determining the number of large and small producers by acreage, production, and producer prices. According to the information provided, the average yield per acre was 340 hundredweight, the average farm size was 53 acres, and the season average producer price was $5.95 per hundredweight. This equates to average gross receipts to producers of approximately $107,200. Furthermore, based upon information provided by the Committee, all handlers of Area III potatoes have shipped under $5,000,000 worth of potatoes during the most recent season for which numbers are available. Based on the foregoing, it can be concluded that a majority of producers and handlers of Area III potatoes may be classified as small entities.

This rule continues to suspend § 948.215 of the order's rules and regulations, which established an assessment rate of $0.02 per hundredweight of potatoes handled beginning with the 1999–00 fiscal period. This assessment rate suspension is effective for the 2001–02 fiscal period and subsequent fiscal periods until reinstated.

Without assessment income to offset its 2001–02 budget of $18,200, the Committee plans on drawing approximately $14,700 from its reserve, and may additionally earn approximately $3,500 from interest and other income.

The major expenditures recommended by the Committee in the 2001–02 fiscal period budget include $7,000 for salary, $6,300 for office expenses, and $3,000 for rent. Minor expenses total $1,900. In comparison, the Committee's 2000–01 fiscal period budget of $17,650 included major expenses of $4,250, $6,800, and $3,000, respectively. Minor expenses totaled $3,600.

The Committee recommended that assessment collection be suspended until such time as the monetary reserve reaches a level consistent with the order requirement of less than approximately two fiscal periods' expenses. The Committee believes that by suspending the assessment rate for at least the next two fiscal periods, the operating reserve should be lowered to an amount consistent with the program. Based on Committee projections, the current reserve of $59,579 will be reduced to about $44,879 by the end of the 2001–02 fiscal period, and to about $30,179 by the end of the 2002–03 fiscal period.

Prior to recommending the suspension of the continuing assessment rate, the Committee discussed alternatives, including its earlier recommended assessment rate of $0.005 per hundredweight. However, the Committee concurred with USD's position that a suspension of the assessment rate is viable since it could rely on its reserve and other income to meet budgeted expenses, and that such a suspension would expedite the reduction of the reserve. Another alternative considered by the Committee was to refund the portion of the reserve that is over that permitted by the order directly to handlers of record. However, because many of the handlers assessed in prior years are no longer in business, the Committee concluded this would not be equitable.

This action will reduce handler costs by almost $9,000 (448,750 hundredweight of assessable potatoes × the current rate of assessment of $0.02) during the 2001–02 fiscal period, as no assessment will be collected. Suspension of the assessment rate reduces the burden on handlers, and may reduce the burden on producers. In addition, the Committee's meetings were widely publicized throughout the Colorado Area III potato industry and all interested persons were invited to attend the meetings and participate in Committee deliberations on all issues. Like all Committee meetings, the May 10 and July 19, 2001, meetings were open to the public and all entities, both large and small, were able to express views on this issue. Finally, interested persons were invited to submit information on the regulatory and informational impacts of this action on small businesses.

This action imposes no additional reporting or recordkeeping requirements on either small or large Colorado Area III potato handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

The USDA has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

An interim final rule regarding this action was published in the **Federal Register** on September 25, 2001 (66 FR 48951). A copy of that rule was sent to the Committee's manager, who in turn provided copies to Committee members, handlers, and other interested persons. The interim final rule was also made available through the Internet by the Office of the Federal Register and USDA. A 60-day comment period was provided for interested persons to respond to the interim final rule. The comment period ended on November 26, 2001. No comments were received.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: *http://www.ams.usda.gov/fv/moab.html.* Any questions about the compliance guide should be sent to Jay Guerber at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

After consideration of all relevant material presented, including the information and recommendation submitted by the Committee and other available information, it is hereby found that finalizing the interim final rule, without change, as published in the **Federal Register** (66 FR 48951, September 25, 2001) will tend to effectuate the declared policy of the Act.

List of Subjects in 7 CFR Part 948

Marketing agreements, Potatoes, Reporting and recordkeeping requirements.

PART 948—IRISH POTATOES GROWN IN COLORADO

Accordingly, the interim final rule amending 7 CFR part 948 which was published at 66 FR 48951 on September 25, 2001, is adopted as a final rule without change.

Dated: January 31, 2002.

A.J. Yates,

Administrator, Agricultural Marketing Service.

[FR Doc. 02–2846 Filed 2–5–02; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 982

[Docket No. FV01–982–3 FR]

Hazelnuts Grown in Oregon and Washington; Establishment of Reporting Requirements for Imported Hazelnuts

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This rule establishes reporting requirements for hazelnuts imported by handlers of hazelnuts grown in Oregon and Washington. It requires handlers to report the receipt and disposition of hazelnuts grown outside of the United States. This rule was recommended by the Hazelnut Marketing Board (Board), the agency responsible for local administration of the marketing order regulating the handling of hazelnuts grown in Oregon and Washington. Requiring handlers to report the receipt and disposition of imported hazelnuts will provide the Board with more

accurate information on the total supply of hazelnuts being handled in Oregon and Washington. This information will facilitate the Board's preparation of its annual marketing policy and will help in its ability to track both domestic and foreign product.

EFFECTIVE DATE: February 7, 2002.

FOR FURTHER INFORMATION CONTACT: Teresa L. Hutchinson, Marketing Specialist, Northwest Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1220 SW Third Avenue, suite 385, Portland, Oregon 97204; telephone: (503) 326–2724; Fax: (503) 326–7440; or George Kelhart, Technical Advisor, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, P.O. Box 96456, room 2525–S, Washington, DC 20090–6456; telephone: (202) 720–2491, Fax: (202) 720–8938.

Small businesses may request information on complying with this regulation by contacting Jay Guerber, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, P.O. Box 96456, room 2525–S, Washington, DC 20090–6456; telephone (202) 720–2491, Fax: (202) 720–8938, or E-mail: *Jay.Guerber@usda.gov.*

SUPPLEMENTARY INFORMATION: This final rule is issued under Marketing Agreement No. 115 and Order No. 982 both as amended (7 CFR part 982), regulating the handling of hazelnuts grown in Oregon and Washington, hereinafter referred to as the ''order.'' The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), hereinafter referred to as the ''Act.''

The Department of Agriculture (USDA) is issuing this rule in conformance with Executive Order 12866.

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is not intended to have retroactive effect. This rule will not preempt any State or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with USDA a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and request a modification of the order or to be exempted therefrom. A handler is afforded the opportunity for a hearing on the petition. After the hearing USDA would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to review USDA's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

This final rule establishes reporting requirements for hazelnuts imported by handlers of hazelnuts grown in Oregon and Washington. The rule requires handlers to report the receipt and disposition of hazelnuts grown outside of the United States. Requiring handlers to report the receipt and disposition of imported hazelnuts will provide the Board with more accurate information on the total supply of hazelnuts being handled in Oregon and Washington.

At its November 14, 2000, meeting, the Board passed a general recommendation to require handlers to report imported hazelnuts. After developing procedures and a form necessary for implementation, the Board submitted its recommendation to the Department in May 2001.

Sections 982.64 through 982.67 of the order authorize the Board to require certain specific reports from handlers, including creditable promotion and advertising reports, carryover reports, shipment reports, and reports on the disposition of restricted hazelnuts. Section 982.68 of the order provides additional authority for the Board, with the approval of USDA, to require such other reports as the Board may require to perform its duties under the order.

The Board believes that more accurate information on the total supply of hazelnuts moving in and out of Oregon and Washington—both foreign and domestic product—will facilitate the administration of the order. The Board will use this information to more efficiently track the receipt and disposition of hazelnuts by handlers in Oregon and Washington. Furthermore, the Board will use this information in its marketing policy deliberations each fall when it reviews the crop estimate, handler carryover, and other factors to determine whether volume regulation would be appropriate. In addition, the Board is concerned that imported hazelnuts might be included in handler inventory reports of Oregon and Washington hazelnuts.

In addition to the domestic crop, of which 100 percent is produced in Oregon and Washington, hazelnuts are imported into the United States from Canada and Turkey, and occasionally from Italy. Hazelnuts produced in Oregon and Washington generally represent from 3 to 5 percent of the world crop. According to USDA statistics, the majority of hazelnuts imported into the United States are in kernel form, of which about 96 percent are from Turkey. A small percentage of imports are inshell hazelnuts and generally are from British Columbia, Canada, and enter the U.S. through Washington State. Although information pertaining to the quantity of imported hazelnuts has long been available, information specific to the receipt and disposition by Oregon and Washington hazelnut handlers prior to this final rule was lacking.

A major concern of the Board has been the inshell hazelnuts imported from Canada by Oregon and Washington handlers. As production in Canada has increased, there has been an increase in Canadian hazelnuts imported into Oregon and Washington. These hazelnuts are generally the same variety (Barcelona) as are produced in Oregon and Washington. If these hazelnuts are placed in the domestic inshell market without its knowledge, the Board's marketing policy calculations could be inaccurate. This rule will enable the Board to collect import hazelnut data to see how much is being imported and disposed of by domestic handlers.

According to the National Agricultural Statistics Service, the 10-year average annual production of hazelnuts grown in Oregon and Washington is 29,800 inshell tons. Of that total, an average of 4,253 tons was sold in the domestic market. Furthermore, according to the Foreign Agricultural Service, imports during the same 10-year period averaged 316 tons. The five-year average for imports is 534 tons, however, indicating that the increase may well be significant enough to impact the inshell domestic market.

The report, *F/H Form 1f,* will be submitted to the Board monthly when imported hazelnuts are received and shipped by the handler to a buyer in the United States or exported inshell or shelled. The Board estimates that these reports will be submitted about five times per year by each importing handler. The report will include the quantity of such hazelnuts received, country of origin, inspection certificate number, whether such hazelnuts were inshell or kernels, the disposition outlet (domestic, export, inshell, or shelled, etc.), and the shipment date of such hazelnuts.

The Board also recommended that, with each report, the handler submit a copy of the inspection certificate issued by the Federal-State Inspection Service (FSIS) for compliance purposes. The inspection certificate will indicate the

name of the person from whom the hazelnuts were received, the date the hazelnuts were received by the handler, the number of tons and U.S. Custom Service entry number, whether the product is inshell or shelled, the quantity of hazelnuts, country of origin, the name of the FSIS inspector who issued the certificate, and the date such certificate was issued. The Board believes inspection certificates are necessary to verify handler receipt and disposition reports for imported hazelnuts.

Final Regulatory Flexibility Analysis and Paperwork Reduction Act

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Agricultural Marketing Service (AMS) has considered the economic impact of this rule on small entities. Accordingly, AMS has prepared this final regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 800 growers of hazelnuts in the production area and approximately 19 handlers subject to regulation under the order. Small agricultural growers are defined by the Small Business Administration (SBA) (13 CFR 121.201) as those having annual receipts of less than $750,000, and small agricultural service firms are defined as those whose annual receipts are less than $5,000,000.

Based on the SBA definition, the Board estimates that the majority of the handlers and all of the growers are small entities. Board records show that in the 1999–2000 marketing year approximately 9 percent of the handlers shipped over 7,692,308 pounds of hazelnuts, and 91 percent of the handlers shipped under 7,692,308 pounds of hazelnuts. Thus, based on an average price of $0.65 per pound at the point of first sale, it can be concluded that the majority of hazelnut handlers may be classified as small entities.

Board meetings are widely publicized in advance of the meetings and are held in a location central to the production area. The meetings are open to all industry members and other interested persons who are encouraged to participate in the deliberations and voice their opinions on topics under discussion. Thus, Board recommendations can be considered to represent the interests of small business entities in the industry.

This rule adds a new § 982.467 to the order's administrative rules and regulations which requires handlers to report to the Board the receipt and disposition of hazelnuts grown outside of the United States. This report will provide the Board with more accurate information on the total available supply of hazelnuts—foreign and domestic product—and will help facilitate program administration. Authority for requiring handlers to submit this information to the Board is provided in § 982.68 of the order.

Regarding the impact of the action on affected entities, this rule should impose minimal additional costs. The Board estimates that about five handlers have imported hazelnuts over the past few years. Such handlers will be required to submit an additional monthly report to the Board when imported hazelnuts are received and shipped, along with inspection certificates or other information required by the Board for verification purposes. The Board estimates that each affected handler will submit about five of these reports annually.

An alternative to this action would have been to continue the practice of not collecting information from handlers on the receipt and disposition of imported hazelnuts. However, as previously mentioned, the Board believes it will be able to better administer the order by obtaining more accurate information on the total available supply of hazelnuts being received and disposed of by Oregon and Washington handlers, including foreign and domestic product. The only way this information can be obtained by the Board is to directly collect it from handlers. This information will facilitate program administration by improving the Board's base of information from which to make decisions.

Another alternative the Board considered was whether it would be useful to collect information on hazelnuts grown outside of Oregon and Washington, but within the United States. However, Board members agreed that the quantity of domestic hazelnuts grown outside the production area and handled by regulated handlers is insignificant commercially, and, therefore, not needed.

This action imposes some additional reporting and recordkeeping burden on handlers that receive hazelnuts from outside of the United States. As stated earlier, the Board has estimated that five handlers may import hazelnuts during the marketing year. Such handlers will be required to submit a receipt and disposition report (*F/H Form 1f*) to the Board monthly when imported hazelnuts are received and shipped. The Board estimates that these reports will be submitted about five times per year per handler, and will require that each handler spend about five minutes to complete each report. Thus, the annual burden associated with this information collection should total no more than two hours for the industry. The information will be collected on *F/H Form 1f.* The form has been approved by the Office of Management and Budget (OMB) under OMB Control No. 0581–0178 in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies. The USDA has identified one relevant Federal rule regarding requirements for hazelnuts grown outside of the United States. Under section 608e of the Act, whenever certain specified commodities are regulated under a Federal marketing order, imports of that commodity must meet the same or comparable grade, size, quality, and maturity requirements as those in effect for the domestic commodity. Hazelnuts are included under section 608e of the Act. Thus, importers of hazelnuts are required to have such hazelnuts inspected by the Federal-State inspection service. Importers whose hazelnuts meet section 608e requirements do not have to submit any paperwork to USDA. However, importers whose hazelnuts fail section 608e requirements, or whose hazelnuts are being sent to designated outlets (animal feed, processing, or charity) have to submit paperwork to USDA. Only a small amount of information required by USDA in these instances or by the Board through this rule will be duplicative.

In addition, the Board's meeting was widely publicized throughout the hazelnut industry and all interested persons were invited to attend the meeting and participate in Board deliberations on all issues. Like all Board meetings, the November 14, 2000, meeting was a public meeting and all entities, both large and small, were able to express views on this issue.

A proposed rule concerning this action was published in the **Federal Register** on August 22, 2001 (66 FR 44086). Copies of the rule were mailed to all Board members. The rule was also

made available through the Internet by the Office of the Federal Register and USDA. A 60-day comment period ending October 22, 2001, was provided to allow interested persons to respond to the proposal. No comments were received.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: *http://www.ams.usda.gov/fv/moab.html.* Any questions about the compliance guide should be sent to Jay Guerber at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

After consideration of all relevant matter presented, including the information and recommendation submitted by the Board and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

It is further found that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** (5 U.S.C. 553) because: (1) Handlers are already shipping hazelnuts from the 2001–2002 crop; (2) the Board would like to begin receiving this report as soon as possible to have better information on the total supply of hazelnuts within Oregon and Washington; (3) handlers are aware of this rule which was recommended at a public meeting; and (4) a 60-day comment period was provided in the proposed rule; no comments were received.

List of Subjects in 7 CFR Part 982

Filberts, Hazelnuts, Marketing agreements, Nuts, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 982 is amended as follows:

PART 982—HAZELNUTS GROWN IN OREGON AND WASHINGTON

1. The authority citation for 7 CFR part 982 continues to read as follows:

Authority: 7 U.S.C. 601–674.

2. A new § 982.467 is added to read as follows:

§ 982.467 Report of receipts and dispositions of hazelnuts grown outside the United States.

Each handler who receives hazelnuts grown outside the United States shall report to the Board monthly on *F/H Form 1f* the receipt and disposition of such hazelnuts. All reports submitted shall include transactions through the end of each month, or other reporting periods established by the Board, and are due in the Board office on the tenth day following the end of the reporting period. The report shall include the quantity of such hazelnuts received, the country of origin for such hazelnuts, inspection certificate number, whether such hazelnuts are inshell or kernels, the disposition outlet, and shipment date of such hazelnuts. With each report, the handler shall submit copies of the applicable inspection certificates.

Dated: January 31, 2002.

A. J. Yates,

Administrator, Agricultural Marketing Service.

[FR Doc. 02–2848 Filed 2–5–02; 8:45 am]

BILLING CODE 3410–02–P

FEDERAL ELECTION COMMISSION

11 CFR Part 106

[Notice 2002–1]

Interpretation of Allocation of Candidate Travel Expenses

AGENCY: Federal Election Commission.

ACTION: Interpretation.

SUMMARY: This notice expresses the view of the Commission that the travel allocation and reporting requirements of 11 CFR 106.3(b) are not applicable to the extent that a candidate pays for certain travel expenses using funds authorized and appropriated by the Federal Government.

DATES: February 6, 2002.

FOR FURTHER INFORMATION CONTACT: Tina H. VanBrakle, Director, Congressional Affairs 999 E Street, NW., Washington, DC 20463, (202) 694–1006 or (800) 424–9530.

SUPPLEMENTARY INFORMATION: Contributions and expenditures made for the purpose of influencing Federal elections are subject to various prohibitions and limitations under the Federal Election Campaign Act, 2 U.S.C. 431 *et seq.*, as amended [''FECA'' or ''the Act'']. These prohibitions and limitations apply to a contribution or expenditure by a ''person,'' as defined by 2 U.S.C. 431(11) and 11 CFR 100.10.[1] The statutory definition of the term ''person'' expressly excludes the Federal Government and any authority thereof.[2]

Commission regulations at 11 CFR 106.3 require candidates for Federal office, other than Presidential and Vice-Presidential candidates who receive federal funds pursuant to 11 CFR part 9005 or 9036, to report expenditures for campaign-related travel. Specifically, section 106.3(b) states that ''(1) Travel expenses paid for by a candidate from personal funds, or from a source other than a political committee, shall constitute reportable expenditures if the travel is campaign-related. (2) Where a candidate's trip involves both campaign-related and non-campaign-related stops, the expenditures allocable for campaign purposes are reportable and are calculated on the actual cost-per-mile of the means of transportation actually used, starting at the point of origin of the trip, via every campaign -related stop and ending at the point of origin. (3) Where a candidate conducts any campaign-related activity in a stop, the stop is a campaign-related stop and travel expenditures made are reportable. Campaign-related activity shall not include any incidental contacts.''

Questions have arisen as to whether the allocation and reporting requirements in 11 CFR 106.3(b) are applicable to travel expenses paid for with funds authorized and appropriated by the Federal Government. Thus, the Commission is announcing its interpretation of the scope of 11 CFR 106.3(b) in that circumstance.

Because 2 U.S.C. 431(11) specifically excludes the Federal Government from its definition of a ''person,'' the Commission acknowledges that a candidate's travel expenses that are paid for using funds authorized and appropriated by the Federal Government are not paid for by a ''person'' for the purposes of the Act. Therefore, the Commission believes that the allocation and reporting requirements of 11 CFR 106.3(b) are not applicable to the extent that a candidate pays for travel expenses using funds authorized and appropriated by the Federal Government. The Commission notes that this interpretation of 11 CFR 106.3(b) is in harmony with 11 CFR 106.3(d), which states that a candidate need not report ''travel between Washington, DC and the state or district in which he or she is a candidate * * * unless the costs are paid by a candidate's authorized committee(s), or by any other political committee(s).''

Please note that this announcement represents the Commission's interpretation of an existing regulation and is not intended to create or remove any rights or duties, nor is it intended to affect any other aspect of 11 CFR 106.3, the Act, or the Commission's

[1] The terms ''contribution'' and ''expenditure'' are likewise defined at 2 U.S.C. 431(8)(A) and 11 CFR 100.7, and 2 U.S.C. 431(9)(A) and 11 CFR 100.8, respectively.

[2] 2 U.S.C. 431(11) provides: ''The term 'person' includes an individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons, but such term does not include the Federal Government or any authority of the Federal Government.''