumers at the retail level."

Executive Order 12866 and Regulatory Flexibility Act

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

Under the "Regulatory Flexibility Act" (5 U.S.C. § 603), we are required to include in this Final Regulatory Flexibility Analysis a description of significant alternatives to this rule. In developing this final rule, APHIS considered either (1) taking no action on the proposed requirements for the importation of fresh, chilled or frozen beef from Argentina, (2) allowing the importation of fresh, chilled or frozen beef from Argentina under conditions that are either more or less stringent than those adopted in this rule, or (3) adopting the proposed conditions which reduce the risk of introduction of FMD into the United States to a negligible level.

We rejected the first alternative, which essentially would have been to retain the restrictions on the importation of fresh, chilled and frozen beef from Argentina that are set forth in the existing regulations. Because fresh, chilled, or frozen beef can be imported under certain conditions from Argentina with negligible FMD risk, taking no action would not be scientifically defensible and would be contrary to trade agreements entered into by the United States. We also rejected the second alternative, which would allow the importation of fresh, chilled or frozen beef from Argentina under conditions other than those proposed. In developing the proposed criteria for the

importation of such beef, we determined that criteria and mitigating measures less stringent than those proposed would increase the risk of the introduction of FMD into the United States to more than a negligible level, and that more stringent conditions would be unnecessarily restrictive. We consider the proposed conditions to be both effective and necessary in reducing to a negligible level the risk of the introduction of FMD because of beef imports from Argentina.

Under 5 U.S.C. 603, we are also required to include in this analysis an assessment of comments received on our Initial Regulatory Flexibility Analysis. When we proposed the conditions for the importation of meat from Argentina, we did so based on the information available to us from Argentina, USDA sources, an APHIS site visit to that country, and scientific literature. We requested comments on the proposed conditions for such importation of meat, along with the rest of the proposed rule. We received and considered comments on the proposed conditions, and our responses are discussed in the **SUPPLEMENTARY INFORMATION** section, above. After reviewing the comments received and preparing a risk assessment which is available upon request, we continue to consider the proposed conditions for the importation of beef from Argentina to be effective in reducing the risk of the introduction of FMD to a negligible level, and have determined that it is neither warranted nor necessary to revise those conditions in this final rule. As discussed above, we are making a wording change in this Final Regulatory Flexibility Analysis to clarify our description of certain cuts of beef from grain-fed cattle.

Over 95 percent of the beef and dairy industries are composed of producers and firms that can be categorized as small according to the Small Business Administration's (SBA) size classification. Economic impacts resulting from this rule would therefore largely affect small entities. The analysis of economic impacts discussed below would thus fulfill the requirement of a cost-benefit analysis under E.O. 12866, as well as the analysis of impacts of small entities as required by the Regulatory Flexibility Act. A discussion of the size distribution of these industries is also provided to support the above rationale to merge these required analyses based on their size classification.

Analysis of Anticipated Economic Impacts

Under this rule, fresh, chilled and frozen beef may be imported from Argentina. Currently, meat processed by curing, cooking, and canning is allowed to be imported from Argentina. Practically speaking, fresh beef cannot be transported from Argentina to the United States without being chilled or frozen. This rule change is expected to increase the amount of beef imports from Argentina, because the United States has prohibited the importation of fresh beef from Argentina since enactment of the 1930 Tariff Act.

Background of the Argentine Beef Industry

Argentine cattle inventories (about 54.7 million head at the end of 1994) are about 50 percent of U.S. cattle inventories (estimated at 103.3 million head on January 1, 1995). Argentina was the world's leading beef exporter for many years, up until the early 1970's. Argentina's decline has been attributed to national policies that discouraged production and trade and also to unfavorable weather.¹ Nevertheless, historical data indicate that the costs of producing Argentine beef is one of the lowest in the world. In many years, Argentine beef cow and steer prices are less than one half U.S. cow prices.² Both the history and cost structure suggest that Argentina has the natural resources to increase beef production and trade. Long-standing working commercial arrangements exist between Argentine and U.S. firms. Although trade has been restricted to cooked product, the U.S. ranks as the second most important beef market for Argentina. In 1992 and 1993, Argentine beef export markets totaled 297 KT (thousand metric ton) and 279 KT. Destinations for this product (and their volumes for 1992 and 1993, in parentheses) were: the European Economic Community (137 KT and 125 KT); the U.S. (101 KT and 86 KT); Chile (16 KT and 22 KT); and all others (0.038 KT and 0.037 KT).

Although the Argentine cattle inventory is about 53 percent of the U.S. cattle inventory, its beef production is roughly 25 percent of U.S. production due to differences between the Argentine and U.S. beef production systems. U.S. beef cattle is fed predominately grain-based rations, while Argentine cattle is fed largely on

¹ Source: McCoy et al., *Livestock and Meat Marketing*, 3rd Edition, Van Nostrand Reinhold, 1988, pg. 546.

² Source: USDA, *Ag. Statistics 1972*, Table 455 and USDA, ERS, *The World Beef Market-Government Intervention and Multilateral Policy Reform*, pg. 37.

grass. The U.S. system results in cattle reaching slaughter weights more quickly and heavier at slaughter than cattle fed on grass.

Cattle fed grain produces beef that is often times referred to as "fed beef". Argentine beef produced from cattle raised on grass and U.S. beef produced from culled, older animals produce beef commonly referred to as "nonfed beef". Both the Argentine and domestically produced nonfed beef are suitable for lower quality uses in the U.S. beef market. Such uses include hamburger meat patties, sausages, and other prepared meals and foods. Selected cuts of Argentine beef could possibly meet the quality requirements comparable to U.S. grain-fed beef products.

Assumptions of Analysis

This analysis assumes that Argentine uncooked beef exports to the U.S. do not exceed their 20 KT tariff-free quota limit. These assumptions are based on the difficulties that will likely be encountered by Argentine beef producers and processors in increasing production and aligning production with consumer demands in export markets. The economic impact on U.S. beef producers will depend on demand-side factors, such as consumer acceptance of Argentine product, but probably most heavily on two supply-side factors: Whether the uncooked beef imports consist mainly of beef that can be substituted for U.S. nonfed beef and the total quantity of uncooked beef shipments to the U.S. The higher returns from uncooked product (as compared with current shipments of cooked product) will likely cause an immediate shift to chilled or frozen uncooked beef product shipments. However, current production and export commitments are expected to constrain increases in beef exports for some time. Given adequate adjustment time to increase production and shift markets, it is possible that Argentina could increase its beef exports and its potential to produce a beef product that could grade up to the quality requirements comparable with US fed beef. However, at this time, USDA and many trade analysts conclude that Argentina exports to the U.S. will most likely consist of nonfed beef within tariff-free specified levels.

Method of Analysis

This analysis is based on results generated by the USDA's Economic Research Service's United States Mathematical Programming (USMP) model. USMP is a static, programming model of U.S. agriculture with considerable regional and cross-

commodity detail. U.S. beef production, use and trade are broken into two main classes: grain fed beef and nonfed beef. For this analysis, USMP was used specifically to determine the effect of an additional 20 KT carcass weight equivalent (CWE) of nonfed beef. All estimates reflect a 3-to 5-year adjustment period. These results represent historical relationships in production, consumption, and trade, and are based on existing industry structure and pricing arrangements in agricultural markets, and 1995 base-year prices and quantities.

The increase in imports represents less than one-fifth of one-percent of total U.S. beef availability (11,573 KT CWE) in 1995, and less than a 2-percent increase in imported beef. This beef availability came from domestic production (10,390 KT); beginning stocks at 172 KT; and imports of 1,011 KT. Utilization of these supplies in 1995 were distributed as follows: 10,776 KT in domestic food uses; 625 KT exported; and, 172 KT in ending stocks. The market clearing price was \$4,402.17 per MT CWE at wholesale level. The implied price elasticity of demand for nonfed beef in the USMP model is almost negative one; that is, given a 3-to 5-year adjustment period, a one percent decline in price elicits about an equal percentage increase in quantities demanded. The lack of supply response registered in the model implies that the supply of U.S. nonfed beef is perfectly price inelastic. This outcome is consistent with the observed behavior of U.S. dairy and beef cow-calf operations. The decision to market these animals is largely determined by factors other than the price of nonfed beef.

Impact on U.S. Consumers

An increase of 20 KT of Argentine nonfed beef product in U.S. uncooked beef market is estimated to increase consumer welfare gains by \$89.15 million annually. This increase in welfare results from beef supplies that would be added to other nonfed beef supplies used mainly in "non table cut" beef applications, such as in hamburger meat patties, sausages, and other prepared meals and foods. Increased market quantities reduced average wholesale U.S. beef prices by \$8.27 per MT CWE (from \$4,402.17 to \$4,393.9 per MT CWE), less than a fifth of one percent drop in price.

Although most of the welfare gains are expected to accrue directly to consumers, some of the consumer welfare gains from increased beef imports may be initially retained by beef importers. Given time, competition among importers in sales to the

domestic market will force prices lower and thus transfer welfare gains to consumers.

Impact on U.S. Livestock Sector

Primary producers of livestock and beef products are negatively affected by beef imports increases solely through lower prices. The price effect generated in the model is not sufficient to force producers to lower their production. In the aggregate, producer welfare losses of \$40.15 million were estimated to result from the additional nonfed beef supplies on the U.S. beef market (Table 1). These losses result from a drop of around \$3.85 per MT CWE across total U.S. beef production. For purposes of this analysis, these losses were distributed across firms in the following three sub-sectors: beef cow-calf operators and milk producers; feedlot operators; and, cattle slaughterers and processors.

Beef Cow-Calf Operators and Milk Producers

Increased imports of nonfed beef would compete with U.S. domestic sources of this type of beef such as cull beef and dairy cow slaughter. Thus, the resulting impact of increased nonfed beef imports is lower prices for both cull beef and dairy cows. Because the sale of cull cows is a by-product of these farming operations, production does not decrease.³ Thus, even though increased beef imports lower cull dairy prices by almost 0.3 percent (from \$541.71 per head to \$540.17, or \$1.54 per head), lower prices do not cause producers to cutback production. The lower returns reduce producer welfare of milk producers by about \$18.65 million. Similarly, the lower returns on cull beef cows reduce producer welfare of beef cow-calf operators by \$12.7 million. In total, these cow-calf beef operators and dairy farmers experience producer welfare declines of \$31.35 million.

Feedlot Operators

It is shown above that increased imports of nonfed beef displaces low-quality beef, mainly affecting dairy and beef cow-calf operations. The beef sector is further affected due to fewer feeder calves received at feedlots as a result of increased culling of beef cows. A reduction in supply of feeder calves caused prices for both yearling beef

³ The majority of producers receipts of these two commodities are realized through the sale of primary outputs (feeder calves in the case of beef cow-calf operators and milk in the case of dairy producers). The minor role of cull cow sales to total income is particularly evident on dairy operations which typically generate up to 90 percent of their returns from milk sales.

calves and fed cattle to rise. The feedlot gains from output price increases on fed cattle at slaughter nearly offset the increased costs to purchase yearling beef calves. The net losses in feedlots of \$0.24 per head multiplied over the estimated number of cattle fed (22,500,000 head) produced an aggregate feedlot operators' producer welfare loss of \$5.4 million.⁴

Cattle Slaughterers/Primary Processors

Slaughterhouses received the same number of marketings as under the baseline, but received cull beef and dairy cows at lower prices. These benefits were off-set slightly by price increases on purchases of fed cattle to be slaughtered. In addition, slaughterers faced lower wholesale prices on their nonfed beef output. Combining these

three effects—the benefit of lower cull beef and dairy cow prices, offset by slightly higher fed cattle prices and lower wholesale nonfed beef prices—resulted in an average net loss to cattle slaughterers and primary beef processors of \$3.7 million. The slaughterers principally affected by this rule would be those that handle cull beef and dairy cows and supply manufacturing beef.

TABLE 1.—PRODUCER WELFARE LOSSES
[In millions of dollars]

Item	Welfare losses
Subtotal—Dairy Sector	18.65
Subtotal—Beef Sector	21.8
—Beef Cow-Calf Operators	12.7

TABLE 1.—PRODUCER WELFARE LOSSES—Continued
[In millions of dollars]

Item	Welfare losses
—Beef Feedlot Operators	5.4
—Beef Slaughterers	3.7
Total beef and dairy sectors ..	40.45

Producer losses, on a per farm or firm basis, are relatively small. It is shown in Table 2 that the losses incurred per farm range from \$16 for cow-calf producers to roughly \$2,700 for slaughterers. These losses are small compared with total gross sales from livestock sales for either beef or dairy operations, representing on average less than 0.1 percent of the value of sales.

TABLE 2.—DISTRIBUTION OF ECONOMIC IMPACTS ON U.S. AGRICULTURAL SECTOR OF BEEF IMPORTS

Sub-sector	Size category	Numbers in size category	Market share	Economic loss		
		(Numbers)	(Percent)	Total	Per entity	% of sales
				(million)	(loss/firm)	(Percent)
Beef Cow-Calf	Small	801,940	99.8	\$11.82	\$14.74	0.07
	All	803,240	100	12.70	15.84	0.07
Dairy Farms	Small	152,500	68.5	12.72	83.41	0.09
	All	159,500	100	18.65	116.93	0.09
Feed Lots	Small	57,141	30	1.65	28.80	0.03
	All	57,541	100	5.3	93.43	0.03
Slaughterers	Small	1,330	81	2.98	2,253	0.01
	All	1,385	100	3.68	2,657	0.01

Impact on Small Entities

Beef Cow-Calf Operators and Milk Producers

Beef and dairy farms with annual sales of less than \$0.5 million are considered small according to Small Business Administration (SBA) size criteria. Recent Census data show that about 99.8 percent of operations with beef cows have fewer than 1,000 head-herd size.⁵ On average, these 801,940 operations had sales of under \$0.5 million while maintaining 92.9 of beef cow inventories. Farms with less than \$0.5 million of cattle and calves sales averaged sales of \$20,976 in 1992, as opposed to average sales of \$1.3 million on larger farms. Similarly for dairy operations, most producers fell in the "small" business category. Recent USDA data show that 95.6 percent of operations with milk cows have fewer

than 200 head in their herds. Census data is available on farms with dairy product sales, but not by herd size. These data show that 95.2 percent of these farms have sales less than \$0.5 million. Assuming that both USDA and Census data were tracking roughly the same dairy operations, it is estimated that 68.2 percent of milk cow inventories are on the 152,500 operations with sales less than \$0.5 million with average dairy product sales of \$93,800 per farm in 1992. Besides the sale of dairy products, the sale of cull dairy cattle and young stock (not selected to be retained for milking or breeding purposes) contribute to farm income. USDA budget data for 1992 indicated that, on an average U.S. dairy operation, the sale of culled cattle contributed \$1.27 (around 8 percent) for every \$15.85 of receipts.⁶ Census data

indicate that cattle sales contributes about \$8,000 toward gross farm sales on a small dairy farm (making total sales average about \$102,000): also, about 8 percent of total gross farm income. Net farm income drops of about \$15 on "small" beef farms and \$83 on "small" dairy farms were estimated by dividing the adjusted aggregate economic impact estimated by the model, by the number of small U.S. beef and dairy operations.⁷

Feedlot Operators

The number of "small" entities in the feedlot industry was estimated using data and information from various sources. U.S. Census of Agriculture data show that there were 57,541 beef feedlot operations (SIC 0211) with total agricultural sales of over \$20.7 billion (\$0.8 million in crop sales and \$19.9 billion in livestock sales).⁸ No distributional data on sales are

⁴ Yearling beef calf prices go up more per head (\$0.64 per head) than for fed cattle (\$0.40 per head). These changes are based on: a \$76.34 per cwt live weight beef yearling calf price and animal weights of 600 pounds and a \$71.99 per cwt live weight fed slaughter cattle price and animal weights of 1200 pounds.

⁵ Source: 1992 U.S. Census, Beef Cow Herd Size by Inventory and Sales: 1992, Table 28, pg. 30.

⁶ USDA, Ken Matthews, USDA, ERS, "Economic Indicators of the Farm Sector: Costs of Production, 1992—Major Field Crops and Livestock and Dairy".

⁷ This adjustment was obtained by multiplying the total aggregate economic impact by the

percentage of cattle inventories held on small dairy and beef farms.

⁸ Source: U.S. Census, Selected Characteristics of Farms by Standard Industrial Classification: 1992, Table 18, pg. 25.

available, but using the aggregate totals gives average annual sales per feedlot at \$345,840. (SBA classification of feedlots put small operations as those establishments with sales at \$1.5 million or less.) Although casual observation would suggest that most cattle placed on feed occurs on highly concentrated (both geographically and size-wise) feedlots, without any additional information or data, all feedlots in the U.S. would fall into SBA's small entity category. However, other data sources indicate that the cattle feeding business is dominated by a few feedlots with high sales. Crom notes that large feedlots (with 8,000 head capacity) marketed 63 percent of the fed cattle in 1984 and numbered only 379.⁹ Sales on such operations would average over 35,000 head per year and take them out of SBA's "small entity" category. Updating Crom's estimated by a 1993 CF Resources, Cattle Industry Reference Guide (CIRG) which reported a total number of 46,141 feedlot operations with over 22.388 million fed cattle marketings in 1992 with the feedlot numbers from Census, and assuming that large feedlot marketings' percentage grew to 70 percent and numbers increased to 400 by 1990, would imply that less than 7 million head of fed cattle are distributed across the 57,141 "small" feedlots. Given this recent production and marketing data, these "small" feedlots appear to average sales of about 120 fed cattle per year valued at about \$103,666. These size and small feedlot extrapolations do not seem to violate Crom's earlier findings that "farm feedlots made up 97 percent of all lots but fed only 19 percent of the cattle in 1984". Almost all of the cattle fed by large and small lots alike purchased a high percentage of the cattle fed out (on average 60 percent in 1984). Thus, most feedlots are large operations (making up roughly 70 percent of all operations) and market a high percentage of national total fed cattle marketings. Using the above data on feedlot size, the impact on "small" feedlot operators from increased imports of nonfed beef translated into less than a \$30 per year drop in gross sales on an average "small" feedlot (about a 0.03 percent drop).

Cattle Slaughterers/Primary Processors

The size distribution of firms in this sub-sector made it difficult to allocate the small losses estimated above across large and small firms. In the past, the

desire to cut transportation costs of cattle and product, to gain economics of scale in plant operations, and to shift to newer plants (without existing labor contracts) has lead to increased industry concentration in this U.S. sub-sector. The exit of many older, smaller plants and companies have also contributed to increased market concentration. Most firms have multi-million dollar operations made up of new, large, state-of-the-art slaughter and packing plants located close to areas of high concentration of fed cattle (Kansas, Nebraska, Texas, Colorado, and Iowa). Still, there are substantial numbers of packers that "can be characterized as having small slaughter capacities and often only one or two slaughter plants. They typically possess only about one percent of the industry slaughter and often slaughter cows as well as fed cattle."¹⁰ The main output of packers is boxed beef which make up the bulk of beef shipments (up from 43 percent of beef shipments in 1979 and over 80 percent in 1988.^{11 12} In 1992, there were 1,385 meat packing establishments in the U.S. down from 1,434 such establishments in 1987.¹³ The 1987 data indicate that 214 establishments exclusively processed beef, however no such data is available for 1992 at this time. Also, the 1987 data indicated that most plants fell in the SBA classifications of "small" with 96 percent of the establishments employing less than 500 employees, shipping almost 81 percent of total product.^{14 15} At the present time, the 1992 firm distribution data is not available. Thus, this analysis assumes that 81 percent of the volume is handled by the 1330 "small" firms (96 percent times 1,385 firms). This is despite the fact that concentration studies have found that slaughter activities are highly concentrated among the top 3-4 companies, but that substantial competition exists for cattle on the local

¹⁰ Source: Marion, Bruce W., *The Organization and Performance of the U.S. Food System*, NC 117 Committee, Lexington Books, 1985, pg. 128.

¹¹ Agricultural Input and Processing Industries, Iowa State University, pg. 6.

¹² These boxed beef products are fairly substitutable and provide processors with meat cut into primal or subprimal cuts sealed in vacuum-pack bags, shipped in 60-pound cardboard boxes. Boxed beef has cut transportation costs and labor costs of retailers, increased product quality and shelf life and made for more product standardization.

¹³ Source: 1992 Census of Manufacturers, MC92-SUM-1(P), Preliminary Report, Summary Series, pg. 9.

¹⁴ SBA classification of meat packing plants put small operations as those establishments with less than 500 employees.

¹⁵ Census of Manufacturing, Industry Series—Meat Products, SIC 2011,2013,2015. 1987.

level due to local inter-firm bidding for slaughter animals.¹⁶ Four-firm concentration ratios rose steadily throughout the 1980s and reached levels of 70.3 for steers and heifers and 55.8 for all cattle in 1990.¹⁷ Using the aggregate slaughterers/processor producer welfare losses calculated above (and adjusted to reflect the volume handled by "small" entities), producer welfare losses incurred by "small" beef slaughterers/processors was estimated at \$2,253 per year when increased imports consisted of nonfed beef. These losses compare with average "small" firm value of shipments of over \$30 million in 1992.

TABLE 3.—AVERAGE "SMALL" ENTITY WELFARE LOSSES IN DOLLARS PER FARM OR FIRM PER YEAR.

Farm type affected	Loss per entity per year
Beef Cow-Calf Operators	(14.72)
Dairy Producers	(83.41)
Feedlot Operators	(30.00)
Slaughterers/Primary Processors	(2,253.00)

Summary

This rule would allow the importation of fresh, chilled or frozen beef from Argentina. If Argentina were able to fill its 20 KT quota to the U.S.'s uncooked beef market with nonfed beef product, consumer welfare gains of around \$90 million annually are possible. These consumer gains, as well as the likely producer welfare losses, would depend on the type of beef and total quantities received in the U.S. from Argentina. The 20 KT of imports will likely consist mainly of nonfed beef. Consumers would enjoy both lower prices and greater supplies, while producers realize lower returns from lower prices, but not lower quantities produced. These gains, even after taking into account the likely producer losses discussed below, produce a net social welfare gain to the United States of \$48.7 million (Table 4).

Primary producers of livestock and beef products are negatively affected by beef import increases solely through lower prices. The price effect generated is not sufficient to discourage producers from continuing traditional levels of production. In the aggregate, producer welfare losses of \$40.45 million are distributed between the dairy and beef sectors, the latter sector being composed of cow-calf, feedlot and slaughter operations.

¹⁶ (Iowa, pg. 7; Crom, pg.)

¹⁷ (Iowa, pg. 5)

⁹ Source: USDA, ERS, Agricultural Information Bulletin Number 545, *Economics of the U.S. Meat Industry*, Richard J. Crom, November 1988, pg. 57.

Nonfed beef imports are expected to add to sales of low-quality beef made from both beef and dairy cows at lower prices. With nonfed beef, the prices for cull beef and dairy cattle are lowered, reducing milk producers' welfare by almost \$19 million and beef producers' welfare by almost \$13 million. On a small farm basis, these losses translate into reduced net farm incomes of just over \$15 on beef farms and \$83 on dairy farms. These drops are small compared with total gross sales from livestock sales for either beef or dairy operations.

Feedlot operations are expected to be negatively affected, albeit marginally, by increased beef imports. The impact on feedlots is low in the case of nonfed beef due to the fact that milk producers share part of the negative effect on cull cows while no quantity effect in numbers marketed occurs. In the aggregate, feedlot net incomes are expected to be reduced by \$5.4 million.

Cattle slaughterers and primary meat processors will be faced with the same amount of livestock at lower prices—both concerning what processors purchase from producers and what they sell. The net effect of these price changes are lower net returns to slaughterers of \$3.7 million.

Over 95 percent of the beef and dairy industries are composed of producers and firms that can be categorized as small according to the SBA's size classification. This rule would therefore largely affect small entities, and the economic impacts analyzed would be directly applicable to these entities.

TABLE 4.—AGGREGATE CONSUMER AND PRODUCER WELFARE CHANGES
[In millions of dollars]

Item	Welfare change
Total Consumer Welfare Gain (Loss)	89.15
Total Producer Welfare Gain (Loss)	(40.45)
Net Social Welfare Gain (Loss)	48.7

Small Business Regulatory Enforcement Fairness Act of 1996.

This rule has been designated by the Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget, as a major rule under the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA) (Pub. L. 104-121, 5 U.S.C. 801-808). Therefore, it has been submitted for a 60-day Congressional review in accordance with that Act, and will not become effective until that review period ends.

Executive Order 12988

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule: (1) Preempts all State and local laws that are inconsistent with this rule; (2) has no retroactive effect; and (3) does not require administrative proceedings before parties may file suit in court challenging this rule.

National Environmental Policy Act

An environmental assessment and finding of no significant impact have been prepared for this rule. The assessment provides a basis for the conclusion that the actions required or authorized by this rule will not present a significant risk of introducing or disseminating FMD and will not have a significant impact on the quality of the human environment. Based on the finding of no significant impact, the Administrator of the Animal and Plant Health Inspection Service has determined that an environmental impact statement need not be prepared.

The environmental assessment and finding of no significant impact were prepared in accordance with: (1) The National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321 *et seq.*), (2) Regulations of the Council on Environmental Quality for implementing the procedural provisions of NEPA (40 CFR parts 1500-1508), (3) USDA regulations implementing NEPA (7 CFR part 1b), and (4) APHIS' NEPA Implementing Procedures (7 CFR part 372).

Copies of the environmental assessment and finding of no significant impact are available for public inspection 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 copies are requested to call ahead on (202) 690-2817 to facilitate entry into the reading room. In addition, copies may be obtained by writing to the individual listed under **FOR FURTHER INFORMATION CONTACT.**

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the information collection or recordkeeping requirements included in this final rule have been approved by the Office of Management and Budget (OMB). The assigned OMB control number is 0579-0015.

Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates 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, tribal governments, and the private sector. Under section 202 of the UMRA, APHIS 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 one year. When such a statement is needed for a rule, section 205 of the UMRA generally requires APHIS 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 mandates (under the regulatory provisions of Title II of the UMRA) that may result in expenditures to State, local, and tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any one year. Thus, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

List of Subjects in 9 CFR Part 94

Animal diseases, Imports, Livestock, Meat and meat products, Milk, Poultry and poultry products, Reporting and recordkeeping requirements.

Accordingly, 9 CFR part 94 is amended as follows:

PART 94—RINDERPEST, FOOT-AND-MOUTH DISEASE, FOWL PEST (FOWL PLAGUE), EXOTIC NEWCASTLE DISEASE, AFRICAN SWINE FEVER, HOG CHOLERA, AND BOVINE SPONGIFORM ENCEPHALOPATHY: PROHIBITED AND RESTRICTED IMPORTATIONS

1. The authority citation for part 94 continues to read as follows:

Authority: 7 U.S.C. 147a, 150ee, 161, 162, and 450; 19 U.S.C. 1306; 21 U.S.C. 111, 114a, 134a, 134b, 134c, 134f, 136, and 136a; 31 U.S.C. 9701; 42 U.S.C. 4331, and 4332; 7 CFR 2.22, 2.80, and 371.2(d).

2. In § 94.1, paragraph (a)(1) is revised to read as follows:

§ 94.1 Countries where rinderpest or foot-and-mouth disease exists; importations prohibited.

(a) * * *

(1) Except as provided in § 94.21, rinderpest or foot-and-mouth disease exists in all countries of the world, except those listed in paragraph (a)(2) of this section;

* * * * *

3. A new § 94.21 is added to read as follows:

§ 94.21 Restrictions on importation of beef from Argentina.

Notwithstanding any other provisions of this part, fresh, chilled or frozen beef from Argentina may be exported to the United States under the following conditions:

(a) The meat is beef that originated in Argentina;

(b) The meat came from bovines that were moved directly from the premises of origin to the slaughterhouse without any contact with other animals;

(c) The meat has not been in contact with meat from countries other than those listed in § 94.1(a)(2);

(d) The meat came from bovines that originated from premises where foot-and-mouth disease and rinderpest have not been present during the lifetime of any bovines slaughtered for export of meat;

(e) Foot-and-mouth disease has not been diagnosed in Argentina within the previous 12 months;

(f) The meat came from bovines that originated from premises on which ruminants or swine have not been vaccinated with modified or attenuated live viruses for foot-and-mouth disease at any time during the lifetime of the bovines slaughtered for export of meat;

(g) The meat came from bovines that have not been vaccinated for rinderpest at any time during the lifetime of any of the bovines slaughtered for export of meat;

(h) The meat came from bovine carcasses that have been allowed to mature at 40 to 50 °F (4 to 10 °C) for a minimum of 36 hours after slaughter and have reached a pH of 5.8 or less in the loin muscle at the end of the maturation period. Any carcass in which the pH does not reach 5.8 or less may be allowed to mature an additional 24 hours and be retested, and, if the carcass still does not reach a pH of 5.8 or less after 60 hours, the meat from the carcass may not be exported to the United States;

(i) All bone, blood clots, and lymphoid tissue have been removed from the meat; and

(j) An authorized official of Argentina certifies on the foreign meat inspection certificate that the above conditions have been met.

Done in Washington, DC, this 23rd day of June 1997.

Terry L. Medley,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 97-16748 Filed 6-25-97; 8:45 am]

BILLING CODE 3410-34-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 97-AWP-15]

Revision of Class D and Class E Airspace; Los Angeles, CA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action revises the legal description for the Class D and Class E airspace areas at Los Angeles, CA. This action is a modification of the surface areas for the Los Angeles Hawthorne Municipal Airport, CA. A review of airspace classification and air traffic procedures has made this action necessary. The intended effect of this action is to reduce the complexity of the air traffic procedures and reduce the number of facilities controlling traffic within this area.

EFFECTIVE DATE: 0901 UTC July 17, 1997.

FOR FURTHER INFORMATION CONTACT: Larry Tonish, Airspace Branch, AWP-520.7, Air Traffic Division, Western-Pacific Region, Federal Aviation Administration, 15000 Aviation Boulevard, Lawndale, California, 90261, telephone (310) 725-6555.

SUPPLEMENTARY INFORMATION:

History

On April 14, 1997, the FAA proposed to amend part 71 of the Federal Aviation Regulations (14 CFR part 71) by revising the Class D and Class E airspace areas at Los Angeles, CA (62 FR 18066). This action modifies the surface areas for the Los Angeles Hawthorne Municipal Airport, CA. A review of airspace classification and air traffic procedures has made this action necessary. The intended effect of this action is to reduce the complexity of the air traffic procedures and reduce the number of facilities controlling traffic within this area.

Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposals to the FAA. No comments to the proposal were received. Class D airspace areas extending upward from the surface are published in Paragraph 5000, and Class E airspace designations for airspace areas designated as an extension to a Class D or Class E surface area are published in Paragraph 6004 of FAA Order 7400.9D dated September 4, 1996, and effective September 16, 1996, which is incorporated by reference in 14 CFR

71.1. The Class D and Class E airspace designation listed in this document would be published subsequently in this Order.

The Rule

This amendment to part 71 of the Federal Aviation Regulations (14 CFR part 71) revises the surface areas for the Los Angeles Hawthorne Municipal Airport, CA. A review of airspace classification and air traffic procedures has made this action necessary. The intended effect of this action is to reduce the complexity of the air traffic procedures and reduce the number of facilities controlling traffic within this area.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation—(1) is not a “significant regulatory action” under Executive Order 12866; (2) is not a “significant rule” under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—[AMENDED]

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389; 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9D, Airspace Designations and Reporting Points, dated September 4, 1996, and effective September 16, 1996, is amended as follows:

Paragraph 5000 Class D airspace.

* * * * *