

(d) All exposed or outside containers of kiwifruit, but not less than 75 percent of the total containers on a pallet, shall be plainly marked with the lot stamp number corresponding to the lot inspection conducted by an authorized inspector, except for individual consumer packages within a master container and containers that are being directly loaded into a vehicle for export shipment under the supervision of the Federal or Federal-State Inspection Service. Individual consumer packages of kiwifruit placed directly on a pallet shall have all outside or exposed packages on a pallet plainly marked with the lot stamp number corresponding to the lot inspection conducted by an authorized inspector or have one inspection label placed on each side of the pallet.

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Dated: June 21, 1999.

Robert C. Keeney,

Deputy Administrator, Fruit and Vegetable Programs.

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DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

7 CFR Part 1412

RIN 0560-AF79

Production Flexibility Contracts for Wheat, Feed Grains, Rice, and Upland Cotton

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Advance notice of proposed rulemaking—Additional comments.

SUMMARY: The Commodity Credit Corporation (CCC) is re-issuing this Advance Notice of Proposed Rulemaking (ANPRM) to invite comment from all interested parties on reductions of Production Flexibility Contract (PFC) payments that were affected by the planting of fruits or vegetables in violation of section 118(b)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7218(b)(1)). Comment was previously requested by a Notice published on May 5, 1999 (64 FR 24091) for which the comment period closed on June 2, 1999. This notice will allow for an extension of the comment period.

DATES: Comments must be received at the address below by July 23, 1999.

ADDRESSES: Comments should be directed to Sharon Biastock, Farm Service Agency (FSA), STOP 0517, 1400

Independence Avenue, SW., Washington, DC 20250.

FOR FURTHER INFORMATION CONTACT: Sharon Biastock, (202) 720-6336.

SUPPLEMENTARY INFORMATION:

Background

The Federal Agriculture Improvement and Reform Act of 1996 (the 1996 Act) provided producers the opportunity to enter into Production Flexibility Contracts (PFC's). The 1996 Act prohibited the planting of fruits and vegetables on PFC acreage except as provided by specific exceptions. Two exceptions require the application of an acre-for-acre payment reduction for each acre of fruit or vegetables planted on PFC acreage. A violation of the PFC occurs when producers do not comply with the fruit and vegetable provisions and the exceptions unless it is determined that the violation is not serious enough to warrant termination of the PFC. The 1996 Act provides that if the Secretary determines that a violation does not warrant termination of the PFC, the Secretary may require the owner or producer subject to the contract to: (1) Refund to the Secretary that part of the contract payments received by the owner or producer during the period of the violation, together with interest on the contract payments as determined by the Secretary; or (2) to accept a reduction in the amount of future contract payments that is proportionate to the severity of the violation, as determined by the Secretary.

Under current regulations, if the county FSA committee determines that a planting violation does not warrant termination of the PFC, a reduction may be made in the current or future contract payments, proportionate to the severity of the violation and equal to the sum of either or both: (1) The market value of the fruits and vegetables planted on contract acreage, and (2) the contract payment for each contract acre. The market value is determined by the State committee for the specific fruit or vegetable without any adjustment to reflect costs associated with planting, cultivating or harvesting the fruit or vegetable. If the number of acres on the farm planted to fruits or vegetables exceeds the total PFC acreage and more than one fruit or vegetable has been planted on the farm, the calculation is based on the fruit or vegetable determined to have the highest value. If the acreage of fruit or vegetable with the highest value is less than the acres in violation, the calculation for the remaining acres in violation is based on the fruit or vegetable with the next

highest value. The payment reduction is applied to current PFC payments and any future PFC payments for the farm on which the violation occurred and any other farm in which the producers who share in PFC payments on the violating farm have an interest.

For example, if the county committee determines that 25 acres of fruit or vegetables were planted on PFC acreage in violation of the PFC, but the violation did not warrant termination of the PFC, a payment reduction for the planting violation would be assessed in addition to an acre-for-acre reduction for each of the 25 acres. If, on the farm in this example, the producer planted 100 acres of green peas, which the State committee determined had a value of \$500 per acre, and one acre of celery, which the State committee determined had a value of \$3,000 per acre, the payment reduction for the planting violation in this example would be \$15,000 plus a PFC payment reduction for 25 acres. The \$15,000 payment reduction for the planting violation represents the value of the one acre of celery and 24 acres of green peas, as determined by the State committee. This payment reduction would be applied to the current year PFC payments and any future PFC payments for the farm on which the planting violation occurred and any other farm in which the producers sharing in the PFC payments for the farm on which the planting violation occurred have an interest.

The payment reductions calculated in accordance with the current implementing regulations and procedure are viewed by some to be out of proportion to the severity of the fruit or vegetable planting violation. Accordingly, as indicated below, the public is invited to comment on PFC violations for planting fruits and vegetables.

Purpose

The purpose of this ANPRM is to seek comments on: (1) The appropriateness of the current method of calculating PFC payment reductions as a result of a fruit or vegetable planting violation as set forth in 7 CFR 1412.401; (2) alternative methods for calculating PFC payment reductions for fruit or vegetable planting violations, if the current method of calculation is considered inappropriate; (3) the retroactivity of any change in the method of calculating payment reductions; and (4) the effect any change in the method of calculating payment reductions should have on PFC's which have been terminated, or for which contract acreage was reduced, because of the current method of calculating

payment reductions for fruit or vegetable planting violations.

Signed at Washington, DC, on June 17, 1999.

Keith Kelly,

Executive Vice President, Commodity Credit Corporation.

[FR Doc. 99-16168 Filed 6-24-99; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

9 CFR Parts 92, 94 and 98

[Docket No. 98-090-1]

RIN 0579-AB03

Recognition of Animal Disease Status of Regions in the European Union

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Proposed rule.

SUMMARY: We are proposing to amend the regulations concerning the importation of animals and animal products to recognize a region in the European Union as a region in which hog cholera is not known to exist, and from which breeding swine, swine semen, and pork and pork products may be imported into the United States under certain conditions. Additionally, we are proposing to recognize Greece as free of foot-and-mouth disease and swine vesicular disease, and to recognize eight Regions in Italy as free of swine vesicular disease. These proposed actions are based on a request from the European Commission's Directorate General for Agriculture and on our analysis of the supporting documentation supplied by the European Commission and individual Member States. These proposed actions would relieve some restrictions on the importation into the United States of certain animals and animal products from those regions. However, because of the status of those regions with respect to other diseases, and, in some cases, because of other factors that could result in an increased risk of introducing animal diseases into the United States, the importation of animals and animal products into the United States from those regions would continue to be subject to certain restrictions. We invite you to comment on this docket. We also invite you to comment on the related risk assessments.

DATES: We will consider all comments that we receive by August 24, 1999.

ADDRESSES: Please send your comment and three copies to: Docket No. 98-090-1, Regulatory Analysis and Development, PPD, APHIS, Suite 3C03, 4700 River Road Unit 118, Riverdale, MD 20737-1238.

Please state that your comments refer to Docket No. 98-090-1.

You may read any comments that we receive on this docket or its related risk assessments 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.

FOR FURTHER INFORMATION CONTACT: Dr. Gary Colgrove, Chief Staff Veterinarian, National Center for Import and Export (NCIE), VS, APHIS, 4700 River Road Unit 38, Riverdale, MD 20737-1231; (301) 734-8364; or e-mail: gary.s.colgrove@usda.gov.

The full risk assessments associated with this rule can be obtained by calling Dr. Gary Colgrove at (301) 734-8364 or, in the case of the quantitative disease risk assessment, electronically at <http://www.aphis.usda.gov/vs/reg-request.html>.

SUPPLEMENTARY INFORMATION:

Background

The Animal and Plant Health Inspection Service (APHIS) of the United States Department of Agriculture (the Department) regulates the importation of animals and animal products into the United States to guard against the introduction of animal diseases not currently present or prevalent in this country. The regulations pertaining to the importation of animals and animal products are set forth in the Code of Federal Regulations (CFR), title 9, chapter I, subchapter D (9 CFR parts 91 through 99).

Until recently, the regulations in parts 91 through 99 (referred to below as the regulations) governed the importation of animals and animal products according to the recognized disease status of the exporting country. In general, if a disease occurred anywhere within a country's borders, the entire country was considered to be affected with the disease, and importations of animals and animal products from anywhere in the country were regulated accordingly. However, international trade agreements entered into by the United States—specifically, the North American Free Trade Agreement and the World Trade

Organization Agreement on Sanitary and Phytosanitary Measures—require APHIS to recognize regions, rather than only countries, and to recognize levels of risk, for the purpose of regulating the importation of animals and animal products into the United States.

Consequently, on October 28, 1997, we published in the **Federal Register** a final rule (62 FR 56000-56026, Docket No. 94-106-9, effective November 28, 1997) and a policy statement (62 FR 56027-56033, Docket No. 94-106-8) that established procedures for recognizing regions and levels of risk (referred to below as "regionalization") for the purpose of regulating the importation of animals and animal products. With the establishment of those procedures, APHIS can now consider requests to allow importations from regions based on levels of risk, as well as to recognize entire countries free of a disease.

In July 1997, APHIS received requests from the European Commission's (EC's) Directorate General for Agriculture to do the following: (1) Recognize certain Member States of the European Union (EU) as free in their entirety of certain specified diseases; and (2) recognize certain regions of EU countries as free of specified diseases, consistent with the disease status of those regions as recognized by the EC.

In response to the first request, and based on our review of supporting documentation accompanying the request, we published a proposed rule in the **Federal Register** (62 FR 61036-61041, Docket No. 97-086-1) on November 14, 1997, to declare Luxembourg and Portugal free of rinderpest and foot-and-mouth disease (FMD); Greece free of rinderpest; France, Greece, Luxembourg, and Spain free of exotic Newcastle disease; Portugal free of African swine fever; and Belgium, France, and Portugal free of swine vesicular disease (SVD). We solicited comments concerning our proposed rule for 60 days ending January 13, 1998. We received one comment by that date. The comment was from a veterinary association and fully supported the proposed rule. As noted, the proposed rule addressed part of the request submitted by the EC. Following publication of the proposed rule, we continued to review the remainder of the EC's request, including information we received following the initial request. (Our regulations establishing procedures for regionalization became effective after the initial request was received from the EC.) On December 8, 1998, we published a final rule in the **Federal Register** (63 FR 67573-67575, Docket