exclusively to the United States. Even if Costa Rica were to export all of its chicken meat production to the United States, however, that amount would represent less than one percent of U.S. production. Therefore, declaring Costa Rica free of END should not lead to a significant change in the importation of chicken meat into the United States. Thus, this proposed rule is expected to have no more than a minimal impact on domestic producers of poultry products, whether small or large.

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

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.

Paperwork Reduction Act

This proposed rule contains no information collection or recordkeeping requirements under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*).

List of Subjects in 9 CFR Part 94

Animal diseases, Imports, Livestock, Meat and meat products, Milk, Poultry and poultry products, Reporting and recordkeeping requirements.

Accordingly, 9 CFR part 94 would be amended as follows:

## PART 94—RINDERPEST, FOOT-AND-MOUTH DISEASE, FOWL PEST (FOWL PLAGUE), EXOTIC NEWCASTLE DISEASE, AFRICAN SWINE FEVER, HOG CHOLERA, AND BOVINE SPONGIFORM ENCEPHALOPATHY: PROHIBITED AND RESTRICTED IMPORTATIONS

1. The authority citation for part 94 would continue to read as follows:

Authority: 7 U.S.C. 147a, 150ee, 161, 162, and 450; 19 U.S.C. 1306; 21 U.S.C. 111, 114a, 134a, 134b, 134c, 134f, 136, and 136a; 31 U.S.C. 9701; 42 U.S.C. 4331 and 4332; 7 CFR 2.22, 2.80, and 371.2(d).

### § 94.6 [Amended]

2. In § 94.6, paragraph (a)(2) would be amended by adding ''Costa Rica,'' immediately after ''Chile,''.

Done in Washington, DC, this 20th day of December 1996.

A. Strating,

*Acting Administrator, Animal and Plant Health Inspection Service.*

[FR Doc. 96–33118 Filed 12–30–96; 8:45 am]

BILLING CODE 3410–34–P

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## 9 CFR Part 94

**[Docket No. 96–076–1]**

## Pork and Pork Products from Mexico Transiting the United States

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

**ACTION:** Proposed rule.

**SUMMARY:** We are proposing to allow fresh, chilled, and frozen pork and pork products from the Mexican State of Baja California to transit the United States, under certain conditions, for export to another country. Currently, we allow such pork and pork products from the Mexican States of Sonora, Chihuahua, and Yucatan to transit the United States for export. Otherwise, the movement of fresh, chilled, or frozen pork and pork products into the United States from Mexico is prohibited because of hog cholera in Mexico. Baja California has not had an outbreak of hog cholera since 1985 and it appears that fresh, chilled, and frozen pork and pork products from Baja California could transit the United States under seal with minimal risk of introducing hog cholera.

**DATES:** Consideration will be given only to comments received on or before March 3, 1997.

**ADDRESSES:** Please send an original and three copies of your comments to Docket No. 96–076–1, 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. 96–076–1. Comments received may be inspected at USDA, room 1141, South Building, 14th Street and Independence Avenue SW., Washington, DC, between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays. Persons wishing to inspect comments are requested to call ahead on (202) 690–2817 to facilitate entry into the comment reading room.

**FOR FURTHER INFORMATION CONTACT:** Dr. Michael David, Senior Staff Veterinarian, Animals Program, National Center for Import and Export, VS, APHIS, USDA, 4700 River Road Unit 39, Riverdale, MD 20737–1231, (301) 734–5034.

**SUPPLEMENTARY INFORMATION:**

Background

The regulations in 9 CFR part 94 (referred to below as the regulations) prohibit or restrict the importation of certain animals and animal products into the United States to prevent the introduction of certain animal diseases. Section 94.9 of the regulations prohibits the importation of pork and pork products into the United States from countries where hog cholera exists, unless the pork or pork products have been treated in one of several ways, all of which involve heating or curing and drying.

Because hog cholera exists in Mexico, pork and pork products from Mexico must meet the requirements of § 94.9 to be imported into the United States. However, under § 94.15, pork and pork products that are from certain Mexican States and that are not eligible for entry into the United States in accordance with the regulations may transit the United States for immediate export if certain conditions are met. This provision was added to the regulations in 1992, following a United States Department of Agriculture investigation of the hog cholera situation in Sonora, Mexico, and a determination that pork and pork products from Sonora could transit the United States, under certain conditions, with minimal risk of introducing hog cholera. The Mexican State of Chihuahua was included in this provision in a final rule published in the Federal Register on November 15, 1995 (60 FR 57313–57315, Docket No. 95–037–2). The Mexican State of Yucatan was included in this provision in a final rule published in the Federal Register on June 25, 1996 (61 FR 32646–32647, Docket No. 95–093–2).

Mexico's Director of Animal Health has requested that we allow pork and pork products from the Mexican State of Baja California to transit the United States for export under the same conditions that currently apply to pork and pork products from Sonora, Chihuahua, and Yucatan. In response, officials of the Animal and Plant Health Inspection Service (APHIS) met in August 1996 in Baja California with Mexican representatives knowledgeable in disease prevention, epidemiology, and diagnostic methods. The team reviewed the hog cholera situation in Baja California (discussed below) and recommended granting Mexico's request.

The last outbreak of hog cholera in the Mexican State of Baja California occurred in March 1985. Vaccination for hog cholera was discontinued in 1986. Mexico officially recognized Baja

California as free of hog cholera on October 16, 1991.

The team found three factors contributing to Baja California's apparent successes in remaining free of hog cholera: The lack of any significant swine production in the State of Baja California; Baja California's location; and controls by Mexico's Division of Animal Health on the movement into Baja California of pork, pork products, and live swine.

There is little swine production in Baja California. Pork processed in Baja California is obtained primarily from the Mexican State of Sonora and from the United States. There are only two Federal inspection system Tipo de Internacional Federal (TIF) plants that handle pigs in the State of Baja California. Of these facilities, one is a slaughter plant that kills an average of 200 pigs per week, and the other is a processing plant that receives mostly frozen carcasses from either a TIF plant in Sonora or from the United States.

Baja California is bordered on the north and northwest by the United States and the Mexican State of Sonora, which are both free of hog cholera. To the west of Baja California is the Pacific Ocean and to the east is the Gulf of California. South of Baja California is the Mexican State of Baja California Sur, which was declared hog cholera free by Mexico in May of 1994.

As required by the Mexican Government, Baja California and other States recognized by Mexico as free of hog cholera may only import live swine and pork from other hog cholera-free States and countries. The Mexican Government requires shipments from hog cholera-free countries to be accompanied by a certificate of origin issued by that country's veterinary authorities and by a certificate of import issued by the Mexican veterinary authorities. Baja California and other States recognized by Mexico as being free of hog cholera also require and issue their own permits and health certificates, further ensuring that the products originate in a hog cholera-free area. In addition, live swine and pork imported into these hog cholera-free States must be shipped in sealed trucks, and all shipments are inspected at inspection stations located either on State lines or at international ports of entry.

Under these circumstances, we believe that there would be little, if any, risk of introducing hog cholera into the United States by allowing pork and pork products from Baja California to transit the United States for export under the same conditions that currently apply to pork and pork products from Sonora, Chihuahua, and Yucatan.

As applied to pork and pork products from Baja California, these conditions would be as follows:

1. Any person wishing to transport pork or pork products from Baja California through the United States for export must first obtain a permit for importation from APHIS. The application for the permit tells APHIS who will be involved in the transportation, how much and what type of pork and pork products will be transported, when they will be transported, and the method and route of shipment.

2. The pork or pork products must be packaged in Baja California in a leakproof container and sealed with a serially numbered seal approved by APHIS. The container must remain sealed at all times while transiting the United States.

3. The person moving the pork or pork products through the United States must inform the APHIS officer at the United States port of arrival, in writing, of the following information before the pork or pork products arrive in the United States: The time and date that the pork or pork products are expected at the port of arrival in the United States, the time schedule and route of the shipments through the United States, the permit number, and the serial numbers of the seals on the containers.

4. The pork or pork products must transit the United States under Customs bond.

5. The pork or pork products must be exported from the United States within the time period specified on the permit.

Any pork or pork products exceeding the time limit specified on the permit or transiting in violation of any of the requirements of the permit or the regulations may be destroyed or otherwise disposed of at the discretion of the Administrator, APHIS, pursuant to section 2 of the Act of February 2, 1903, as amended (21 U.S.C. 111).

We believe that applying these same safeguards to shipments of pork and pork products from Baja California would prevent tampering with the shipments, ensure that the shipments actually leave the United States, and otherwise ensure that shipments would not present a risk of introducing hog cholera into the United States. Therefore, we are proposing to amend § 94.15 to allow pork and pork products from the Mexican State of Baja California to transit the United States for export under the same conditions that currently apply to pork and pork products from Sonora, Chihuahua, and Yucatan.

Executive Order 12866 and Regulatory Flexibility Act

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

This proposed rule would allow fresh, chilled, and frozen pork and pork products from the Mexican State of Baja California to transit the United States, under certain conditions, for export to another country.

There appears to be little risk of hog cholera exposure from shipments of pork and pork products from Baja California transiting the United States. Assuming that proper risk management techniques continue to be applied in Mexico, and that accident and exposure risk would be minimized by proper handling during transport, the risk of exposure to hog cholera from pork in transit from Mexico through the United States would be minimal.

Shipments of pork and pork products from Baja California transiting the United States could economically benefit some U.S. entities as a result of this rulemaking since they would be involved in the transportation of the pork and pork products within the United States (from the port of entry to the port of embarkation). The additional economic activity from such trucking activities is estimated to be no more than $49,250 per year, assuming 200 trips per year would be made, which is approximately the level of current shipments from Sonora through the United States. No interagency or governmental effects are expected in connection with this proposal.

Mexico is a net pork importer, with Mexican imports representing 7 to 8 percent of production. With favorable income growth expected in Mexico due to trade liberalization, pork exports are expected to be limited. Furthermore,

facilitating export opportunities for the Mexican pork industry may provide incentives for continued efforts to eradicate hog cholera from infected Mexican States where it still exists.

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

Executive Order 12778

This proposed rule has been reviewed under Executive Order 12778, 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.

Paperwork Reduction Act

The information collection and recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) included in this proposed rule have been approved under OMB control number 0579–0040.

List of Subjects in 9 CFR Part 94

Animal diseases, Imports, Livestock, Meat and meat products, Milk, Poultry and poultry products, Reporting and recordkeeping requirements.

Accordingly, 9 CFR part 94 would be amended as follows:

## PART 94—RINDERPEST, FOOT-AND-MOUTH DISEASE, FOWL PEST (FOWL PLAGUE), VELOGENIC VISCEROTROPIC NEWCASTLE DISEASE, AFRICAN SWINE FEVER, HOG CHOLERA, AND BOVINE SPONGIFORM ENCEPHALOPATHY: PROHIBITED AND RESTRICTED IMPORTATIONS

1. The authority citation for part 94 would continue to read as follows:

Authority: 7 U.S.C. 147a, 150ee, 161, 162, and 450; 19 U.S.C. 1306; U.S.C. 111, 114a, 134a, 134b, 134c, 134f, 136, and 136a; 31 U.S.C. 9701; 42 U.S.C. 4331 and 4332; 7 CFR 2.22, 2.80, and 371.2(d).

**§ 94.15 [Amended]**

2. In § 94.15, paragraph (b), the introductory text and paragraph (b)(2) would be amended by adding the words ''Baja California,'' immediately before the word ''Chihuahua''.

Done in Washington, DC, this 20th day of December 1996.

A. Strating,

*Acting Administrator, Animal and Plant Health Inspection Service.*

[FR Doc. 96–33117 Filed 12–30–96; 8:45 am]

BILLING CODE 3410–34–P

## FEDERAL RESERVE SYSTEM

## 12 CFR Part 204

**[Regulation D, Docket No. R–0956]**

## Reserve Requirements of Depository Institutions

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** In conjunction with a final rule printed elsewhere in today's Federal Register, the Board of Governors of the Federal Reserve System is proposing to amend its Regulation D regarding reserve requirements of depository institutions issued pursuant to section 19 of the Federal Reserve Act, in order further to reduce regulatory burden and simplify and update requirements. This proposal would clarify the definition of ''savings deposit,'' consistent with comments the Board received on its earlier proposal, and similarly clarify the definition of ''transaction account'' and conform it to the amended definition of ''savings deposit.'' This proposal is in accordance with the Board's policy of regular review of its regulations and the Board's review of its regulations under section 303 of the Riegle Community Development and Regulatory Improvement Act of 1994.

**DATES:** Comments must be received by February 4, 1997.

**ADDRESSES:** Comments should be directed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551, Attention: Docket No. R–0956, or delivered to Room B–2222, Eccles Building, between 8:45 a.m. and 5:15 p.m. Comments may be inspected in Room MP–500 between 9:00 a.m. and 5:00 p.m. weekdays, except as provided in § 261.8 of the Board of Governors' rules regarding availability of information, 12 CFR 261.8.

**FOR FURTHER INFORMATION CONTACT:** Ann Owen, Economist, Division of Monetary Affairs (202/736–5671); Sue Harris, Economist, Division of Research and Statistics (202/452–3490); Rick Heyke, Staff Attorney, Legal Division (202/452–3688). For the hearing impaired only, Telecommunications Device for the Deaf (TDD), Earnestine Hill or Dorothea Thompson (202/452–3544).

**SUPPLEMENTARY INFORMATION:**

Background

The Board of Governors of the Federal Reserve System (Board) published a notice of proposed rulemaking in the Federal Register on June 17, 1996 (61 FR 30545) that solicited comments on proposed amendments to its Regulation D, Reserve Requirements of Depository Institutions (12 CFR Part 204). The Board received nine comments suggesting that the Board clarify the definition of ''savings deposit,'' and a number of them also suggested that the Board rewrite the definitions of ''time deposit,'' ''demand deposit,'' and/or ''transaction account.'' One commenter suggested the use of bullet points to distinguish limitations on transfers from exceptions to such limitations. Two commenters appended suggested language designed to clarify the definition of savings account, principally by shortening the sentences.

In response to these comments, the Board is proposing to amend the definition of ''savings deposit'' in an effort to clarify it. The proposal similarly would amend the definition of ''transaction account'' to clarify it and to conform it to the amended definition of ''savings deposit.'' The amendments are intended to be nonsubstantive and would codify certain Board and staff interpretations. For example, the proposal makes clear that a transfer ordered by messenger does count against the limitation on transfers applicable to savings accounts if the messenger is in the employ of, or acting as agent of, the depository institution. The proposal also clarifies that transfers from savings accounts to repay overdrafts do not benefit from the exception for transfers to repay loans and associated expenses at the same depository institution. The proposal distinguishes more clearly between transfers from savings accounts subject to both the 6 per month and the 3 per month limitations and those subject only to the 6 per month limitation by specifying that the 6 per month limitation applies to preauthorized transfers, telephone and data transmission orders, checks, drafts, debit cards and similar orders to the depository institution whether given directly to the depository institution by the depositor or delivered to the depository institution through and payable to third parties. In contrast, the 3 per month limitation applies to transfers made by check, draft, debit card, or similar order to the depository institution delivered through and payable to third parties. Home banking transfers remain subject to the six per month limitation.

Initial Regulatory Flexibility Analysis

The Regulatory Flexibility Act (5 U.S.C. 601–612) requires an agency to publish an initial regulatory flexibility analysis with any notice of proposed rulemaking. Two of the requirements of an initial regulatory flexibility analysis (5 U.S.C. 603(b))—a description of the reasons why action by the agency is being considered and a statement of the objectives of, and legal basis for, the proposed rule—are contained in ''Background'' above. The proposed rules require no additional reporting or recordkeeping requirements and do not overlap with other federal rules.

Another requirement for the initial regulatory flexibility analysis is a