

## Animal and Plant Health Inspection Service

### 9 CFR Part 92

[Docket No. 95-044-2]

### The Importation of Ratites and Hatching Eggs of Ratites

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

**ACTION:** Final rule.

**SUMMARY:** We are amending the animal import regulations to relieve certain restrictions on the importation of ratites and hatching eggs of ratites into the United States from Canada. We believe that these actions can be taken without increasing the risk of introducing poultry or livestock diseases into the United States. Additionally, we are allowing adult ostriches from any country to be imported, in accordance with the regulations, through the New York Animal Import Center, based on space availability. Currently, with certain exceptions, ostriches may not be imported into the United States if they exceed either 36 inches in height or 30 pounds in weight. We are making this change after determining that the New York Animal Import Center has the facilities and trained personnel to handle adult ostriches. We believe that these amendments will facilitate the importation into the United States of ratites and hatching eggs of ratites while ensuring the continued protection of the health of livestock and poultry in the United States.

**EFFECTIVE DATE:** January 27, 1997.

**FOR FURTHER INFORMATION CONTACT:** Dr. Keith Hand, Senior Staff Veterinarian, Import/Export Animals, National Center for Import and Export, VS, APHIS, 4700 River Road Unit 39, Riverdale, MD 20737-1231, (301) 734-5097.

#### SUPPLEMENTARY INFORMATION:

##### Background

The regulations in 9 CFR part 92 (referred to below as "the regulations") govern the importation into the United States of certain animals and birds, including ostriches and other flightless birds known as ratites, and their hatching eggs, to prevent the introduction of communicable diseases of livestock and poultry.

Section 92.101 of the regulations, among other things, imposes general restrictions on the importation of ratites and hatching eggs of ratites. Paragraph (b)(3)(i) of § 92.101 requires that all ratites, except ratites imported as zoological birds, and all hatching eggs of ratites entering the United States must

originate from certified pen-raised flocks and must be identified. Ratites must be identified by means of a microchip implant, hatching eggs of ratites by marking on the shell. Paragraph (b)(3)(i) also requires certain recordkeeping, reporting, and inspections related to the flock and premises of origin. Paragraph (b)(3)(ii) of § 92.101 prohibits, with certain exceptions, the importation of ostriches more than 36 inches in height or 30 pounds in weight at the time of arrival in the United States.

Section 92.103 of the regulations, among other things, requires that an importer submit a completed import permit application to import ratites or hatching eggs of ratites into the United States. The import permit application provides, among other things, information on the name and location of the quarantine facility in the United States that will maintain the ratites or hatching eggs of ratites during the mandatory quarantine period.

Section 92.104 of the regulations, among other things, requires that ratites and their hatching eggs offered for importation from any part of the world be accompanied by a certificate issued by a full-time salaried veterinary officer of the national government of the exporting country or issued by a veterinarian authorized or accredited by the national government of the exporting country and endorsed by a full-time salaried veterinary officer of the national government of that country. The certificate must state, among other things, that ratites and their hatching eggs offered for importation have been inspected and found free of evidence of communicable diseases and are identified in accordance with the provisions in § 92.101.

Section 92.105 of the regulations, among other things, specifies requirements for the inspection of ratites and hatching eggs of ratites at the port of entry in the United States. Paragraph (a) of § 92.105, among other things, allows hatching eggs of ratites to be offered for importation into the United States at any international airport, or any land-border port within 20 miles of an international airport, serviced by Customs. In addition, hatching eggs of ratites may be shipped, in bond, from the port of first arrival to the Customs port of entry where the eggs will be inspected and quarantined. Paragraph (c) of § 92.105 provides that ratites, other than hatching eggs of ratites, imported from any part of the world must be inspected by a veterinary inspector of the Animal and Plant Health Inspection Service (APHIS) at a listed port of entry. The ports of entry

listed for ostriches are New York, NY; Stewart Airport, Newburgh, NY; and Miami, FL. The ports of entry listed for ratites other than ostriches are New York, NY; Stewart Airport, Newburgh, NY; Miami, FL; and Honolulu, HI.

Section 92.106 of the regulations, among other things, imposes quarantine requirements on ratites and hatching eggs of ratites. Paragraph (b)(1) of § 92.106, among other things, requires ratites imported from any part of the world to be quarantined upon arrival for a minimum of 30 days to determine the ratites' freedom from ectoparasites and communicable diseases. Paragraph (b)(3) of § 92.106 requires that ratites be treated for ectoparasites during the quarantine by an inspector until the inspector determines that the ratites are free of ectoparasites. Paragraph (b)(2) of § 92.106, among other things, requires hatching eggs of ratites imported from any part of the world to be quarantined upon arrival, incubated for approximately 42 days, and held in quarantine for a minimum of 30 days following the hatch of the last chick in the lot, to determine the ratites' freedom from communicable diseases.

Additionally, the ratites and hatching eggs of ratites must be tested for and found free of viral diseases of poultry, including exotic Newcastle disease.

On June 3, 1996, we published in the Federal Register (61 FR 27797-27802, Docket No. 95-044-1) a proposal to amend the regulations by exempting certain ratites and hatching eggs of ratites from Canada from quarantine requirements upon arrival in the United States; exempting ratites imported from Canada for consignment directly to slaughter in the United States from the requirement in § 92.104(c)(8) that the ratites be treated for ectoparasites within 3 to 14 days before they are exported from Canada; exempting Canadian ratite flocks from the pen-raised requirement and the identification and recordkeeping requirements in § 92.101(b)(3); allowing ratites from Canada that are exempt from quarantine upon arrival to be offered for importation at a number of ports, in addition to the ports listed in § 92.105(c); exempting ratites and hatching eggs of ratites from Canada from the import permit requirements found in § 92.103 if the ratites and hatching eggs qualify for exemption from quarantine upon arrival in the United States and enter the United States at a Canadian land border port, as listed in § 92.203(b); and allowing ostriches greater than 36 inches in height or 30 pounds in weight to be imported into the United States from any country through the port of New

York, NY, or through Stewart Airport, Newburgh, NY, and be quarantined at the New York Animal Import Center (NYAIC), based on space availability.

We solicited comments concerning our proposal for 60 days ending August 2, 1996. We received two comments, one from a government agency and the other from a representative of industry, by that date. The concerns of these commenters are discussed below by topic.

#### Ports of Entry

One commenter explained that under the regulations of the U.S. Fish and Wildlife Service, Department of the Interior, wildlife may only be imported into the United States through certain ports. Because the U.S. Fish and Wildlife Service includes ratites in their definition of wildlife, ratites may therefore only be imported into the United States through these specific ports. The commenter explained that certain ports that we proposed as additional ports for the entry of Canadian ratites and hatching eggs of ratites conflict with the ports listed as eligible ports for wildlife in the U.S. Fish and Wildlife Service regulations. Specifically, conflicts arise because the U.S. Fish and Wildlife Service limits the importation of species protected under the Convention on International Trade in Endangered Species, the Endangered Species Act, or other Federal wildlife laws requiring permits to certain ports and because the U.S. Fish and Wildlife Service does not allow the importation of wildlife through several of the ports that we had proposed as additional ports for the importation of Canadian ratites and hatching eggs of ratites.

In response to this comment, we are removing the ports of Jacksonville, FL; Port Canaveral, FL; St. Petersburg-Clearwater, FL; Portland, ME; Great Falls, MT; Opheim, MT; Alexandria Bay, NY; Galveston, TX; Lyndon, WA; Oroville, WA; Spokane, WA; and Tacoma, WA, from the list of ports through which Canadian ratites and their hatching eggs may enter the United States. We are also adding to the regulations a statement, which currently appears on the import permit issued by APHIS for ratites and their hatching eggs, that Canadian ratites and their hatching eggs intended for importation into the United States must meet all applicable requirements of the United States Fish and Wildlife Service contained in Title 50, subchapter B, of the Code of Federal Regulations.

#### Ratite References

One commenter suggested that throughout the proposal, we

consistently use the general term "ratites," rather than specify members of the ratite family such as "ostriches." Alternatively, the commenter requested that where specific members of the ratite family are named, then each member, such as "emus," "rheas," and "kiwis," should also be listed.

Where appropriate, we used the general reference "ratite" in the proposal. The term "ratites" is defined in the regulations as "cassowaries, emus, kiwis, ostriches, and rheas." When we used the specific term "ostrich," as in the proposal to allow ostriches greater than 36 inches in height or 30 pounds in weight to be imported into the United States from any country through the port of New York, NY, or through Stewart Airport, Newburgh, NY, and be quarantined at the New York Animal Import Center, based on space availability, we intended to specify ostriches only. Therefore, we are making no changes to the rule based on this comment.

#### Ratite Meat and Byproducts

One commenter asked that we also relieve restrictions on ratite meat and ratite byproducts, such as ratite hides and all ratite eggs, from Canada.

Currently, the regulations in 9 CFR 94.6 restrict the entry of carcasses, or parts or products of carcasses, and eggs (other than hatching eggs) of poultry, game birds, or other birds from countries where exotic Newcastle disease (END) or *S. enteritidis*, phage type 4, is considered to exist. Canada is considered free of both END and *S. enteritidis*, phage type 4; therefore, the importation of ratite carcasses, or parts or products of ratite carcasses, and ratite eggs (other than hatching eggs) from Canada are not restricted under APHIS regulations.

Therefore, based on the rationale set forth in the proposed rule and in this document, we are adopting the provisions of the proposal as a final rule with the changes discussed in this document.

#### Executive Order 12866 and Regulatory Flexibility Act

This rule has been reviewed under Executive Order 12866. This rule has been determined to be not significant for purposes of Executive Order 12866, and, therefore, has not been reviewed by the Office of Management and Budget.

This rule relieves some restrictions on the importation into the United States of ratites and hatching eggs of ratites from Canada and on the importation into the United States of adult ostriches. We anticipate that this rule will affect only the ostrich industry because very few

ratites other than ostriches have been imported into the United States since first being allowed in 1986.

Ostrich production in the United States has been growing rapidly over the last few years. According to a recent estimate, there are approximately 6,000 to 7,000 ostrich owners and more than 70,000 breeding ostriches in the United States. Each farm owns an average of 8 to 10 adult ostriches, but each farm's holdings can range anywhere from 2 to 200 adult ostriches. All of these farms are considered small entities by Small Business Administration standards (annual gross receipts of less than \$500,000). The American Ostrich Association reports its membership at 3,650 as of September 1995.

Over the last 2 to 3 years, the supply of ostriches in the United States has steadily increased, which has greatly reduced domestic prices. For example, in 1992, market prices for ostriches of different ages ranged as follows: 3-month-old chicks sold for approximately \$6,000 a pair; 6-month-old chicks sold for \$8,000 to \$15,000 a pair; yearlings sold for \$12,000 to \$25,000 a pair; 2-year-olds sold for \$25,000 to \$40,000 a pair; and adults (breeding pairs) sold for \$40,000 up to \$100,000 a pair, depending upon proven breeding capabilities. Recent market prices for ostriches of different ages show a dramatic decrease from the market prices of 1992; estimates of 1995 market prices for ostriches of different ages are as follows: 3-month-old chicks sell for approximately \$1,300 a pair; 6-month-old chicks sell for approximately \$2,150 a pair; yearlings sell for approximately \$4,300 a pair; 2-year-olds sell for approximately \$8,600 a pair; and adults (breeding pairs) sell for approximately \$14,700 a pair, depending upon proven breeding capabilities. Further, when compared to the market prices listed above for 1995, the estimated market prices for the first quarter of 1996 show approximately a fifty percent decrease in the market prices for ostriches in all age categories.

No live ratites have been imported into the United States from any country since April of 1994. Removing the quarantine and other requirements for Canadian ratites and their hatching eggs could encourage imports by decreasing the cost of importing these ratites and hatching eggs. However, because of the decrease in market prices described above, we do not expect a heavy volume of ostriches or other ratites from Canada to be imported into the United States as a result of this rule.

In addition, though the hatching eggs of ratites are more readily available, are cheaper to transport, and can be

quarantined at private facilities, historically only about 26 percent of the imported eggs (this includes fertile and infertile eggs) have hatched chicks that survived beyond 30 days. Despite being a financially dangerous option, importers continue to import hatching eggs and are trying to improve their rate of hatch and chick survival. However, because of the relatively low hatch and survival rate and the reduced market prices of ostriches of different ages, we do not expect a heavy volume of the hatching eggs of ratites from Canada to be imported into the United States as a result of this rule.

Any imports from Canada that might result from this rule could cause a further decline in the domestic prices of ratites in the United States. However, we expect that domestic ratite importers will benefit by having fewer restrictions on Canadian imports. Over the short term, the proposed changes in the regulations might have a minor adverse economic impact on domestic ostrich producers. Over the long term, we expect the domestic ratite industry to benefit from any imports that may occur because reduced ostrich prices could lead to larger domestic populations of ostriches, benefiting consumers of ostriches and ostrich products. A larger domestic ratite population could further enhance the economic viability of commercial ratite breeding, slaughter, feather, and leather markets.

We expect that the economic effect of allowing the importation of adult ostriches from all countries into the United States through the New York Animal Import Center will be insignificant because of the drastic decrease in the market prices of ostriches.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

#### Executive Order 12988

This 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.

#### Paperwork Reduction Act

This rule contains no new information collection or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

#### Regulatory Reform

This action is part of the President's Regulatory Reform Initiative, which, among other things, directs agencies to remove obsolete and unnecessary regulations and to find less burdensome ways to achieve regulatory goals.

#### List of Subjects in 9 CFR Part 92

Animal diseases, Imports, Livestock, Poultry and poultry products, Quarantine, Reporting and recordkeeping.

Accordingly, 9 CFR part 92 is amended as follows:

#### **PART 92—IMPORTATION OF CERTAIN ANIMALS, BIRDS, AND POULTRY AND CERTAIN ANIMAL, BIRD, AND POULTRY PRODUCTS; REQUIREMENTS FOR MEANS OF CONVEYANCE AND SHIPPING CONTAINERS**

1. The authority citation for part 92 continues to read as follows:

Authority: 7 U.S.C. 1622; 19 U.S.C. 1306; 21 U.S.C. 102–105, 111, 114a, 134a, 134b, 134c, 134d, 134f, 135, 136, and 136a; 31 U.S.C. 9701; 7 CFR 2.22, 2.80, and 371.2(d).

#### **§ 92.101 [Amended]**

2. Section 92.101 is amended as follows:

- a. By removing paragraph (b)(3)(ii).
- b. By redesignating paragraphs as follows:

Old designation	New designation
(b)(3)(i) introductory text.	(b)(3) introductory text.
(b)(3)(i)(A) .....	(b)(3)(i)
(b)(3)(i)(B) .....	(b)(3)(ii)
(b)(3)(i)(C) .....	(b)(3)(iii)
(b)(3)(i)(D) .....	(b)(3)(iv)
(b)(3)(i)(D)(1) .....	(b)(3)(iv)(A)
(b)(3)(i)(D)(2) .....	(b)(3)(iv)(B)
(b)(3)(i)(D)(3) .....	(b)(3)(iv)(C)
(b)(3)(i)(E) .....	(b)(3)(v)
(b)(3)(i)(F) .....	(b)(3)(vi)
(b)(3)(i)(G) .....	(b)(3)(vii)
(b)(3)(i)(H) .....	(b)(3)(viii)
(b)(3)(i)(I) .....	(b)(3)(ix)
(b)(3)(i)(J) .....	(b)(3)(x)
(b)(3)(i)(K) .....	(b)(3)(xi)
(b)(3)(i)(L) .....	(b)(3)(xii)

c. By revising the introductory text of newly redesignated paragraph (b)(3) to read as set forth below.

d. In newly designated paragraph (b)(3)(vi), by removing the reference “(b)(3)(i)(D)” and adding “(b)(3)(iv)” in its place.

e. In newly designated paragraph (b)(3)(vii), by removing the reference “(b)(3)(i)(B)” and adding “(b)(3)(ii)” in its place, and by removing the reference “(b)(3)(i)(C)” and adding “(b)(3)(iii)” in its place.

f. In newly designated paragraph (b)(3)(x), the first sentence, by removing the reference “(b)(3)(i)(B)” and adding “(b)(3)(ii)” in its place, and by removing the reference “(b)(3)(i)(C)” and adding “(b)(3)(iii)” in its place.

g. In newly designated paragraph (b)(3)(x), the fourth sentence, by removing the reference “(b)(3)(i)(E)” and adding “(b)(3)(v)” in its place.

#### **§ 92.101 General prohibitions; exceptions.**

\* \* \* \* \*

(b) \* \* \*  
(3) Except for ratites imported as zoological birds, and ratites and ratite hatching eggs imported from Canada in accordance with § 92.107, ratites and hatching eggs of ratites may not be imported into the United States unless the following conditions are met:

\* \* \* \* \*

#### **§ 92.102 [Amended]**

3. Section 92.102(c) is amended by removing the reference “§ 92.105(a)” and adding “§ 92.105” in its place.

4. Section 92.103 is amended as follows:

a. In paragraph (a)(1), the first sentence, by removing the reference “92.214” and adding “92.107(b)” in its place.

b. By revising paragraphs (a)(1)(xiii), (a)(2)(iii), and (a)(2)(iv) to read as set forth below.

c. In paragraph (a)(2)(v), by removing “§ 92.101 (b)(3)(i)(G) and (b)(3)(i)(I)” and adding “§ 92.101(b)(3)” in its place; and by removing “§ 92.101 (b)(3)(i)(B) and (b)(3)(i)(C)” and adding “§ 92.101(b)(3)” in its place.

d. At the end of the section, by adding an OMB control number to read as set forth below.

#### **§ 92.103 Import permits for birds; and reservation fees for space at quarantine facilities maintained by APHIS.**

(a) \* \* \*

(1) \* \* \*

(xiii) In addition, the application for a permit to import ratites or hatching eggs of ratites, except for ratites and hatching eggs of ratites imported from Canada in accordance with § 92.107, shall specify the number of ratites or hatching eggs intended for importation, the size of the flock of origin, and the location of the premises where the flock of origin is kept; and shall state that, from the date of application through the date of export, APHIS representatives shall be granted access to the premises where the flock of origin is kept. (For ratites intended for importation as zoological birds, the flock of origin shall be the ratites intended for importation.)

(2) \* \* \*

(iii) In addition, a permit to import ratites or hatching eggs of ratites, except for ratites or hatching eggs of ratites imported from Canada in accordance with § 92.107, will be denied or withdrawn unless APHIS representatives are granted access to the premises where the flock of origin is kept (or, in the case of zoological birds, to the premises where the birds are kept), from the date of the application for the permit through the date of export.

(iv) Except for ratites intended for importation as zoological birds and ratites and hatching eggs of ratites imported from Canada in accordance with § 92.107, a permit to import ratites or hatching eggs of ratites will be denied or withdrawn unless an APHIS representative has visited the premises where the flock of origin is kept within the 12-month period before the intended importation and has determined that the flock is pen-raised and contains sufficient breeding pairs to produce the number of ratites or hatching eggs intended for importation.

\* \* \* \* \*

(Approved by the Office of Management and Budget under control number 0579-0040)

5. Section 92.104 is amended as follows:

a. By revising paragraphs (c)(2), (c)(8), (c)(13), (c)(14), (c)(15), (c)(16), (d)(2), (d)(9), (d)(10), and (d)(11) to read as set forth below.

b. At the end of the section, by adding an OMB control number to read as set forth below.

**§ 92.104 Certificates for pet birds, commercial birds, zoological birds, and research birds.**

\* \* \* \* \*

(c) \* \* \*

(2) That, except when the certificate is for zoological birds or ratites imported from Canada in accordance with § 92.107, the flock of origin is pen-raised and the ratites covered by the certificate were produced and maintained in that flock;

\* \* \* \* \*

(8) That, except as provided in § 92.107 for ratites imported from Canada for immediate slaughter, the ratites were treated at least 3 days but not more than 14 days before being loaded for shipment to the United States with a pesticide of a type and concentration sufficient to kill ectoparasites on the ratites;

\* \* \* \* \*

(13) That the number of ratites and hatching eggs of ratites exported from the flock of origin has not exceeded the ceiling required to be established under § 92.101(b)(3)(ix);

(14) That all the ratites and hatching eggs of ratites in the flock from which the ratites come were identified in accordance with § 92.101(b)(3);

(15) Except for ratites imported from Canada in accordance with § 92.107, the number of ratite laying hens in the flock from which the ratites come;

(16) For ratites required to be treated prior to shipment with a pesticide for ectoparasites, the certificate must also state the name, concentration, and date of administration of the pesticide used to treat the ratites;

\* \* \* \* \*

(d) \* \* \*

(2) That, except when the certificate is for hatching eggs of ratites imported from Canada in accordance with § 92.107, the flock of origin is pen-raised, and the hatching eggs covered by the certificate were produced by that flock;

\* \* \* \* \*

(9) That the number of ratites and hatching eggs of ratites exported from the flock of origin has not exceeded the ceiling required to be established under § 92.101(b)(3)(ix);

(10) That all the ratites and hatching eggs of ratites in the flock from which the hatching eggs come were identified in accordance with § 92.101(b)(3);

(11) Except for hatching eggs of ratites imported from Canada in accordance with § 92.107, the number of ratite laying hens in the flock from which the hatching eggs come.

(Approved by the Office of Management and Budget under control number 0579-0040)

6. Section 92.105 is amended as follows:

a. By revising paragraph (a) to read as set forth below.

b. In paragraph (c), by revising the introductory text and paragraph (c)(1) to read as set forth below.

**§ 92.105 Inspection at the port of entry.**

(a) All commercial birds, zoological birds, and research birds, including hatching eggs of ratites, but excluding other ratites, imported into the United States, must be inspected by the port veterinarian at the Customs port of entry, which may be any international airport, or any land-border port within 20 miles of an international airport, serviced by Customs, as well as, for Canadian-origin hatching eggs of ratites, ports listed in § 92.107 (c). However, hatching eggs of ratites may be shipped, in bond, from the port of first arrival to the Customs port of entry at which they will be quarantined, for inspection, at that port.

\* \* \* \* \*

(c) Ratites, other than hatching eggs of ratites, imported from any part of the world must be inspected at the Customs port of entry by a veterinary inspector of APHIS and, except as provided in § 92.107(b) for ratites imported from Canada, shall be permitted entry only at one of the following ports of entry:

(1) Ostriches:

(i) Up to 36 inches in height (as measured from the top of the head to the base of the feet) or 30 pounds in weight: New York, NY; Stewart Airport, Newburgh, NY; and Miami, FL.

(ii) Exceeding 36 inches in height or 30 pounds in weight: New York, NY, and Stewart Airport, Newburgh, NY.

\* \* \* \* \*

**§ 92.106 [Amended]**

7. Section 92.106 is amended as follows:

a. In paragraph (b)(1), the first sentence, by adding the words, "except as provided in § 92.107," immediately following the words "any part of the world".

b. In paragraph (b)(2), the first sentence, by adding the words, "except as provided in § 92.107," immediately following the words "any part of the world".

8. Section 92.107 is amended as follows:

a. By adding the paragraph designation "(a)" immediately preceding the words "*In-bond shipments from Canada.*"

b. By adding new paragraphs (b) and (c) to read as follows:

**§ 92.107 Special provisions.**

\* \* \* \* \*

(b) *Ratites from Canada.* Ratites that were hatched and raised in Canada or ratites that were legally imported into Canada and, upon arrival in Canada, were quarantined for a minimum of 28 days at a Canadian quarantine facility and remained in Canada for an additional 60 days following completion of quarantine may be imported into the United States:

(1) Without being quarantined upon arrival in the United States; and

(2) At any of the following ports of entry: Anchorage, AK; Fairbanks, AK; Los Angeles, CA; San Diego, CA; Denver, CO; Miami, FL; Tampa, FL; Atlanta, GA; Honolulu, HI; Eastport, ID; Chicago, IL; New Orleans, LA; Boston, MA; Baltimore, MD; Houlton, ME; Jackman, ME; Detroit, MI; Port Huron, MI; Sault Ste. Marie, MI; Minneapolis, MN; Raymond, MT; Sweetgrass, MT; Buffalo, NY; Champlain, NY; New York, NY; Stewart Airport, Newburgh, NY; Dunseith, ND; Pembina, ND; Portal, ND; Portland, OR; San Juan, PR; Houston,

TX; Highgate Springs, VT; Blaine, WA; Seattle, WA; and Sumas, WA; and

(3) If offered for entry at a Canadian land border port listed in § 92.203(b), without an import permit; and

(4) If consigned directly to slaughter from the port of entry, without being treated for ectoparasites within 3 to 14 days before shipment to the United States, as otherwise required by § 92.104(c)(8); and

(5) If in compliance with all of the applicable regulations of the U.S. Fish and Wildlife Service contained in Title 50, subchapter B, of the Code of Federal Regulations.

(c) *Ratite eggs from Canada.* Hatching eggs of ratites that were laid in Canada may be imported into the United States:

(1) Without being quarantined upon arrival in the United States; and

(2) At any of the ports of entry listed in paragraph (b)(2) of this section or authorized by § 92.105(a); and

(3) If offered for entry at a Canadian land border port listed in § 92.203(b), without an import permit; and

(4) If in compliance with all of the applicable regulations of the U.S. Fish and Wildlife Service contained in Title 50, subchapter B, of the Code of Federal Regulations.

Done in Washington, DC, this 19th day of December 1996.

A. Strating,

*Administrator, Animal and Plant Health Inspection Service.*

[FR Doc. 96-32898 Filed 12-26-96; 8:45 am]

BILLING CODE 3410-34-P

## NATIONAL CREDIT UNION ADMINISTRATION

### 12 CFR Parts 701 and 707

#### Organization and Operations of Federal Credit Unions; Truth in Savings

**AGENCY:** National Credit Union Administration.

**ACTION:** Final rule.

**SUMMARY:** The NCUA Board is implementing two provisions of the Economic Growth and Regulatory Paperwork Reduction Act of 1996. First, the Board is raising the threshold of credit union board of directors' approval of loans to officials from \$10,000 to \$20,000. Second, the Board is permanently exempting small, nonautomated credit unions from Truth in Savings compliance.

**DATES:** This final rule is effective December 27, 1996.

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

**FOR FURTHER INFORMATION CONTACT:** Sparky Conrey, Staff Attorney, Office of General Counsel, telephone (703) 518-6540, and Jodee Wuerker, Compliance Officer, Office of Examination and Insurance, telephone (703) 518-6360.

#### SUPPLEMENTARY INFORMATION:

##### (1) Loans to Officials

On September 30, 1996, the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (the "Act") was enacted. Section 2306 of the Act amended sections 107(5)(A) (iv) and (v) of the Federal Credit Union Act, by raising the threshold of loans to officials that require credit union board of director approval from \$10,000 to \$20,000. 12 U.S.C. 1757(5)(A) (iv) and (v). These statutory provisions are currently implemented in section 701.21(d) (1) and (4) of NCUA's Rules and Regulations. 12 CFR 701.21(d) (1) and (4). The \$10,000 amount is changed to \$20,000 in these two sections. All other portions of the rules regarding loans to officials remain the same.

##### (2) Truth in Savings

#### Background

NCUA has previously extended the compliance date three times of part 707, which implements the Truth in Savings Act (TISA), for certain small, nonautomated credit unions. Each time, the NCUA Board took into consideration the limited resources of the exempted credit unions. The last extension was due to expire on January 1, 1997. 60 FR 57173 (November 14, 1995).

Section 2604(c) of the Act exempts from TISA requirements "any nonautomated credit union that was not required to comply with the [TISA] as of the date of enactment of the [Act], pursuant to the determination of the [NCUA] Board." The NCUA Board has previously exempted nonautomated and insufficiently automated credit unions with an asset size of \$2 million or less as reported to, or determined by, NCUA. An exemption had been supported by NCUA, the Department of the Treasury, and credit union trade associations in Congressional hearings and other legislative action, citing the hardships that would befall the small, nonautomated credit unions if TISA compliance became mandatory. These hardships potentially include: increased mergers of the affected credit unions into larger credit unions; increased voluntary liquidations; loss of volunteer support; allocation of credit union resources from member services to

compliance; the expense, complications, and logistics of automating in order to comply; and loss of credit union services to members. Subsequently, Congress provided a TISA exemption for small, nonautomated credit unions.

The NCUA Board is concerned with the continued viability of small credit unions and the provision of continued financial services to their members. Ten years ago, credit unions under \$2 million in size made up about two-thirds (10,564) of all federally insured credit unions. Today, such credit unions number only 3,401, about thirty percent of federally insured credit unions. In addition, the assets of today's 3,401 smallest credit unions are .9 percent of total assets in all credit unions, while credit unions of \$2 million or less accounted for 7.7 percent of total assets ten years ago. The average credit union today has \$28 million in assets, compared to \$5 million ten years ago.

Because the Act recognizes the difficulty that small credit unions face in complying with the many requirements of the TISA, especially the calculation requirements, statutory relief is provided. It is important to note that this relief is available to a very small segment of credit unions. Almost four-fifths of credit unions with \$2 million or less in assets are automated or have in-house data processing. NCUA has determined that there are about 704 credit unions under \$2 million in assets that report having manual recordkeeping systems. Analogously, NCUA has also determined that there are about 607 credit unions under \$2 million in assets that have no compensated employees. (These numbers do not include the approximately 645 non-federally insured credit unions that do not submit 5300 reports.) The actual number of credit unions exempt from TISA and part 707 is estimated by NCUA staff to be fewer than 1,000. Although the statutory exemption is permanent in nature, NCUA encourages exempted credit unions to continue to comply with the spirit and intent of TISA by providing full and fair account disclosures to members. Even with the extension, many small, nonautomated credit union activities comply with the purposes of TISA: to enable credit union members and potential members to make informed decisions about credit union accounts and to make meaningful comparisons with accounts at other financial institutions.

#### Definition of Nonautomated

The NCUA Board has decided to implement the Act's exemption for nonautomated credit unions by