

notice of its final decision to the individual and provide a copy to the carrier. The notice must fully set forth the findings and conclusions on which the decision was based.

(5) If, at any time after the disenrollment has occurred, the employing office or OPM determines that another provision of this part applies to the individual's enrollment or the carrier discovers or receives appropriate documentation showing that another section of this part applies to the individual's enrollment, the disenrollment under paragraph (c)(1) of this section is void and coverage is reinstated retroactively.

(d) When an enrollee notifies the carrier that he or she has separated from Federal employment and is no longer eligible for enrollment, the carrier must disenroll the individual, subject to the 31-day temporary extension of coverage and conversion right under § 890.401, on the last day of the pay period in which the separation occurred, if known, otherwise the carrier must disenroll the employee on the date the employee provides as the date of separation. The carrier must notify the enrollee of his or her right to convert to a nongroup contract with the carrier and possible eligibility to enroll under the temporary continuation of coverage provisions as set forth in subpart K of this part based on the termination of enrollment as provided under § 890.304(a)(1)(i).

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DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

9 CFR Part 381

[Docket No. 97-006P]

RIN 0583-AC33

Addition of Mexico to the List of Countries Eligible to Export Poultry Products Into the United States

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Proposed rule.

SUMMARY: The Food Safety and Inspection Service (FSIS) is proposing to add Mexico to the list of countries eligible to export poultry products into the United States. Reviews of Mexico's laws, regulations, and other materials show that its poultry processing system meets requirements equivalent to all provisions in the Poultry Products

Inspection Act (PPIA) and its implementing regulations.

Only poultry products that have been slaughtered in federally inspected establishments in the United States or in establishments in other countries eligible to export poultry to the United States and have then been processed in certified Mexican establishments would be permitted to be imported into the United States. All poultry products exported from Mexico to the United States must be reinspected at the U.S. ports-of-entry by FSIS inspectors.

This action would enable certified poultry processing establishments in Mexico to export processed poultry products into the United States.

DATES: Comments must be received on or before January 27, 1998.

ADDRESSES: Send an original and two copies of comments to: FSIS Docket Clerk, Docket #97-006P, Room 102, Cotton Annex, 300 C Street, SW, Washington, DC 20250-3700. Reference materials cited in this document and any comments received will be available for public inspection in the FSIS Docket Room from 8:30 a.m. to 1:00 p.m. and from 2:00 p.m. to 4:30 p.m., Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Mr. Mark Manis, Director, International Policy Development Division, Office of Policy, Program Development and Evaluation; (202) 720-6400.

SUPPLEMENTARY INFORMATION:

Background

FSIS is proposing to amend the poultry products inspection regulations to add Mexico to the list of countries eligible to export poultry products to the United States. Section 17 of the PPIA (21 U.S.C. 466) prohibits the importation into the United States of slaughtered poultry or poultry products unless they are healthful, wholesome, fit for human food, not adulterated, and contain no dye, chemical, preservative, or ingredient which renders them unhealthful, unwholesome, adulterated, or unfit for human food. Imported poultry products must be in compliance with the poultry products inspection regulations to ensure that they meet the standards provided in the PPIA. 9 CFR 381.196 establishes the procedures by which foreign countries wanting to export poultry or poultry products to the United States may become eligible to do so.

Section 381.196(a) requires authorities in a foreign country's poultry inspection system to certify that (1) the system provides standards equivalent to those of the United States and (2) the legal authority for the system and its

implementing regulations are equivalent to those of the United States.

Specifically, a country's regulations must impose requirements equivalent to those of the United States in the following areas: (1) Ante-mortem and post-mortem inspection; (2) official controls by the national government over plant construction, facilities, and equipment; (3) direct and continuous supervision of slaughter activities and product preparation by official inspection personnel; (4) separation of establishments certified to export from those not certified; (5) maintenance of a single standard of inspection and sanitation throughout certified establishments; and (6) official controls over condemned product.

Section 381.196 also requires a poultry inspection system maintained by a foreign country, with respect to establishments preparing products in that country for export to the United States, to ensure that those establishments and their poultry products comply with requirements equivalent to the provisions of the PPIA and the poultry products inspection regulations. Foreign country authorities must be able to ensure that all certifications required under Subpart T of the poultry product inspection regulations (Imported Poultry Products) can be relied upon before approval to export poultry and poultry products to the United States may be granted. Here, the government of Mexico would be responsible for establishing a system of controls to ensure that only poultry from eligible countries and establishments is used in poultry products processed in Mexico and destined for the United States. Besides relying on its initial determination of a country's eligibility, coupled with ongoing reviews to ensure that products shipped to the United States are safe, wholesome and properly labeled and packaged, FSIS randomly samples imported meat and poultry products for reinspection as they enter the United States.

In addition to meeting the certification requirements, a foreign country's inspection system must be evaluated by FSIS before eligibility to export poultry and poultry products can be granted. This evaluation consists of two processes: a document review and an on-site review. The document review is an evaluation of the laws, regulations, and other written materials used by the country to operate its inspection program. To help the country in organizing its material, FSIS gives the country questionnaires asking for detailed information about the country's inspection practices and procedures in

five risk areas. These five risk areas, which are the focus of the evaluation, are contamination, disease, processing, residues, and compliance/economic fraud. FSIS evaluates the information to verify that the critical points in the five risk areas are addressed satisfactorily with respect to standards, activities, resources, and enforcement. If the document review is satisfactory, on-site reviews are scheduled using a multi-disciplinary team to evaluate all aspects of the country's delivery of its inspection program, including laboratories and individual establishments within the country.

Evaluation of the Mexican Inspection System

In 1988, following an in-depth evaluation of its meat inspection system, Mexico was granted eligibility to export fresh and further processed meat products subject to the Federal Meat Inspection Act to the United States. The government agency in Mexico responsible for inspecting meat for export to the United States also has authority over poultry inspection. Thus, the authorities operating the Mexican inspection system have for several years demonstrated their knowledge of the U.S. inspection system, and successfully provided inspection equivalence for fresh and processed meat.

In response to a request from the Mexican government for approval to export poultry to the United States, FSIS conducted a review of the Mexican poultry inspection system to determine if it was equivalent to the U.S. poultry inspection system. First, FSIS compared Mexico's poultry inspection laws and regulations with U.S. requirements. The study concluded that the requirements contained in Mexico's poultry inspection laws and regulations are equivalent to those mandated by the PPIA and implementing regulations. FSIS then conducted an on-site review of the Mexican poultry inspection system in operation. This review was conducted between May 28 and June 5, 1996. The FSIS review team concluded that Mexico's implementation of poultry processing standards and procedures was equivalent to that of the United States and that Mexico's official residue control laboratory was fully capable of testing poultry products. The parties have agreed to postpone final decision making regarding Mexico's implementation of slaughter processing standards and procedures until a later date. As a result, poultry processed in Mexican establishments approved to export to the United States must be slaughtered in the United States under USDA inspection or in establishments

in other countries that are certified as eligible to export to the United States. The Mexican government has agreed to conduct its program in a way that ensures that only poultry from eligible countries and establishments is used in poultry products processed in Mexico destined for the United States.

All lots of poultry products exported to the United States from Mexico will be reinspected at the ports-of-entry for transportation damage, labeling, proper certification, general condition and accurate count. Other types of inspection will also be conducted, including examining the product for defects and performing laboratory analyses that will detect chemical residues on the product or determine whether the product is microbiologically contaminated.

Products that pass reinspection will be stamped with the official mark of inspection and allowed to enter U.S. commerce. If they do not meet U.S. requirements, they will be stamped "U.S. Refused Entry" and must be reexported, destroyed or converted to animal food.

Accordingly, FSIS is proposing to amend § 381.196 of the poultry products inspection regulations to add Mexico as a country from which poultry products may be eligible for import into the United States. As a country eligible to export poultry products into the United States, the government of Mexico would certify to FSIS those establishments wishing to export such products to the United States and operating according to U.S. requirements. FSIS would retain the right to verify that establishments certified by the Mexican government are meeting the U.S. requirements. This would be done through on-site reviews of the establishments while they are in operation.

Executive Order 12988

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. If this proposed rule is adopted: (1) all state and local laws and regulations that are inconsistent with this rule will be preempted; (2) no retroactive effect will be given to this rule; and (3) administrative proceedings will not be required before parties may file suit in court challenging this rule.

Executive Order 12866 and Regulatory Flexibility Act

This proposed rule has been determined to be significant and has been reviewed by OMB under Executive Order 12866.

In accordance with 5 U.S.C. 603, FSIS has also conducted an initial regulatory flexibility analysis regarding the impact

of the rule on small entities. However, FSIS does not currently have all the data necessary for a comprehensive analysis of the effects of this rule on small entities. Therefore, FSIS is inviting comments concerning potential effects. In particular, FSIS is interested in determining the number and type of small entities that may incur benefits or costs from implementation of this proposed rule.

This proposed rule would add Mexico to the list of countries eligible to export poultry products into the United States. However, through use of required certificates, poultry imports from Mexico would be limited to only products derived from carcasses slaughtered under federal inspection in the United States or slaughtered under the inspection systems of other countries that are now eligible to export poultry to the United States. Currently, only Canada, Great Britain, France, Israel and Hong Kong are on the list of countries eligible to export poultry products into the United States. Any exports from Hong Kong are restricted to products slaughtered under federal inspection in the United States or slaughtered in the inspection systems of Canada, Great Britain, France or Israel.

With implementation of the proposed rule, FSIS expects to see some domestic poultry establishments shipping whole carcasses or parts of carcasses to certified Mexican establishments. These carcasses or parts of carcasses would then be cut-up, deboned or further processed in these Mexican establishments. Some processed poultry products, particularly higher valued products such as boneless breast meat, would then be shipped to markets in the United States. Products shipped to the United States could also include poultry sausage and other cooked products.

As this process unfolds, total pounds of poultry exports would go up. Because some further processed products would be shipped back to the United States, imports of poultry products would also increase. A corresponding decrease in domestic jobs associated with cutting and deboning operations would occur.

With implementation, poultry firms could lower overall processing costs by having labor-intensive cut-up and deboning operations performed in certified Mexican establishments where wages can be expected to be lower. However, FSIS believes the potential for any significant changes in overall production costs would be limited. First, cut-up and boning operations are currently conducted by relatively lower wage employees. The value added by these operations is relatively small. In 1996, wholesale prices of whole broilers

averaged \$.61 per pound, whereas wholesale prices of cut-up broilers averaged \$.66 per pound. Second, the potential for lowering production costs using lower wage employees would be offset by export fees, import fees and increased shipping/transportation costs.

Considering these factors, FSIS does not anticipate any measurable change in market prices for processed poultry products. Because of shipping and transportation costs, FSIS expects most of the change to be limited to firms located relatively close to the Mexican border. For the same reasons, FSIS does not expect to see increases in poultry imports from Mexico processed from birds slaughtered in other countries such as Canada and Great Britain. Currently, Mexico imports very little poultry from other countries. In 1996, Mexico imported approximately 396 million pounds of poultry and poultry products. More than 97 percent was imported from the United States.

FSIS does not believe this rule would offset enough product to affect domestic poultry prices. In 1996, U.S. poultry production was approximately 32.3 billion pounds on a ready-to-cook carcass weight basis. The United States exported approximately 386 million pounds to Mexico. With this rule, exports would likely increase more than imports on a pound basis. However, considering that imports would consist of value-added products, it is possible that the dollar value of imports will increase more than the value of exports.

As noted above, FSIS is requesting comments on the potential effect of this proposal on small entities. While most poultry is cut-up and boned in large firms, there are many small businesses involved in cut-up, boning and further poultry processing operations. Although changes in prices would affect these small businesses, FSIS does not expect measurable price changes for the reasons already discussed.

Paperwork Requirements

No new paperwork requirements are associated with this proposed rule. Foreign countries wanting to export poultry or poultry products to the United States are required to provide information to FSIS certifying that its inspection system provides standards equivalent to those of the United States and that the legal authority for the system and its implementing regulations are equivalent to those of the United States before they may start exporting such product to the United States. FSIS collects this information one time only. FSIS gave Mexico questionnaires asking for detailed information about the country's inspection practices and

procedures to assist the country in organizing its materials. This information collection was approved under OMB number 0583-0094. The proposed rule contains no other paperwork requirements.

List of Subjects 9 CFR Part 381

Imports, Poultry and poultry products.

For the reasons set out in the preamble, 9 CFR part 381 would be amended as follows:

PART 381—POULTRY PRODUCTS INSPECTION REGULATIONS

1. The authority citation for part 381 would continue to read as follows:

Authority: 7 U.S.C. 138f; 7 U.S.C. 450; 21 U.S.C. 451-470; 7 CFR 2.18, 2.53.

§ 381.196 [Amended]

2. Section 381.196 would be amended by adding "Mexico" in alphabetical order to the list of countries in paragraph (b).

Done at Washington, DC, on: November 18, 1997.

Thomas J. Billy,
Administrator.

[FR Doc. 97-31177 Filed 11-24-97; 10:10 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 97-NM-154-AD]

RIN 2120-AA64

Airworthiness Directives; Dornier Model 328-100 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the adoption of a new airworthiness directive (AD) that is applicable to all Dornier Model 328 series airplanes. This proposal would require a one-time inspection of the date stamp affixed to the wing deicing boots to determine the cure date, and replacement of the deicing boot with a new boot, if necessary. This proposal is prompted by issuance of mandatory continuing airworthiness information by a foreign civil airworthiness authority. The actions specified by the proposed AD are intended to prevent delamination of the wing deicing boots, and resultant inflation of the deicing boots to a

distorted aerodynamic shape during flight, which could result in reduced controllability of the airplane.

DATES: Comments must be received by December 29, 1997.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-103, Attention: Rules Docket No. 97-NM-154-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056. Comments may be inspected at this location between 9:00 a.m. and 3:00 p.m., Monday through Friday, except Federal holidays.

The service information referenced in the proposed rule may be obtained from Dornier Deutsche Aerospace, P.O. Box 1103, D-82230 Wessling, Federal Republic of Germany. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT: International Branch, ANM-116, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-2110; fax (425) 227-1149.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications shall identify the Rules Docket number and be submitted in triplicate to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this notice may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report summarizing each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 97-NM-154-AD." The