

obtained by contacting Michigan at 616-781-2711.

Authority: Pub. L. 94-582, 90 Stat. 2867, as amended (7 U.S.C. 71 *et seq.*).

Dated: September 23, 1998.

Neil E. Porter,

Director, Compliance Division.

[FR Doc. 98-26093 Filed 9-30-98; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Grain Inspection, Packers and Stockyards Administration

Designation for the Amarillo (TX), Fostoria (OH), Schaal (IA), and Wisconsin Areas

AGENCY: Grain Inspection, Packers and Stockyards Administration (GIPSA).

ACTION: Notice.

SUMMARY: GIPSA announces designation of the following organizations to provide official services under the United States Grain Standards Act, as amended (Act):

Amarillo Grain Exchange, Inc.

(Amarillo);

Fostoria Grain Inspection, Inc.

(Fostoria);

D.R. Schaal Agency, Inc. (Schaal) and; Wisconsin Department of Agriculture, Trade and Consumer Protection (Wisconsin).

EFFECTIVE DATE: December 1, 1998.

ADDRESSES: USDA, GIPSA, Janet M. Hart, Chief, Review Branch, Compliance Division, STOP 3604, Room 1647-S, 1400 Independence Avenue, SW, Washington, DC 20250-3604.

FOR FURTHER INFORMATION CONTACT: Janet M. Hart, at 202-720-8525.

SUPPLEMENTARY INFORMATION: This action has been reviewed and determined not to be a rule or regulation as defined in Executive Order 12866 and Departmental Regulation 1512-1; therefore, the Executive Order and Departmental Regulation do not apply to this action.

In the June 1, 1998, **Federal Register** (63 FR 29695), GIPSA asked persons interested in providing official services in the geographic areas assigned to Amarillo, Fostoria, Schaal, and Wisconsin to submit an application for designation. Applications were due by June 30, 1998. Amarillo, Fostoria, Schaal, and Wisconsin, the only applicants, each applied for designation to provide official services in the entire area currently assigned to them.

Since Amarillo, Fostoria, Schaal, and Wisconsin were the only applicants, GIPSA did not ask for comments on them.

GIPSA evaluated all available information regarding the designation criteria in Section 7(f)(1)(A) of the Act and, according to Section 7(f)(1)(B), determined that Amarillo, Fostoria, Schaal, and Wisconsin are able to provide official services in the geographic areas for which they applied.

Official agency	Designation start	Designation end
Amarillo	12/1/1998	11/30/2001
Fostoria	12/1/1998	11/30/2001
Schaal	12/1/1998	11/30/2001
Wisconsin	12/1/1998	11/30/2001

Effective December 1, 1998, and ending November 30, 2001, Amarillo, Fostoria, Schaal, and Wisconsin are designated to provide official services in the geographic area specified in the June 1, 1998, **Federal Register**.

Interested persons may obtain official services by contacting Amarillo at 806-372-8511, Fostoria at 419-435-3804, Schaal at 515-444-3122, and Wisconsin at 715-392-7851.

Authority: Pub. L. 94-582, 90 Stat. 2867, as amended (7 U.S.C. 71 *et seq.*).

Dated: September 22, 1998.

Neil E. Porter,

Director, Compliance Division.

[FR Doc. 98-26092 Filed 9-30-98; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Grain Inspection, Packers and Stockyards Administration

Protein Certification

AGENCY: Grain Inspection, Packers and Stockyards Administration, USDA.

ACTION: Notice.

SUMMARY: The Grain Inspection, Packers and Stockyards Administration (GIPSA) is soliciting comments on its proposal to certify wheat protein content results on any specified moisture basis requested by applicants, in addition to certifying results on the current 12.0 percent moisture basis. This change has been requested by importers of U.S. wheat.

DATES: Comments must be submitted on or before November 30, 1998.

ADDRESSES: Written comments must be submitted to Sharon Vassiliades at GIPSA, USDA, STOP 3649, 1400 Independence Avenue, S.W., Washington, D.C., 20250-3649; FAX (202) 720-4628; or E-mail svassili@fgisd.usda.gov.

All comments received will be made available for public inspection at the above address during regular business hours (8:00 a.m.-3:30 p.m.).

FOR FURTHER INFORMATION CONTACT: John Giler at (202) 720-0252.

SUPPLEMENTARY INFORMATION: On May 1, 1978, GIPSA (then the Federal Grain Inspection Service or FGIS) began offering official wheat protein testing for Hard Red Winter and Hard Red Spring wheat to interested parties in the grain industry. In calculating protein content, an "as-is" moisture basis was also used (though protein content could also be determined and recorded using any specified moisture basis if requested by the applicant for inspection). By calculating protein content using the as-is moisture basis, GIPSA received numerous complaints, mostly from foreign buyers. These complaints were generally about low protein levels which, in part, appeared due to the difference between the U.S. and Canadian methods for computing and stating protein content. Canada was using a fixed 13.5 percent moisture basis compared to the as-is moisture basis calculation which was commonly used for U.S. shipments. When using an as-is moisture basis to certify protein, the certified protein result is directly dependent on the moisture level of the wheat. Protein content is inversely proportional to the moisture content when results are based on the as-is reporting basis. Consequently, as the moisture content of the wheat gets lower, the protein content reported on an as-is basis gets larger. Further, a given lot's protein content could theoretically "change" as the wheat's actual moisture content changed over time when using the as-is reporting basis.

To address these concerns, FGIS proposed, in 1986, to revise its Grain Inspection Handbook to provide that protein content be certified on a constant 12.0 percent moisture basis, instead of the as-is moisture basis or another fixed moisture basis. It was thought that this would add uniformity to the official protein reporting procedure. When reporting on an as-is basis, the protein quantity of wheat which has different moisture levels cannot be compared easily. A 12.0 percent moisture basis was recommended by various grower and processor organizations, as well as the Grain Quality Workshops, because this percentage represented the average moisture content of wheat exported from the United States. The agency believed that protein content, certified on a constant moisture basis of 12.0 percent, would provide buyers, sellers, and users of U.S. wheat with results that could be easily evaluated and compared. Also, use of a constant

moisture basis would be similar to protein reporting procedures used by other major wheat exporting countries. This proposal was announced in the May 30, 1986, **Federal Register** (51 FR 19556) and solicited industry comment on this action.

Comments on the May 30, 1986, proposal were generally in favor of a constant moisture basis for protein determination. Some commentors suggested using either a dry matter (0.0 percent moisture basis) or a 14.0 percent moisture basis as the constant. The dry matter and 14.0 percent moisture bases are frequently used in European and American flour mill specifications, respectively. However, the majority of commentors, including foreign buyers, supported the proposal to certificate protein on a constant 12.0 percent moisture basis. Further, since protein content on any other moisture basis can be easily calculated, it was decided that the practice of allowing any moisture basis to be specified by an applicant should be discontinued. Based on the comments received, FGIS published a document announcing this change in the August 26, 1986, **Federal Register** (51 FR 30323) which became effective May 1, 1987.

Moving to a constant 12.0 percent moisture basis solved the problem of varying protein results caused by fluctuating wheat moisture levels, as well as helped to eliminate concerns with regard to confusion over protein results. However, the 12.0 percent moisture basis was still different than moisture bases used by other exporting countries and many of our foreign customers. As examples, Canada uses a 13.5 percent moisture basis, Australia uses either 11.0 percent or "as-is," England and Sweden use 15.0 percent, and many Eastern European and other countries around the world, use the dry matter basis. Further, to date GIPSA has maintained its policy of only certifying protein results on the 12.0 percent moisture basis.

Since implementing the required 12.0 percent moisture basis requirement for protein analysis in wheat, it appears that this may not be fully facilitating the marketing of export wheat, even though wheat protein measurements have been standardized. A number of importers of U.S. wheat have requested that GIPSA provide an option to certify wheat protein content results on any specified moisture basis requested by applicants, in addition to certifying results on the current 12.0 percent moisture basis.

To address this concern, GIPSA proposes to introduce flexible certification in its protein testing program, in addition to maintaining its

standardization of results. GIPSA believes that allowing certification on the 12.0 percent moisture basis and including the option to also certify on a moisture basis requested by the receiver, would provide sufficient information on the inspection certificate to facilitate the marketing of wheat. Although this certification option is developed to address an export market need, GIPSA also believes this option could be used for domestic movements. This would be especially true in situations when an exporter is originating wheat to fulfill an export contract that requires a moisture basis other than 12.0 percent. Therefore, this certification option would be available from GIPSA field offices, delegated States, and designated agencies.

Adopting this action will allow GIPSA and the grain industry the greatest flexibility in the certification of wheat protein. Protein results will continue to be certified on a constant 12.0 percent moisture basis on all certificates, but the option would allow GIPSA the flexibility to meet a customer's request for additional information. GIPSA field offices, delegated States, and designated agencies will be responsible for the applicable mathematical calculations for certification using the following industry recognized formula:

$$X = [P/100 - 12] \times 100 \times [100 - PX/100]$$

Where:

X = the protein content at a moisture basis other than 12.0 percent requested by an applicant.

P = the protein content determined at a 12.0 percent moisture basis.

PX = the moisture basis specified by the applicant.

For example, if an applicant requests protein results also be certified to a 14.0 percent moisture basis and the protein content of the lot was determined to be 13.5 percent on a 12.0 percent moisture basis, the following calculation would be used to obtain the alternate protein result:

$$X = [13.5/100 - 12] \times 100 \times [100 - 14/100]$$

$$X = [13.5/88] \times 100 \times [86/100]$$

$$X = 0.1534 \times 100 \times 0.86$$

$$X = 15.34 \times 0.86$$

$$X = 13.2$$

Therefore, in this example, protein content would be certified as 13.5 percent on a 12.0 percent moisture basis, and as 13.2 percent on a 14.0 percent moisture basis.

Final action concerning this proposal will be announced in the **Federal Register** at a later date after the close of the comment period.

Authority: Pub. L. 94-582, 90 Stat. 2867, as amended (7 U.S.C. 71 *et seq.*)

Dated: September 23, 1998.

James R. Baker,

Administrator, Grain Inspection, Packers and Stockyards Administration.

[FR Doc. 98-26239 Filed 9-30-98; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Grain Inspection, Packers and Stockyards Administration

Pilot Programs

AGENCY: Grain Inspection, Packers and Stockyards Administration (GIPSA).

ACTION: Notice.

SUMMARY: GIPSA is currently running three pilot programs; timely service, open season, and barge, under one of the 1993 amendments to the United States Grain Standards Act, as amended (Act). This amendment provides that GIPSA may conduct pilot programs allowing more than one official agency to provide official services within a single geographic area. These pilot programs are scheduled to end October 31, 1999. Participation in the pilot programs has been light, especially during the first 2 years, and GIPSA believes it needs additional time to collect information. Accordingly, GIPSA is extending the pilot programs to September 30, 2000, the end of fiscal year 1999.

EFFECTIVE DATE: November 1, 1998.

ADDRESSES: USDA, GIPSA, Neil E. Porter, Director, Compliance Division, STOP 3604, 1400 Independence Avenue SW, Washington, DC 20250-3604. Internet and GroupWise users may respond to nporter@fgisdc.usda.gov.

FOR FURTHER INFORMATION CONTACT: Neil E. Porter, telephone 202-720-8262.

SUPPLEMENTARY INFORMATION: Sections 7(f) and 7A of the Act was amended by the U.S. Grain Standards Act Amendments of 1993 (Pub. L. 103-156) on November 24, 1993, to authorize GIPSA'S Administrator to conduct pilot programs allowing more than one official agency to provide official services within a single geographic area without undermining the declared policy of the Act. The purpose of the pilot programs is to evaluate the impact of allowing more than one official agency to provide official services within a single geographic area.

GIPSA considered several possible pilot programs as announced in the March 14, 1994, **Federal Register** (59 FR 11759) and the March 10, 1995, **Federal Register** (60 FR 13113). In the September 27, 1995, **Federal Register** (60 FR 49828) GIPSA announced the