

# Notices

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This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

## ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

### Adoption of Recommendation

**AGENCY:** Administrative Conference of the United States.

**ACTION:** Notice.

**SUMMARY:** The Administrative Conference of the United States adopted the attached recommendation at its Fifty-third Plenary Session. The recommendation addresses issues relating to Federal agency procedures regarding consultation with State and local governments and for considering State interests in rulemakings that may result in the preemption of State law.

**FOR FURTHER INFORMATION CONTACT:** Emily F. Schleicher, Designated Federal Officer, Administrative Conference of the United States, Suite 706 South, 1120 20th Street, NW., Washington, DC 20036; Telephone 202-480-2080.

**SUPPLEMENTARY INFORMATION:** The Administrative Conference of the United States was established by the Administrative Conference Act, 5 U.S.C. 591-596. The Conference studies the efficiency, adequacy, and fairness of the administrative procedures used by Federal agencies in carrying out administrative programs, and makes recommendations for improvements to the agencies, collectively or individually, and to the President, Congress, and the Judicial Conference of the United States (5 U.S.C. 594(1)). At its Fifty-third Plenary Session, held December 9 and 10, 2010, the Assembly of the Administrative Conference of the United States adopted the attached recommendation. For further information about the Conference and its activities, see <http://www.acus.gov>.

Recommendation 2010-1, "Agency Procedures for Considering Preemption of State Law," addresses issues relating to agency procedures for complying with Federal requirements regarding consultation with State and local

governments and for considering State interests in rulemakings that may result in the preemption of State law. The goal of the recommendation is not to favor or disfavor preemption, but to improve agency procedures in potentially preemptive rulemakings. The recommendation reiterates a previous Conference recommendation that Congress clearly state its preemptive intent in the text of the statutes it charges Federal agencies with implementing. It recommends that agencies formulate appropriate internal procedures to ensure consultation with representatives of State interests and to ensure that agencies evaluate the authority and basis asserted in support of a preemptive rulemaking. It seeks to increase transparency regarding internal agency policies and recommends ways to improve external mechanisms for enforcing the applicable Federal requirements.

The full text of the recommendation is set out in the Appendix below. The recommendation will be transmitted to affected agencies and to appropriate committees of the United States Congress. The Administrative Conference has advisory powers only, and the decision on whether to implement the recommendation must be made by the affected agencies or by Congress.

The Administrative Conference ceased operations in 1995 due to termination of funding, but was re-established in 2010, and the Council of the revived Administrative Conference held its first meeting in August 2010. The December 2010 Plenary Session was the first held after the resumption of operations. Recommendations and statements of the Administrative Conference are published in full text in the **Federal Register**. The research report on which Recommendation 2010-1 is based and a complete listing of past recommendations and statements are available at <http://www.acus.gov>.

The transcript of the Plenary Session is available for public inspection at the Conference's offices at 1120 20th Street, NW., Suite 706 South, Washington, DC.

**Authority:** 5 U.S.C. 591-96.

Dated: December 27, 2010.

**Jonathan R. Siegel,**

*Director of Research and Policy.*

## Appendix—Recommendations of the Administrative Conference of the United States

### Recommendation 2010-1, Agency Procedures for Considering Preemption of State Law (Adopted December 9, 2010)

#### Preamble

Presidents Reagan and Clinton both issued executive orders mandating executive branch agencies,<sup>1</sup> and urging independent agencies,<sup>2</sup> to take certain measures to ensure proper respect for principles of federalism. Executive Order 13132, "Federalism," issued by President Clinton on August 4, 1999 (the "Order"),<sup>3</sup> is still in effect today, and is an amended version of President Reagan's Executive Order on Federalism, Executive Order 12612.<sup>4</sup> The Order identifies federalism principles that bear consideration in policymaking and specifies procedures for intergovernmental consultation, emphasizing consultations with State and local governments and enhanced sensitivity to their concerns. The Order requires agencies to have "an accountable process to ensure meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications."<sup>5</sup> The Order requires agencies to "provide all affected State and local officials notice and an opportunity for appropriate participation in the proceedings" whenever an agency proposes to preempt State law through adjudication or rulemaking.<sup>6</sup> It establishes specific procedures for "any regulation that has federalism implications and that preempts State law,"<sup>7</sup> requiring agencies to consult with State and local officials "early in the process of developing the proposed regulation,"<sup>8</sup> and to prepare a federalism impact statement ("FIS").<sup>9</sup>

<sup>1</sup> Exec. Order No. 13,132, § 1(c).

<sup>2</sup> *Id.* at § 9.

<sup>3</sup> Exec. Order No. 13,132, 3 CFR 206 (2000), reprinted in 3 U.S.C. 301 (2006).

<sup>4</sup> President Reagan's Executive Order on Federalism adopted, nearly verbatim, ACUS recommendations. Compare Exec. Order No. 12,612, 3 CFR 252, §§ 4(d) & (e) (1988), reprinted in 5 U.S.C. 601 (1994), with Administrative Conference of the United States, Recommendation No. 84-5, *Preemption of State Regulation by Federal Agencies* ¶¶ 4, 5 (1984).

<sup>5</sup> Exec. Order No. 13,132, § 6(a). The consultation process must involve "elected officials of State and local governments or their representative national organizations." *Id.* at §§ 1(d), 6(a).

<sup>6</sup> *Id.* at § 4(e).

<sup>7</sup> *Id.* at § 6(c).

<sup>8</sup> *Id.* at § 6(c)(1).

<sup>9</sup> *Id.* at § 6(c)(2) (requiring a FIS for any regulation "that has federalism implications and that preempts

Individual agencies are responsible for implementing Executive Order 13132, and the Office of Information and Regulatory Affairs (“OIRA”), located within the Office of Management and Budget (“OMB”), has issued procedural guidelines on “what agencies should do to comply with the Order and how they should document that compliance to OMB.”<sup>10</sup> These Federalism Guidelines provide that each agency and department should designate a federalism official charged with: (1) Ensuring that the agency considers federalism principles in its development of regulatory and legislative policies with federalism implications; (2) ensuring that the agency has an accountable process for meaningful and timely intergovernmental consultation in the development of regulatory policies that have federalism implications; and (3) providing certification of compliance to OMB. The federalism official must submit to OMB “a description of the agency’s consultation process.”<sup>11</sup> That “indicate[s] how the agency identifies those policies with federalism implications and the procedures the agency will use to ensure meaningful and timely consultation with affected State and local officials.”<sup>12</sup> For any draft final regulation with federalism implications submitted for OIRA review under Executive Order 12866, the federalism official must certify that the requirements of Executive Order 13132 concerning both the evaluation of federalism policies and consultation have been met in a meaningful and timely manner.<sup>13</sup>

President Obama’s official policy on preemption, articulated in a May 20, 2009 presidential “Memorandum for Heads of Executive Departments and Agencies” (“Preemption Memorandum”), provides that “[p]reemption of State law by executive departments and agencies should be undertaken only with full consideration of the legitimate prerogatives of the States and with a sufficient legal basis for preemption.”<sup>14</sup> It specifically admonishes department and agency heads to cease the practice of including preemption statements in the preamble to a regulation without including it in the codified regulation. And it further directs agencies to include preemption provisions in codified regulations only to the extent “justified under legal principles governing preemption, including the principles outlined in

State law”); *id.* at § 1(a) (defining “federalism implications”).

<sup>10</sup> Memorandum from Jacob J. Lew, Director, Office of Mgmt. & Budget, to the Heads of Executive Departments and Agencies, and Independent Regulatory Agencies, Guidance for Implementing E.O. 13132, “Federalism” (Oct. 28, 1999), at 2, available at <http://www.whitehouse.gov/sites/default/files/omb/assets/omb/inforeg/m00-02.pdf> (last visited October 29, 2010) (“Federalism Guidelines”).

<sup>11</sup> Exec. Order No. 13,132, § 6(a); Federalism Guidelines 2.

<sup>12</sup> Federalism Guidelines 4–5.

<sup>13</sup> Exec. Order No. 13,132, § 8(a).

<sup>14</sup> Memorandum for the Heads of Executive Departments and agencies (May 20, 2009), 74 FR 24,693, 24,693–94 (May 22, 2009), available at <http://www.gpo.gov/fdsys/pkg/FR-2009-05-22/pdf/E9-12250.pdf#page=1> (last visited October 29, 2010).

Executive Order 13132.” Finally, the Preemption Memorandum requests that agencies conduct a 10-year retrospective review of regulations including preemption statements, whether in the preamble or the codified regulation, “in order to decide whether such statements or provisions are justified under applicable legal principles governing preemption.”

An empirical evaluation of agency practices reveals that compliance with the preemption provisions of Executive Order 13132 has been inconsistent, although President Obama’s Preemption Memorandum has effectuated a meaningful shift in preemption policies within a number of agencies. This evaluation was based on statistical analysis of agency rulemaking practices, on particular examples of agency rulemakings, on recent interviews with officials at the National Highway Traffic Safety Administration (“NHTSA”), Food and Drug Administration (“FDA”), Office of the Comptroller of the Currency (“OCC”), Consumer Product Safety Commission (“CPSC”), Federal Trade Commission (“FTC”), and Environmental Protection Agency (“EPA”), and on consideration of legislative changes to statutes relevant to agency preemption and an independent review of the agencies’ respective rulemaking dockets and intervention in litigation.

There appears to be consensus that the requirements of the preemption provisions of Executive Order 13132—including consultation with the States and the requirement for “federalism impact statements”—are sound. But compliance with these provisions has been inconsistent, and difficulties have persisted across administrations of both political parties. A 1999 GAO Report identified only five rules—out of a total of 11,000 issued from April 1996 to December 1998<sup>15</sup>—that included a federalism impact assessment.<sup>16</sup> Case studies of particular rulemaking proceedings have revealed failures to comply with Executive Order 13132.<sup>17</sup> In August 2010, reflecting

<sup>15</sup> Executive Order 12612 was in effect during this time period.

<sup>16</sup> U.S. General Accounting Office, GAO/T-GGD-99-93, Implementation of Executive Order 12612 in the Rulemaking Process 1 (1999). The exact number of federalism impact assessments during this period is in some doubt but appears to be quite small. See Nina A. Mendelson, *Chevron and Preemption*, 102 *Mich. L. Rev.* 737, 784 n.192 (2004) (reporting identification of 9 federalism impact assessments from the fourth quarter of 1998); see also *id.* at 783–84 (demonstrating that federalism impact statements are relatively rare and of “poor quality”). Of course, many rules do not require a federalism impact assessment. The number of rules that *should* have included one is unknown, but the very small number that did suggests that agencies were “not implementing the order as vigorously as they could.” GAO report, *supra*, at 13.

<sup>17</sup> See Catherine M. Sharkey, *Federalism Accountability: “Agency Forcing” Measures*, 58 *Duke L.J.* 2125, 2131–439 (2009) (analyzing several rulemaking proceedings in which an agency’s notice of proposed rulemaking stated that a rule would have no federalism impact, but in which the agency stated that the final rule had preemptive effect, in some cases without preparing a federalism impact statement or consulting with state officials); see also Nina A. Mendelson, *A Presumption Against Agency Preemption*, 102 *Nw. L. Rev.* 695,

continued concern with agency practices in this area, the ABA House of Delegates adopted a recommendation developed by the ABA Task Force on Federal Preemption of State Tort Laws, aimed at improving compliance with the preemption provisions of Executive Order 13132.<sup>18</sup>

This Administrative Conference Recommendation is intended to improve agency procedures for implementing the preemption provisions of Executive Order 13132 and to increase transparency regarding internal agency policies and external enforcement mechanisms designed to ensure compliance with those provisions. The goal is not to favor or disfavor preemption, but to improve agency procedures in potentially preemptive rulemakings. The Recommendation is also intended to facilitate Federal agency consultation with State representatives, such as the “Big Seven,” a group of nonpartisan, non-profit organizations composed of State and local government officials,<sup>19</sup> and, conversely, to facilitate State officials’ awareness of and responsiveness to, opportunities to consult with Federal officials and to comment in regulatory proceedings that may have preemptive effect. Improved communication on preemption issues would result if State and local government officials or their representative organizations availed themselves of opportunities to become aware of whether Federal agencies are engaging in potentially preemptive rulemaking proceedings, for example, by monitoring the **Federal Register** or using relevant Internet dashboards, such as are available at <http://www.reginfo.gov>. Agencies can ensure that these tools are optimally useful to State representatives by clearly posting relevant information on their individual Web sites and providing appropriate information for inclusion in the semiannual Unified Agenda. Finally, this Recommendation is aimed at both executive branch and independent agencies that engage in preemptive rulemaking, with the recognition that the executive directives described above bind the former and urge voluntarily compliance by the latter.

The Conference recognizes the danger of encumbering the rulemaking process with too many formal requirements. Therefore, in crafting this Recommendation, the Conference has remained mindful of the continuing validity of its previous

719 (2008) (reporting results from a further, 2006 study of preemptive rules, which disclosed that, out of six preemptive rulemakings studied, only three contained federalism impact analysis, and only one of the analyses “went beyond stating either that the agency concluded that it possessed statutory authority to preempt or that the document had been made available for comment, including to state officials”).

<sup>18</sup> American Bar Association House of Delegates, Resolution 117, available at <http://www.abanow.org/2010/07/am-2010-117/> (last visited Nov. 2, 2010).

<sup>19</sup> The Big Seven include the Council of State Governments, the National Governors Association, the National Conference of State Legislatures, the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, and the International City/County Management Association.

Recommendation aimed at reducing "ossification" of the regulatory process.<sup>20</sup> The Conference recognizes, however, that certain principles, including those embodied in the preemption provisions of Executive Order 13132, are sufficiently important to warrant systematic consideration by agencies engaging in rulemaking. The following Recommendation has accordingly been structured both to encourage compliance with existing executive directives and increase the efficiency of internal agency processes designed to ensure such compliance.

#### Recommendation

1. The Conference reiterates its previous, related recommendation that "Congress should address foreseeable preemption issues clearly and explicitly when it enacts a statute affecting regulation or deregulation of an area of conduct."<sup>21</sup>

#### Internal Procedures for Compliance With the Preemption Provisions of Executive Order 13132

2. Agencies that engage in rulemaking proceedings that may have preemptive effect on State law should have internal written guidance to ensure compliance with the preemption provisions of Executive Order 13132, which should describe:

- How the agency determines the need for any preemption;
- How the agency consults with State and local officials concerning preemption; and
- How the agency otherwise ensures compliance with the preemption provisions of Executive Order 13132.

3. Agencies should post their internal guidance for compliance with the preemption provisions of Executive Order 13132 on the Internet or otherwise make publicly available the information contained therein.

4. Agencies should have an oversight procedure to improve agency procedures for implementing the preemption provisions of Executive Order 13132. This procedure should include an internal process for evaluating the authority and basis asserted in support of a preemptive rulemaking. The agency should provide a reasoned basis, with such evidence as may be appropriate, that supports its preemption conclusion.

#### Updated Policies To Ensure Timely Consultation With State and Local Interests Concerning Preemption

5. Agencies should have a consultation process that contains elements such as the following:

a. Agencies should use an updated contact list for representatives of State interests, including but not limited to the "Big Seven." The Administrative Conference will maintain such a list for use by agencies.

b. Agencies should maintain some form of regularized personal contact in order to build relationships with representatives of State interests.

c. Agencies should disclose to the public when they meet with the representatives of State interests in the course of rulemaking proceedings that may preempt State law. The disclosure should include the identity of the organization(s) or institution(s) that participate and the subject matter of the discussion.

d. Agencies should reach out to appropriate State and local officials early in the process when they are considering preemptive rules. Such outreach should, to the extent practicable, precede issuance of the notice of proposed rulemaking.

6. Agencies should establish contact with organizations and State and local regulatory bodies and officials that have relevant substantive expertise or jurisdiction.

7. Agencies should adopt, as one component of their notice practice, a procedure for notifying State attorneys general when they are considering rules that may have preemptive effect. This may be achieved via direct communication with State attorneys general and by contacting an appropriate representative organization such as, for example, the National Association of Attorneys General.

#### Actions by OIRA/OMB To Improve the Process

8. OIRA/OMB should request agencies to post on their open government Web sites a summary of the agencies' responses to the directive contained in the Preemption Memorandum to conduct a 10-year retrospective review of preemptive rulemaking.

9. OIRA/OMB should update its Federalism Guidelines with respect to preemption.

10. OIRA should include reference to Executive Order 13132 in Circular A-4.<sup>22</sup>

[FR Doc. 2010-32985 Filed 12-30-10; 8:45 am]

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## DEPARTMENT OF AGRICULTURE

### Animal and Plant Health Inspection Service

[Docket No. APHIS-2010-0041]

#### Pioneer Hi-Bred International, Inc.; Availability of Petition and Environmental Assessment for Determination of Nonregulated Status for Corn Genetically Engineered to Produce Male Sterile/Female Inbred Plants

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

**ACTION:** Notice.

**SUMMARY:** We are advising the public that the Animal and Plant Health

Inspection Service has received a petition from Pioneer Hi-Bred International, Inc., seeking a determination of nonregulated status for corn designated as DP-32138-1, which has been genetically engineered to produce male sterile/female inbred plants for the generation of hybrid corn seed that is non-transgenic. The petition has been submitted in accordance with our regulations concerning the introduction of certain genetically engineered organisms and products. In accordance with those regulations, we are soliciting comments on whether this genetically engineered corn is likely to pose a plant pest risk. We are also making available for public comment an environmental assessment for the proposed determination of nonregulated status.

**DATES:** We will consider all comments that we receive on or before March 4, 2011.

**ADDRESSES:** You may submit comments by either of the following methods:

- Federal eRulemaking Portal:** Go to <http://www.regulations.gov/fdmspublic/component/main?main=DocketDetail&d=APHIS-2010-0041> to submit or view comments and to view supporting and related materials available electronically.

- Postal Mail/Commercial Delivery:** Please send one copy of your comment to Docket No. APHIS-2010-0041, Regulatory Analysis and Development, PPD, APHIS, Station 3A-03.8, 4700 River Road Unit 118, Riverdale, MD 20737-1238. Please state that your comment refers to Docket No. APHIS-2010-0041.

**Reading Room:** You may read any comments that we receive on this docket in our reading room. The reading room is located in room 1141 of the USDA South Building, 14th Street and Independence Avenue, SW., Washington, DC. Normal reading room hours are 8 a.m. to 4:30 p.m., Monday through Friday, except holidays. To be sure someone is there to help you, please call (202) 690-2817 before coming.

**Other Information:** Additional information about APHIS and its programs is available on the Internet at <http://www.aphis.usda.gov>.

**FOR FURTHER INFORMATION CONTACT:** Mr. Rick Coker, Regulatory Analyst, Biotechnology Regulatory Services, APHIS, 4700 River Road Unit 147, Riverdale, MD 20737-1236; (301) 734-5720, e-mail: [richard.s.coker@aphis.usda.gov](mailto:richard.s.coker@aphis.usda.gov). To obtain copies of the petition, draft environmental assessment, or plant pest risk assessment, contact Ms. Cindy Eck

<sup>20</sup> Administrative Conference of the United States, Recommendation No. 93-4, *Improving the Environment for Agency Rulemaking* (1993).

<sup>21</sup> Administrative Conference of the United States, Recommendation No. 84-5, *Preemption of State Regulation by Federal Agencies* (1984).

<sup>22</sup> Office of Info. & Regulatory Affairs, Circular A-4 on Regulatory Analysis (2003), available at [http://www.whitehouse.gov/sites/default/files/omb/assets/regulatory\\_matters\\_pdf/a-4.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/regulatory_matters_pdf/a-4.pdf) (last visited October 15, 2010).