

11. Section 2429.24 is amended by revising paragraph (e) to read as follows:

**§ 2429.24 Place and method of filing; acknowledgment.**

\* \* \* \* \*

(e) All documents filed pursuant to this section shall be filed in person, by commercial delivery, by first-class mail, or by certified mail. Provided, however, that where facsimile equipment is available, motions; information pertaining to prehearing disclosure, conferences, orders, or hearing dates, times, and locations; information pertaining to subpoenas; and other similar matters may be filed by facsimile transmission, provided that the entire individual filing by the party does not exceed 10 pages in total length, with normal margins and font sizes.

\* \* \* \* \*

12. Section 2429.25 is revised to read as follows:

**§ 2429.25 Number of copies and paper size.**

Unless otherwise provided by the Authority or the General Counsel, or their designated representatives, as appropriate, or under this subchapter, and with the exception of any prescribed forms, any document or paper filed with the Authority, General Counsel, Administrative Law Judge, Regional Director, or Hearing Officer, as appropriate, under this subchapter, together with any enclosure filed therewith, shall be submitted on 8½ x 11 inch size paper, using normal margins and font sizes, in an original and four (4) legible copies. Where facsimile filing is permitted pursuant to § 2429.24(e), one (1) legible copy, capable of reproduction, shall be sufficient. A clean copy capable of being used as an original for purposes such as further reproduction may be substituted for the original.

13. Section 2429.27 is amended by revising paragraphs (b) and (d) to read as follows:

**§ 2429.27 Service; statement of service.**

\* \* \* \* \*

(b) Service of any document or paper under this subchapter, by any party, including documents and papers served by one party on any other party, shall be accomplished by certified mail, first-class mail, commercial delivery, or in person. Where facsimile equipment is available, service by facsimile of documents described in § 2429.24(e) is permissible.

\* \* \* \* \*

(d) The date of service or date served shall be the day when the matter served is deposited in the U.S. mail, delivered

in person, received from commercial delivery, or, in the case of facsimile transmissions, the date transmitted.

Dated: July 28, 1997.

**Solly Thomas,**

*Executive Director, Federal Labor Relations Authority.*

[FR Doc. 97-20244 Filed 7-30-97; 8:45 am]

BILLING CODE 6727-01-P

## DEPARTMENT OF AGRICULTURE

### Office of the Secretary

#### 7 CFR Parts 3, 278, and 400

#### Department of Agriculture Civil Monetary Penalties Adjustment

**AGENCY:** Office of the Secretary, USDA.

**ACTION:** Final rule.

**SUMMARY:** In accordance with Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, this final rule adjusts civil monetary penalties imposed by agencies within USDA to incorporate an inflation adjustment.

**EFFECTIVE DATE:** This rule will become effective on September 2, 1997.

**FOR FURTHER INFORMATION CONTACT:** Rey Gonzalez, OCFO, FPD, USDA, Room 3022-S, 1400 Independence Avenue, SW, Washington DC 20250 (202) 720-1168.

#### SUPPLEMENTARY INFORMATION:

#### I. The Debt Collection Improvement Act of 1996

The Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. No. 101-410) (Act) was amended by the Debt Collection Improvement Act of 1996 (Pub. L. No. 104-134) to require Federal agencies to regularly adjust certain civil monetary penalties (CMP) for inflation. The Act applies to any CMP provided by law, except for any penalty under the Internal Revenue Code of 1986, the Tariff Act of 1930, the Occupational Safety and Health Act of 1970, and the Social Security Act. The Act defines CMP to be any penalty, fine, or other sanction in which a Federal statute specifies a monetary amount, a maximum amount, or a range of amounts for such penalty, fine, or sanction.

As amended, the Act requires each agency to make an initial inflation adjustment for all applicable CMP, and to make further inflation adjustments at least once every 4 years thereafter. The Debt Collection Improvement Act of 1996 stipulates that any increases in

CMP due to the calculated inflation adjustments (i) applies only to violations which occur after the date the increase takes effect, which will be thirty (30) days after publication of this final rule; and (ii) the first adjustment may not exceed 10 percent of the penalty indicated.

#### Method of Calculation

Under the Act, the inflation adjustment for each applicable CMP is determined by increasing the minimum or maximum CMP amount or range of CMP's per violation or the range of minimum and maximum civil monetary penalties, as applicable, by the "cost-of-living adjustment." The "cost-of-living adjustment" is defined as the percentage of each CMP by which the Consumer Price Index (CPI) for the month of June of the calendar year preceding the adjustment, exceeds the CPI for the month of June of the calendar year in which the amount of the CMP was last set or adjusted in accordance with the law. The adjustment of these penalties contained in this notice were limited in two ways by the Act. First, the initial adjustment of any penalty may not exceed 10 percent of the unadjusted penalty. Second, any calculated increase under this adjustment is subject to a specific rounding formula contained in the Act. As a result of the application of these rounding rules, some penalties may not be adjusted. Among the penalties adjusted in this notice, the length of time covered by the adjustment varied, which means the rate and the amount of the adjustment, if any, applied to these penalties also varied.

The rule contained in this notice reflects the initial adjustment to the listed civil monetary penalties required by the Act. This rule will be amended to reflect any subsequent adjustments to the listed civil monetary penalties made in accordance with the Act.

#### II. Civil Monetary Penalties Affected by This Rule

A number of USDA agencies including the Agricultural Marketing Service; the Federal Crop Insurance Corporation; the Animal and Plant Health Inspection Service; the Grain Inspection, Packers and Stockyards Administration; the Food Safety Inspection Service; the Food and Consumer Service; and the Forest Service administer laws which provide for the imposition of civil monetary penalties.

This final rule lists the specific penalty or penalty range for each civil monetary penalty covered by this rule and reflects the required inflation

adjustment. This final rule also amends regulations which currently specify civil monetary amounts, by deleting these amounts and where appropriate inserting a cross reference to this rule.

### III. Waiver of Proposed Rulemaking

In developing this final rule, we are waiving the usual notice of proposed rulemaking and public comment procedures contained in 5 U.S.C. 553. We have determined that, under 5 U.S.C. 553(b)(3)(B), good cause exists for dispensing with the notice of proposed rulemaking and public comment procedures for this rule. Specifically, this rulemaking comports and is consistent with the statutory authority required by the Debt Collection Improvement Act of 1996, with no issue of policy discretion. Accordingly, we believe that opportunity for prior comment is unnecessary and contrary to the public interest, and are issuing these revised regulations as a final rule that will apply to all future cases.

### IV. Procedural Requirements

#### *Executive Order 12866*

The Office of Management and Budget (OMB) has reviewed this final rule in accordance with the provisions of Executive Order 12866, and has determined that it does not meet the criteria for a significant regulatory action. As indicated above, the provisions contained in this final rulemaking contained inflation adjustments in compliance with the Debt Collection Improvement Act of 1996 for specific applicable civil monetary penalties. The great majority of individuals, organizations and entities affected by these regulations do not engage in prohibited activities and practices, and as a result, we believe that any aggregate economic impact of these revised regulations will be minimal, affecting only those limited few who may engage in prohibited behavior in violation of the statutes.

#### *Executive Order 12988*

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule: (1) Preempts all State and local laws and regulations 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.

#### *Regulatory Flexibility Act of 1995*

The provisions of the Regulatory Flexibility Act relating to an initial and final regulatory flexibility analysis (5 U.S.C. 603, 604) are not applicable to this final rule because the agency was

not required to publish a notice of proposed rulemaking under 5 U.S.C. 553 or any other law. Accordingly, a regulatory flexibility analysis is not required.

#### *Paperwork Reduction Act*

This final rule imposes no new reporting or recordkeeping requirements necessitating clearance by OMB.

#### **List of Subjects in 7 CFR Parts 3, 278 and 400**

Administrative practice and procedure, Claims, Debt Management, Penalties.

Accordingly, 7 CFR parts 3, 278, and 400 are amended as set forth below:

### **PART 3—DEBT MANAGEMENT**

7 CFR part 3 is amended by adding at the end the following new subpart:

#### **Subpart E—Adjusted Civil Monetary Penalties**

**Authority:** 28 U.S.C. 2461 note.

##### **§ 3.91 Adjusted civil monetary penalties.**

(a) *In General.* The Secretary will adjust the civil monetary penalties, listed in paragraph (b), to take account of inflation at least once every 4 years as required by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. No. 101-410), as amended by the Debt Collection Improvement Act of 1996 (Pub. L. No. 104-134).

(b) *Penalties.* (1) *Agricultural Marketing Service*—(i) Civil penalty for improper pesticide recordkeeping, codified at 7 U.S.C. 136i-1(d), has:

(A) A maximum of \$550 in the case of the first offense, and

(B) A minimum of \$1,100 in the case of subsequent offenses unless the Secretary determines that the person made a good faith effort to comply.

(ii) Civil penalty for a violation of unfair conduct rule under the Perishable Agricultural Commodities Act, in lieu of license revocation or suspension, codified at 7 U.S.C. 499b(5), has a maximum of \$2,200.

(iii) Civil penalty for a violation of the licensing requirements under the Perishable Agricultural Commodities Act, codified at 7 U.S.C. 499c(a), has—

(A) A maximum of \$1,000 for each such offense and not more than \$250 for each day it continues; or

(B) A maximum of \$250 for each such offense if the Secretary determines the violation was not willful.

(iv) Civil penalty in lieu of license suspension under the Perishable Agricultural Commodities Act, codified at 7 U.S.C. 499h(e), has a maximum of \$2,000 for each violative transaction or each day the violation continues.

(v) Civil penalty for a violation of Export Apple and Pear Act, codified at 7 U.S.C. 586, has a minimum of \$110 and a maximum of \$11,000.

(vi) Civil penalty for a violation of the Export Grape and Plum Act, codified at 7 U.S.C. 596, has a minimum of \$110 and a maximum of \$11,000.

(vii) Civil penalty for a violation of an order issued by the Secretary, under the Agricultural Marketing Agreement Act of 1937, codified at 7 U.S.C. 608c(14)(B), has a maximum of \$1,100.

(viii) Civil penalty for failing to file certain reports under the Agricultural Marketing Agreement Act of 1937, codified at 7 U.S.C. 610(c), has a maximum civil penalty of \$110.

(ix) Civil penalty for a violation of seed program under the Federal Seed Act, codified at 7 U.S.C. 1596(b), has a minimum civil penalty of \$27.50 and a maximum of \$550.

(x) Civil penalty for a failure to collect an assessment or fee or for a violation of the Cotton Research and Promotion Act, codified at 7 U.S.C. 2112(b), has a maximum of \$1,100.

(xi) Civil penalty for a violation of a cease and desist order or for deceptive marketing under the Plant Variety Protection Act, codified at 7 U.S.C. 2568(b), has a minimum of \$550 and a maximum of \$11,000.

(xii) Civil penalty for failing to pay, collect, remit any assessment or fee or for violating a program regarding Potato Research and Promotion Act, codified at 7 U.S.C. 2621(b)(1), has a minimum of \$550 and a maximum of \$5,500.

(xiii) Civil penalty for failing to obey a cease and desist order under the Potato Research and Promotion Act, codified at 7 U.S.C. 2621(b)(3), has a maximum of \$550.

(xiv) Civil penalty for failing to pay, collect, remit any assessment or fee or for violating a program under the Egg Research and Consumer Information Act, codified at 7 U.S.C. 2714(b)(1), has a minimum of \$550 and a maximum of \$5,500.

(xv) Civil penalty for failing to obey a cease and desist order for a program under the Egg Research and Consumer Information Act, codified at 7 U.S.C. 2714(b)(3), has a maximum of \$550.

(xvi) Civil penalty for failing to remit any assessment or fee or for violating a program under the Beef Research and Information Act, codified at 7 U.S.C. 2908(a)(2), has a maximum of \$5,500.

(xvii) Civil penalty for failing to remit any assessment or for violating a program regarding wheat and wheat foods research, codified at 7 U.S.C. 3410(b), has a maximum of \$1,100.

(xviii) Civil penalty for failing to pay, collect, or remit any assessment or fee

or violating a program under the Floral Research and Consumer Information Act, codified at 7 U.S.C. 4314(b)(1), has a minimum \$550 and a maximum of \$5,500.

(xix) Civil penalty for failing to obey a cease and desist order under the Floral Research and Consumer Information Act, codified at 7 U.S.C. 4314(b)(3), has a maximum of \$550.

(xx) Civil penalty for a violation of an order under the Dairy Promotion Program, codified at 7 U.S.C. 4510(b), has a maximum of \$1,100.

(xxi) Civil penalty for failing to pay, collect, or remit any assessment or fee or for violating the Honey Research, Promotion, and Consumer Information Act, codified at 7 U.S.C. 4610(b)(1), has a minimum civil penalty of \$550 and a maximum of \$5,500.

(xxii) Civil penalty for failing to obey a cease and desist order of the Honey Research, Promotion, and Consumer Information Act, codified at 7 U.S.C. 4610(b)(3), has a maximum civil penalty of \$550.

(xxiii) Civil penalty for a violation of a program of the Pork Promotion, Research, and Consumer Information Act, codified at 7 U.S.C. 4815(b)(1)(A)(i), has a maximum of \$1,100.

(xxiv) Civil penalty for failing to obey a cease and desist order under the Pork Promotion, Research, and Consumer Information Act, codified at 7 U.S.C. 4815(b)(3)(A), has a maximum of \$550.

(xxv) Civil penalty for failing to pay, collect, or remit any assessments or fee or for violating a program under the Watermelon Research and Promotion Act, codified at 7 U.S.C. 4910(b)(1), has a minimum of \$550 and a maximum of \$5,500.

(xxvi) Civil penalty for failing to obey a cease and desist order for a program under the Watermelon Research and Promotion Act, codified at 7 U.S.C. 4910(b)(3), has a maximum of \$550.

(xxvii) Civil penalty for failing to pay, collect, or remit any assessments or fee or for a violation of program under the Pecan Promotion and Research Act, codified at 7 U.S.C. 6009(c)(1), has a minimum of \$1,100 and a maximum of \$11,000.

(xxviii) Civil penalty for failing to obey a cease and desist order of the Pecan Promotion and Research Act, codified at 7 U.S.C. 6009(e), has a maximum of \$1,100.

(xxix) Civil penalty for failing to pay, collect, or remit any assessments or fee or for violating a program of the Mushroom Promotion, Research, and Consumer Information Act, codified at 7 U.S.C. 6107(c)(1), has a minimum of \$550 and a maximum of \$5,500.

(xxx) Civil penalty for failing to obey a cease and desist order under the Mushroom Promotion, Research, and Consumer Information Act, codified at 7 U.S.C. 6107(e), has a maximum of \$550.

(xxxi) Civil penalty for failing to pay, collect, or remit any assessments or fee or for violation of the Lime Research, Promotion, and Consumer Information Act, codified at 7 U.S.C. 6207(c)(1), has a minimum of \$550 and a maximum of \$5,500.

(xxxii) Civil penalty for failing to obey a cease and desist order under the Lime Research, Promotion, and Consumer Information Act, codified at 7 U.S.C. 6207(e), has a maximum of \$550.

(xxxiii) Civil penalty for failing to pay, collect, or remit any assessments or fee or for violating a program under the Soybean Promotion, Research, and Consumer Information Act, codified at 7 U.S.C. 6307(c)(1), has a maximum civil penalty of \$1,100.

(xxxiv) Civil penalty for failing to obey a cease and desist order under the Soybean Promotion, Research, and Consumer Information Act, codified at 7 U.S.C. 6307(e), has a maximum of \$5,500.

(xxxv) Civil penalty for failing to pay, collect, or remit any assessments or fee or for violating a program of the Fluid Milk Promotion Act, codified at 7 U.S.C. 6411(c)(1)(A), has a minimum of \$550 and a maximum civil penalty of \$5,500; or in the case of a violation which is willful, codified at 7 U.S.C.

6411(c)(1)(B), has a minimum of \$11,000 and a maximum of \$110,000.

(xxxvi) Civil penalty for failing to obey a cease and desist order for a program under the Fluid Milk Promotion Act of 1990, codified at 7 U.S.C. 6411(e), has a maximum of \$5,500.

(xxxvii) Civil penalty for knowingly labeling or selling a product as organic except in accordance with the Organic Foods Production Act, codified at 7 U.S.C. 6519(a), has a maximum of \$11,000.

(xxxviii) Civil penalty for failing to pay, collect, or remit any assessments or fee or for violation of a program of the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act, codified at 7 U.S.C. 6808(c)(1), has a minimum of \$530 and a maximum of \$5,300.

(xxxix) Civil penalty for failing to obey a cease and desist order for a program of the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act, codified at 7 U.S.C. 6808(e), has a maximum of \$5,300.

(xl) Civil penalty for a violation of program of the Sheep Promotion, Research, and Consumer Information

Act, codified at 7 U.S.C. 7107(c)(1), has a maximum of \$1,030.

(xli) Civil penalty for failing to obey a cease and desist order for a program of the Sheep Promotion, Research, and Consumer Information Act, codified at 7 U.S.C. 7107(e), has a maximum of \$520.

(xlii) Civil penalty for a violation of an order or regulation issued under the Commodity Promotion, Research, and Information Act of 1996, codified at 7 U.S.C. 7419(c)(1), has a minimum of \$1,000 and a maximum of \$10,000 for each violation.

(xlili) Civil penalty for a violation of a cease and desist order issued under the Commodity Promotion, Research, and Information Act of 1996, codified at 7 U.S.C. 7419(e), has a minimum of \$1,000 and a maximum of \$10,000 for each day the violation occurs.

(xliv) Civil penalty for a violation of an order or regulation issued under the Canola and Rapeseed Research, Promotion, and Consumer Information Act, codified at 7 U.S.C. 7448(c)(1), has a maximum of \$1,000 for each violation.

(xlv) Civil penalty for a violation of a cease and desist order issued under the Canola and Rapeseed Research, Promotion, and Consumer Information Act, codified at 7 U.S.C. 7448(e), has a maximum of \$5,000 for each day the violation occurs.

(xlvi) Civil penalty for a violation of an order or regulation issued under the National Kiwifruit Research, Promotion, and Consumer Information Act, codified at 7 U.S.C. 7468(c)(1), has a minimum of \$500 and a maximum of \$5,000 for each violation.

(xlvii) Civil penalty for a violation of a cease and desist order issued under the National Kiwifruit Research, Promotion, and Consumer Information Act, codified at 7 U.S.C. 7468(e), has a maximum of \$500 for each day the violation occurs.

(xlviii) Civil penalty for a violation of an order or regulation issued under the Popcorn Promotion, Research, and Consumer Information Act, codified at 7 U.S.C. 7487, has a maximum of \$1,000 for each violation.

(xlix) Civil penalty for a violation of an order or regulation issued under the egg surveillance provisions of the Eggs Product Inspection Act, codified at 21 U.S.C. 1041(c)(1)(A), has a maximum of \$5,500 for each violation.

(2) *Animal and Plant Health Inspection Service*—(i) Civil penalty for a violation of the Act of January 31, 1942, plant and pest regulations, codified at 7 U.S.C. 149(b)(2), has a maximum of \$1,100.

(ii) Civil penalty for a violation of the Federal Plant Pest Act, codified at 7

U.S.C. 150gg(b), has a maximum of \$1,100.

(iii) Civil penalty for a violation of the Act of August 20, 1912 (commonly known as the Plant Quarantine Act), codified at 7 U.S.C. 163, has a maximum of \$1,100.

(iv) Civil penalty for a violation of the Federal Seed Act, codified at 7 U.S.C. 1596(b), has a minimum of \$27.50 and a maximum of \$550.

(v) Civil penalty for a violation of Animal Welfare Act, codified at 7 U.S.C. 2149(b), has a maximum of \$2,750; and knowing failure to obey a cease and desist order has a civil penalty of \$1,650.

(vi) Civil penalty for a violation of Swine Health Protection Act, codified at 7 U.S.C. 3805(a), has a maximum of \$11,000.

(vii) Civil penalty for a violation of Horse Protection Act, codified at 15 U.S.C. 1825(b)(1), has a maximum of \$2,200.

(viii) Civil penalty for failure to obey Horse Protection Act disqualification, codified at 15 U.S.C. 1825(c), has a maximum of \$3,300 and exhibition of disqualified horse, codified at 15 U.S.C. 1825(c), has a maximum of \$3,300.

(xix) Civil penalty for a violation of the Act of August 30, 1890, codified at 21 U.S.C. 104, has a maximum of \$1,100.

(xx) Civil penalty for a violation of the Act of May 29, 1884 (commonly known as the Animal Industry Act), codified at 21 U.S.C. 117(b), has a maximum of \$1,100.

(xxi) Civil penalty for a violation of the Act of February 2, 1903 (commonly known as the Cattle Contagious Disease Act), codified at 21 U.S.C. 122, has a maximum of \$1,100.

(xxii) Civil penalty for a violation of the Act of March 3, 1905, codified at 21 U.S.C. 127, has a maximum of \$1,100.

(xxiii) Civil penalty for a violation of the Act of July 2, 1962, codified at 21 U.S.C. 134e(a)(2), has a maximum of \$1,100.

(xxiv) Civil penalty for a violation of the Act of May 6, 1970, codified at 21 U.S.C. 135a(b), has a maximum of \$1,100.

(xxv) Civil penalty for knowingly violating, or, if in the business, violating, with respect to terrestrial plants, any provision of the Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*) any permit or certificate issued thereunder, or any regulation issued pursuant to section 9(a)(1)(A) through (F), (a)(2)(A) through (D), (c), (d), as set forth at 16 U.S.C. 1540(a) (other than regulations relating to recordkeeping or filing reports), (f), or (g) of the Endangered Species Act of 1973 (16

U.S.C. 1538(a)(1)(A) through (F), (a)(2)(A) through (D), (c), (d), (f), and (g)), has a maximum of \$25,000.

(xxvi) Civil penalty for knowingly violating, or, if in the business, violating, with respect to terrestrial plants, any regulation issued under the Endangered Species Act (16 U.S.C. 1531 *et seq.*), as set forth at 16 U.S.C. 1540(a) [except as provided in subparagraph (O)], has a maximum of \$12,000.

(xxvii) Civil penalty for any violation, with respect to terrestrial plants, of the Endangered Species Act (16 U.S.C. 1531 *et seq.*), as set forth at 16 U.S.C. 1540(a) [except as provided in subparagraphs (O) and (P)], has a maximum of \$500.

(3) *Food and Consumer Service*—(i) Civil penalty for hardship fine in lieu of disqualification, codified at 7 U.S.C. 2021(a), has a maximum of \$11,000 per violation.

(ii) Civil penalty for trafficking in food coupons, codified at 7 U.S.C. 2021(b)(3)(B), has a maximum of \$20,000 for each violation, except that the maximum penalty for violations occurring during a single investigation is \$40,000.

(iii) Civil penalty for the sale of firearms, ammunition, explosives, or controlled substances for coupons, codified at 7 U.S.C. 2021(b)(3)(C), has a maximum of \$20,000 for each violation except that the maximum penalty for violations occurring during a single investigation is \$40,000.

(iv) Civil penalty for any entity that submits a bid to supply infant formula to carry out the Special Supplemental Nutrition Program for Women, Infants and Children and discloses the amount of the bid, rebate or discount practices in advance of the bid opening or for any entity that makes a statement prior to the opening of the bids for the purpose of influencing a bid, codified at 42 U.S.C. 1786(h)(8)(H)(i), has a maximum of \$100,000,000.

(4) *Food Safety and Inspection Service*—(i) Civil penalty for a violation of the Eggs Products Inspection Act, codified at 21 U.S.C. 1041(c)(1)(A), has a maximum penalty of \$5,500 for each violation.

(ii) Civil penalty for a failure to file timely certain reports, codified at 21 U.S.C. 467d, has a maximum civil penalty of \$11 per day for each day the report is not filed.

(iii) Civil penalty for a failure to file timely certain reports codified at 21 U.S.C. 677, has a maximum civil penalty of \$11 per day for each day the report is not filed.

(iv) Civil penalty for a failure to file timely certain reports codified at 21 U.S.C. 1051, has a maximum civil

penalty of \$11 per day for each day the report is not filed.

(5) *Forest Service*—(i) Civil penalty for a willful disregard of the prohibition against the export of unprocessed timber originating from Federal lands has a maximum of \$550,000 per violation or three times the gross value of the unprocessed timber whichever is greater, codified at 16 U.S.C. 620d(c)(1)(A).

(ii) Civil penalty for a violation in disregard of the Forest Resources Conservation and Shortage Relief Act of 1990 (16 U.S.C. 620 *et seq.*) or the regulations that implement such Act regardless of whether such violation caused the export of unprocessed timber originating from Federal lands, has a maximum penalty of \$82,500 per violation, codified at 16 U.S.C. 620d(c)(2)(A)(i).

(iii) Civil penalty for a person that should have known that an action was a violation of the Forest Resources Conservation and Shortage Relief Act of 1990 (16 U.S.C. 620 *et seq.*) or the regulations that implement such Act regardless of whether such violation caused the export of unprocessed timber originating from Federal lands, has a maximum penalty of \$55,000 per violation, codified at 16 U.S.C. 620d(c)(2)(A)(ii).

(iv) Civil penalty for a willful violation of the Forest Resources Conservation and Shortage Relief Act of 1990 (16 U.S.C. 620 *et seq.*) or the regulations that implement such Act regardless of whether such violation caused the export of unprocessed timber originating from Federal lands, has a maximum penalty of \$550,000 per violation, codified at 16 U.S.C. 620d(c)(2)(A)(iii).

(v) Civil penalty for a violation involving protections of caves, codified at 16 U.S.C. 4307(a)(2), has a maximum of \$11,000.

(6) *Grain Inspection, Packers and Stockyards Administration*—(i) Civil penalty for a packer violation, codified at 7 U.S.C. 193(b), has a maximum of \$11,000.

(ii) Civil penalty for livestock market agency, dealer, failure to register, codified at 7 U.S.C. 203, has a maximum of \$550 and not more than \$27.50 for each day the violation continues.

(iii) Civil penalty for a violation of stockyard rate, regulation or practice, codified at 7 U.S.C. 207(g), has a maximum civil penalty of \$550 and not more than \$27.50 for each day the violation continues.

(iv) Civil penalty for a stockyard owner, livestock market agency and dealer violations, codified at 7 U.S.C. 213(b), has a maximum of \$11,000.

(v) Civil penalty for a stockyard owner, livestock market agency and dealer compliance order violations, codified at 7 U.S.C. 215(a), has a maximum of \$550.

(vi) Civil penalty for a failure to file required reports, codified at 15 U.S.C. 50, has a maximum of \$110.

(vii) Civil penalty for live poultry dealer violations, codified at 7 U.S.C. 228b-2(b), has a maximum of \$22,000.

(viii) Civil penalty for a violation, codified at 7 U.S.C. 86(c), has a maximum civil penalty of \$82,500.

(7) *Federal Crop Insurance Corporation*—Civil penalty for any person who willfully and intentionally provides materially false or inaccurate information to the Federal Crop Insurance Corporation or an approved insurance provider reinsured by the Federal Crop Insurance Corporation, codified at 7 U.S.C. 1506(n)(1)(A), has a maximum civil penalty of \$10,000.

(8) *All USDA Agencies*—Civil penalty for work hours and safety violations, codified at 40 U.S.C. 328, has a maximum of \$11 per day of violation.

#### **PART 278—PARTICIPATION OF RETAIL FOOD STORES, WHOLESALE FOOD CONCERNS, AND INSURED FINANCIAL INSTITUTIONS**

1. The authority citation for part 278 continues to read as follows:

**Authority:** 7 U.S.C. 2011–2032.

##### **§ 278.6 [Amended]**

2. 7 CFR 278.6(a) is amended by—(a) striking “\$10,000” and inserting “an amount specified in § 3.91(b)(3)(A) of this title”; and (b) striking “\$20,000” and inserting “amount specified in Sec. 3.91(b)(3)(B) of this title”.

#### **PART 400—FEDERAL CROP INSURANCE CORPORATION, GENERAL ADMINISTRATIVE REGULATIONS**

1. The authority citation for part 400 continues to read as follows:

**Authority:** 7 U.S.C. 1506(l).

##### **§ 400.454 [Amended]**

2. 7 CFR 400.454(a) introductory text is amended by striking “\$10,000” and inserting “an amount specified in § 3.91(b)(7) of this title”.

**Dan Glickman,**

*Secretary of Agriculture.*

[FR Doc. 97–19967 Filed 7–30–97; 8:45 am]

BILLING CODE 3410–01–P

#### **NATIONAL CREDIT UNION ADMINISTRATION**

##### **12 CFR Part 701**

##### **Loan Interest Rates**

**AGENCY:** National Credit Union Administration (NCUA).

**ACTION:** Final rule.

**SUMMARY:** The current 18 percent per year federal credit union loan rate ceiling is scheduled to revert to 15 percent on September 9, 1997, unless otherwise provided by the NCUA Board (Board). A 15 percent ceiling would restrict certain categories of credit and adversely affect the financial condition of a number of federal credit unions. At the same time, prevailing market rates and economic conditions do not justify a rate higher than the current 18 percent ceiling. Accordingly, the Board hereby continues an 18 percent federal credit union loan rate ceiling for the period from September 9, 1997 through March 8, 1999. Loans and lines of credit balances existing prior to May 18, 1987, may continue to bear their contractual rate of interest, not to exceed 21 percent. The Board is prepared to reconsider the 18 percent ceiling at any time should changes in economic conditions warrant.

**EFFECTIVE DATE:** September 9, 1997.

**ADDRESSES:** National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia, 22314–3428.

**FOR FURTHER INFORMATION CONTACT:** Evan Gillette, Investment Officer, Office of Investment Services, at the above address, telephone number: (703) 518–6620.

##### **SUPPLEMENTARY INFORMATION:**

##### **Background**

Public Law 96–221, enacted in 1979, raised the loan interest rate ceiling for federal credit unions from 1 percent per month (12 percent per year) to 15 percent per year. It also authorized the Board to set a higher limit, after consulting with Congress, the Department of Treasury and other federal financial agencies, for a period not to exceed 18 months, if the Board determined that: (1) Money market interest rates have risen over the preceding 6 months; and (2) prevailing interest rate levels threaten the safety and soundness of individual credit unions as evidenced by adverse trends in growth, liquidity, capital and earnings.

On December 3, 1980, the Board determined that the foregoing conditions had been met. Accordingly, the Board raised the loan ceiling for 9

months to 21 percent. In the unstable environment of the first-half of the 1980s, the Board extended the 21 percent ceiling four times. On March 11, 1987, the Board lowered the loan rate ceiling from 21 percent to 18 percent effective May 18, 1987. This action was taken in an environment of falling market interest rates from 1980 to early 1987. The ceiling has remained at 18 percent to the present.

The Board believes that the 18 percent ceiling will permit credit unions to continue to meet their current lending programs, permit flexibility so that credit unions can react to any adverse economic developments, and ensure that any increase in the cost of funds would not affect the safety and soundness of federal credit unions.

The Board would prefer not to set loan interest rate ceilings for federal credit unions. Credit unions are cooperatives and balance loan and share rates consistent with the needs of their members and prevailing market rates. The Board supports free lending markets and the ability of federal credit union boards of directors to establish loan rates that reflect current market conditions and the interests of their members. Congress has, however, imposed loan rate ceilings since 1934. In 1979, Congress set the ceiling at 15 percent but authorized the Board to set a ceiling in excess of 15 percent, if conditions warrant. The following analysis justifies a ceiling above 15 percent, but at the same time does not support a ceiling above the current 18 percent. The Board is prepared to reconsider this action at any time should changes in economic conditions warrant.

##### **Money Market Interest Rates**

During the 16-month period following the Board's March 1996 decision to continue the 18 percent ceiling, short-term Treasury rates (3, 6 and 12 months) increased from 11 to 19 basis points (Table 1).

TABLE 1.—TREASURY RATES

Maturity	Yields as of Mar. 11, 1996 (percent)	Yields as of July 17, 1997 (percent)	Change in basis points
3-month .....	5.09	5.20	11
6-month .....	5.17	5.31	14
1-year .....	5.37	5.56	19

Treasury rates rose slightly during the recent six-month period from January 1 to July 17, 1997. Treasury rates on the 3, 6 and 12 month maturities increased