acquired by handlers during the crop year beginning on August 1, 1996, which shall be free tonnage and reserve tonnage, respectively, are designated as follows:

Varietal type	Free percentage	Reserve percentage
Natural (sun-dried) Seedless	86	14

Dated: April 7, 1997.

Robert C. Keeney,

Director, Fruit and Vegetable Division.

[FR Doc. 97–9476 Filed 4–11–97; 8:45 am]

BILLING CODE 3410–02–M

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 1208

[FV–97–701FR]

Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Order; Referendum Procedures

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This rule provides procedures that the Department of Agriculture (Department) will use in conducting the referendum to determine whether to continue the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Order (Order). In order to continue, the program must be approved by a simple majority of the qualified handlers voting in the referendum.

EFFECTIVE DATE: This rule is effective from May 14, 1997 through August 15, 1997.

FOR FURTHER INFORMATION CONTACT: Sonia N. Jimenez, Research and Promotion Branch, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, Room 2535–S, Washington, DC 20090–6456, telephone (202) 720–9916 or (888) 720–9917.

SUPPLEMENTARY INFORMATION: This rule is issued under the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act of 1993 (7 U.S.C. 6801 *et seq.*), hereinafter referred to as the Act, and the Order.

This rule provides the procedures under which the referendum will be conducted.

Executive Order 12988

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. It 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 8 of the Act, after an Order is implemented, a person subject to the Order may file a petition with the Secretary stating that the Order or any provision of the Order, or any obligation imposed in connection with the Order, is not in accordance with law and requesting a modification of the Order or an exemption from the Order. The petitioner is afforded the opportunity for a hearing on the petition. After such hearing, the Secretary will make a ruling on the petition. The Act provides that the district courts of the United States in any district in which a person who is a petitioner resides or carries on business are vested with jurisdiction to review the Secretary's ruling on the petition, if a complaint for that purpose is filed within 20 days after the date of the entry of the ruling.

Executive Order 12866 and Regulatory Flexibility Act

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

In accordance with the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the Agency has examined the impact of this rule on small entities. Accordingly, we have performed this Final Regulatory Flexibility Analysis.

The Act, which authorizes the creation of a generic program of promotion and information for fresh cut flowers and greens, became effective on December 14, 1993.

Section 7 of the Act provides that the Secretary of Agriculture (Secretary) shall conduct a referendum not later than 3 years after the issuance of an order to ascertain whether the order then in effect shall be continued. The Order was issued on December 29, 1994. Paragraph (a)(2) of section 7 of the Act requires that the Order be approved by a simple majority of all votes cast in the referendum. In addition, paragraph (b) of section 7 of the Act specifies that each qualified handler eligible to vote in the referendum shall be entitled to cast one vote for each separate facility of the person that is an eligible separate facility. Eligible separate facility is defined in paragraph (b)(2) of section 7 of the Act as a handling or marketing facility of a qualified handler that is physically located away from other facilities of the qualified handler or that the business function of the separate facility is substantially different from the functions of other facilities owned or operated by the qualified handler and the annual sales of cut flowers and cut greens to retailers and exempt handlers from the facility are $750,000 or more annually.

Only those wholesale handlers (including but not limited to, wholesale jobbers, bouquet and floral article manufacturers, auction houses that clear the sale of cut flowers and greens, and retail distribution centers), producers and importers who have annual sales of $750,000 or more of fresh cut flowers and greens and who sell those products to exempt handlers, retailers, or consumers are considered qualified handlers and assessed under the Order.

The referendum procedures provide definitions of who is eligible to vote and instructions for referendum agents regarding subagents, publicity for the referendum and the results, ballots, voting, ballot handling and tabulation, reporting, and confidentiality of referendum materials. The representative period for establishing voter eligibility for the referendum will be announced by the Secretary in a separate referendum order published later in the **Federal Register**.

There are approximately 525 wholesale handlers, 84 importers, and 83 producers who are qualified handlers. Small agricultural service firms, which include the qualified handlers covered under the Order, have been defined by the Small Business Administration (SBA) (13 CFR 121.601) as those whose annual receipts are less than $5 million. Only 127 qualified handlers have been identified to have $5 million in annual sales.

It is concluded that the majority of qualified handlers may be classified as small entities.

Statistics reported by the National Agricultural Statistics Service show that in 1995 sales of domestic cut flowers and cut greens totaled approximately $521.3 million at the wholesale level. The leading producing states by wholesale value are California, with about 49 percent of the total of flower and cut green production, followed by Florida, Colorado and Hawaii. Sales information for 1996 will not be available until after publication of this rule.

Exports in 1996 of U.S. cut flowers were valued at $29.4 million, with about 52 percent of the value from exports to Canada, and 16 percent from exports to the Netherlands, about 14 percent from exports to Germany, and 13 percent

from exports to Japan. Exports of cut greens are not reported by the Bureau of the Census as a separate item; they are included in a ''basket'' export category that includes other types of fresh cut plant exports such as branches without flowers or buds, evergreens, and grasses, which are suitable for ornamental purposes. In 1996 the value of these exports was $52.0 million. In 1995, the value of exports was $45.8 million.

The value of imports of cut flowers in 1996 was $557.7 million. Major countries exporting cut flowers to the United States, by value, are Colombia which accounts for about 66 percent of the value, followed by the Netherlands (10 percent), Ecuador (12 percent), Costa Rica (3 percent), and Mexico (3 percent). Imports of cut greens are reported in a category that includes some other fresh cut plant items suitable for ornamental purposes such as grasses, branches without flowers or buds, and other plant parts, but excludes fresh evergreens. In 1996 this ''basket category'' of imports had a value of $27.6 million. The value of imports of cut flowers in 1995 was $495.2 million with a ''basket category'' of $24.1 million.

This rule provides the procedures under which qualified handlers may vote on whether they want the fresh cut flowers and fresh cut greens promotion and information program to be continued. Qualified handlers of $750,000 or more in annual gross sales are eligible to vote in the referendum. There are approximately 692 eligible voters representing approximately 923 votes some of which represent separate facilities. It will take an average of 15 minutes for each voter to read the voting instructions and complete the referendum ballot. The total burden on the total number of voters will be 77 hours.

The Department is keeping all these individuals informed throughout the referendum process to ensure that they are aware of and are able to participate in the process. In addition, trade associations and related industry media will receive news releases and other information regarding the referendum process.

Voting in the referendum is optional. However, if qualified handlers choose to vote, the burden of voting will be offset by the benefits of having the opportunity to vote on whether they want to continue the program or not.

The Department considered requiring eligible voters to vote in person at various Department offices across the country. However, conducting the referendum from one central location by mail ballot is more cost effective for this program. Also, the Department will provide easy access to information for potential voters through a toll free telephone line. A referendum will be conducted in June to maximize industry participation.

Lastly, in the initial regulatory flexibility analysis comments were requested regarding the impact of the rule on small entities. No such comments were received.

Paperwork Reduction Act

In accordance with the Office of Management and Budget (OMB) regulations (5 CFR Part 1320) which implements the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the referendum ballot has been approved by the Office of Management and Budget (OMB) and has been assigned OMB number 0581–0093. It is estimated that there are 692 qualified handlers, representing 923 votes, who will be eligible to vote in the referendum. It will take an average of 15 minutes for each voter to read the voting instructions and complete the referendum ballot. The total burden on the total number of voters will be 77 hours.

Background

The Act authorized the Secretary to establish a national cut flowers and cut greens promotion and consumer information program. The program is funded by an assessment of ½ percent of gross sales of cut flowers and greens which is levied on qualified handlers. The program is administered by the National PromoFlor Council (Council) under the supervision of the Department of Agriculture (Department).

Assessments are used to pay for: Research, promotion, and consumer information; administration, maintenance, and functioning of the Board; and expenses incurred by the Secretary in implementing and administering the Order, including referendum costs.

Section 7 of the Act requires that a referendum be conducted not later than 3 years after the issuance of the Order among eligible qualified handlers of fresh cut flowers and fresh cut greens to determine whether they favor continuance of the Order. The Order shall continue in effect if it is approved by a simple majority of qualified handlers voting in the referendum.

In accordance with section 3(4) of the Act, qualified handler is defined in the Order as a person operating in the cut flowers and greens marketing system that sells domestic or imported cut flowers and greens to retailers and exempt handlers and whose annual sales of cut flowers and greens to retailers and exempt handlers are $750,000 or more. The term also includes, but is not limited to, the following entities when they have the requisite volume of $750,000 sales of cut flowers and greens a year: A wholesale handler; a manufacturer of bouquets or floral articles for sale to retailers if the cut flowers and greens used are a substantial portion of the value of the manufactured floral article; an auction house that clears the sale of cut flowers and greens to retailers and exempt handlers through a central clearinghouse; a distribution center that is owned or controlled by a retailer if the predominant retail business activity is floral sales; an importer whose principal activity is the importation of cut flowers and greens into the United States and sells to retailers and exempt handlers or directly to consumers; and a producer that sells cut flowers and cut greens directly to retailers or consumers.

Paragraph (b) of section 7 of the Act specifies that each qualified handler eligible to vote in the referendum shall be entitled to cast one vote for each separate facility of the person that is an eligible separate facility. Eligible separate facility is defined in paragraph (b)(2) of section 7 of the Act as a handling or marketing facility of a qualified handler that is physically located away from other facilities of the qualified handler or that the business function of the separate facility is substantially different from the functions of other facilities owned or operated by the qualified handler and the annual sales of cut flowers and cut greens to retailers and exempt handlers from the facility are $750,000 or more annually.

This rule provides the procedures under which fresh cut flowers and greens qualified handlers may vote on whether they want the fresh cut flowers and greens promotion and consumer information program to continue. Qualified handlers of $750,000 gross sales annually can vote in the referendum. There are approximately 692 eligible voters representing approximately 923 votes.

This rule adds a new subpart which establishes procedures to be used in the referendum. This subpart will be in effect for the referendum period only and will not be part of the Code of Federal Regulations. This subpart covers definitions, voting, instructions, use of subagents, ballots, the referendum report, and confidentiality of information.

A proposed rule was published in the March 19, 1997, issue of the **Federal Register** (62 FR 12976). Ten comments were received and are addressed in this rule. The comments were from qualified

handlers and the National PromoFlor Council.

A comment was received from a cut flowers and greens wholesale handler. The commentor expressed the view that it would be unconstitutional for a company to qualify for more than one vote because the company has decided to distribute their product through multiple locations instead of one central location. The commentor opposes multiple votes for a single company.

As previously explained in this rule, paragraph (b) of section 7 of the Act specifies that each qualified handler eligible to vote in the referendum shall be entitled to cast one vote for each separate facility that is an eligible separate facility. Separate facility is defined in the Act as a handling or marketing facility of a qualified handler that is physically located away from other facilities of the qualified handler or that the business function of the separate facility is substantially different from the functions of other facilities owned or operated by the qualified handler and the annual sales of cut flowers and greens to retailers and exempt handlers from the facility are $750,000 or more annually.

A facility may be located separately from the main operation of the qualified handlers or the function of the facility may be substantially different in order to qualify under the definition of separate facility. Each separate facility must handle $750,000 annually in sales to retailers and exempted handlers. The concept of one vote per facility is not unknown for this type of program and referendum. It became part of the legislation authorizing this program. Alternatively, the statute could have, but did not, provide for a weighted vote, under which both the number of votes and annual sales volume of voters, for and against continuation of the program, would have been tabulated.

The commentor also stated that the Council forces companies under $750,000 annual sales to pay the assessment because the companies that they buy from are forced to pay the assessment. In addition, the commentor stated that it is unconstitutional to force people to pay their tax and not allow them a vote.

The Act requires qualified handlers of $750,000 annual sales to pay the assessment. Exempt handlers are not required to pay the assessment. It is a business decision between the parties involved, and not a statutory requirement or provision, as to whether the qualified handler passes the cost to the exempt handler and whether the exempt handler pays that charge. Each qualified handler as defined under the Act is eligible to vote in the referendum.

The commentor requested the USDA to stop the Council from using funds to influence the vote in the referendum. Funds collected under this program may not be used for activities that are not authorized under the Act. The Department monitors activities in this area very carefully. The Council may explain what the program is doing and its impact on sales. It may also encourage the industry to vote. However, it may not encourage the industry to vote in a particular way.

Finally, the commentor requested a definition of qualified handler in the voting process. The definition of qualified handlers used for the referendum is the same used for determining who is qualified under the program. The status of the handler, i.e., paying or not paying assessments, against or in favor of the program, does not affect the definition of who is a qualified handler under the program and eligible to vote. Every qualified handler as defined in the Act and the Order is eligible to vote in the referendum.

Five commentors stated that the timing for the referendum is unfortunate in that it falls within the peak sales months for the industry. In addition, the commentors stated that the period from July to September is ideal for all qualified handlers to have the time to adequately evaluate the impact of the program. Furthermore, the commentors requested that the referendum be conducted in September.

The Council, however, submitted a comment in favor of holding the referendum in June for the following reasons: timely preparation and submission of a 1998 budget for the Department's approval prior to the start of the new fiscal period; a June referendum will allow the Council to buy media in the ''up front market'' when the selection of commercial slots is better and the prices are discounted; a June referendum will allow the Council to produce these commercials in an area at a considerable savings; the handlers are ready for a referendum; the Council is reporting to the industry the effects of the program and the return on investment to handlers; qualified handlers feel well informed about the program and are prepared to make an informed decision; the Council communicates its programs twice a month through its newsletter; qualified handlers have received video tapes and an annual report with information about the program; almost every trade publication has carried information about the Council for the last year; the Council is present at every major show and convention to answer questions; and the Council has a toll free number to answer questions.

The Department agrees that the referendum must be conducted during a period that maximizes voting representation. June is after the peak period of Secretary's Day and Mother's Day. In addition, if the program is supported in the referendum, conducting the referendum in June will allow enough time for the Council to plan a budget and marketing plan for the 1998 fiscal year which begins on October 1, 1997. The Department believes that conducting the referendum in June will maximize participation in the referendum and will assist the Council in the planning of next year's program in the event the program is approved in the referendum. In addition, the industry is familiar with the program which has been in effect since December 1994 and has had time to form a view on whether the program should continue. Further, voting is not a time-consuming process.

One commentor stated that qualified handlers that paid assessments in the past and are out of business or whose businesses have changed and are no longer qualified handlers should be allowed to vote in the referendum.

A qualified handlers whose gross sales of fresh cut flowers and greens were $750,000 during the representative period and who is a qualified handler at the time of the referendum, is eligible to vote. The representative period, the period used to determine who is an eligible qualified handler for referendum purposes, will be announced in a referendum order that will be published separately in the **Federal Register**. A handler who is not a qualified handler at the time of the referendum should not be eligible to vote because this individual is not currently covered by the program and is not required to pay assessments into the program.

Two of the comments received addressed issues not directly related to the referendum procedures. Instead they related to the program in general including the financial impact of assessments.

Accordingly, no changes to the text of the regulation as proposed are made in this final rule. After consideration of all relevant material presented, it is found that this final rule effectuates the declared policy of the Act.

List of Subjects in 7 CFR Part 1208

Administrative practice and procedure, Advertising, Consumer information, Marketing agreements, Cut

flowers, Cut greens, Promotion, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, Title 7 of Chapter XI of the Code of Federal Regulations is amended as follows:

1. Part 1208 is amended by adding a new subpart C to read as follows:

PART 1208—FRESH CUT FLOWERS AND FRESH CUT GREENS PROMOTION AND INFORMATION ORDER

Subpart C—Procedure for the Conduct of Referenda in Connection With the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Order

Sec.
1208.200 General.
1208.201 Definitions.
1208.202 Voting.
1208.203 Instructions.
1208.204 Subagents.
1208.205 Ballots.
1208.206 Referendum report.
1208.207 Confidential information.

Authority: 7 U.S.C. 6801 *et seq.*

Subpart C—Procedure for the Conduct of Referenda in Connection With the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Order

§ 1208.200 General.

A referendum to determine whether qualified handlers favor continuance of the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Order shall be conducted in accordance with these procedures.

§ 1208.201 Definitions.

Unless otherwise defined below, the definition of terms used in these procedures shall have the same meaning as the definitions in the Order.

(a) *Administrator* means the Administrator of the Agricultural Marketing Service, with power to redelegate, or any officer or employee of the Department to whom authority has been delegated or may hereafter be delegated to act in the Administrator's stead.

(b) *Order* means the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Order.

(c) *Referendum agent* or agent means the individual or individuals designated by the Secretary to conduct the referendum.

(d) *Representative period* means the period designated by the Secretary.

(e) *Person* means any individual, group of individuals, firm, partnership, corporation, joint stock company, association, society, cooperative, or any other legal entity. For the purpose of this definition, the term ''partnership'' includes, but is not limited to:

(1) A husband and wife who has title to, or leasehold interest in, fresh cut flowers and greens facilities and equipment as tenants in common, joint tenants, tenants by the entirety, or, under community property laws, as community property, and

(2) So-called ''joint ventures'', wherein one or more parties to the agreement, informal or otherwise, contributed capital and others contributed labor, management, equipment, or other services, or any variation of such contributions by two or more parties so that it results in the handling of fresh cut flowers and greens and the authority to transfer title to the fresh cut flowers and greens handled.

(f) *Eligible qualified handler* means a person who is a qualified handler under § 1208.16 of the Order that operates in the cut flowers and greens marketing system and sells domestic or imported cut flowers and greens to retailers and exempt handlers and has annual sales of cut flowers and greens to retailers and exempt handlers that are $750,000 or more.

(g) *Separate facility* means a handling or marketing facility of a qualified handler that is physically located away from other facilities of the qualified handler or that the business function of the separate facility is substantially different from the functions of other facilities owned or operated by the qualified handler and the annual sales of cut flowers and cut greens to retailers and exempt handlers from the facility are $750,000 or more annually.

§ 1208.202 Voting.

(a) Each person who is an eligible qualified handler as defined in this subpart, at the time of the referendum and during the representative period, shall be entitled to cast one vote for each separate facility of the person that is an eligible separate facility.

(b) Proxy voting is not authorized, but an officer or employee of an eligible qualified handler, or an administrator, executor, or trustee of an eligible qualified handler entity may cast a ballot on behalf of such qualified handler entity. Any individual so voting in a referendum shall certify that such individual is an officer or employee of the eligible qualified handler, or an administrator, executor, or trustee of an eligible qualified handler entity, and that such individual has the authority to take such action. Upon request of the referendum agent, the individual shall submit adequate evidence of such authority.

(c) All ballots are to be cast by mail.

§ 1208.203 Instructions.

The referendum agent shall conduct the referendum, in the manner herein provided, under the supervision of the Administrator. The Administrator may prescribe additional instructions, not inconsistent with the provisions hereof, to govern the procedure to be followed by the referendum agent. Such agent shall:

(a) Determine the time of commencement and termination of the period during which ballots may be cast.

(b) Provide ballots and related material to be used in the referendum. Ballot material shall provide for recording essential information including that needed for ascertaining whether the person voting, or on whose behalf the vote is cast, is an eligible voter;

(c) Give reasonable advance public notice of the referendum:

(1) By utilizing available media or public information sources, without incurring advertising expense, to publicize the dates, places, method of voting, eligibility requirements, and other pertinent information. Such sources of publicity may include, but are not limited to, print and radio; and

(2) By such other means as the agent may deem advisable.

(d) Mail to eligible qualified handlers, whose names and addresses are known to the referendum agent, the instructions on voting, a ballot, and a summary of the terms and conditions of the Order. No person who claims to be eligible to vote shall be refused a ballot.

(e) At the end of the voting period, collect, open, number, and review the ballots and tabulate the results in the presence of an agent of the Office of Inspector General.

(f) Prepare a report on the referendum.

(g) Announce the results to the public.

§ 1208.204 Subagents.

The referendum agent may appoint any individual or individuals deemed necessary or desirable to assist the agent in performing such agent's functions hereunder. Each individual so appointed may be authorized by the agent to perform any or all of the functions which, in the absence of such appointment, shall be performed by the agent.

§ 1208.205 Ballots.

The referendum agent and subagents shall accept all ballots cast; but, should they, or any of them, deem that a ballot should be questioned for any reason, the agent or subagent shall endorse above

their signature, on the ballot, a statement to the effect that such ballot was questioned, by whom questioned, the reasons therefore, the results of any investigations made with respect thereto, and the disposition thereof. Ballots invalid under this subpart shall not be counted.

§ 1208.206 Referendum report.

Except as otherwise directed, the referendum agent shall prepare and submit to the Administrator a report on results of the referendum, the manner in which it was conducted, the extent and kind of public notice given, and other information pertinent to analysis of the referendum and its results.

§ 1208.207 Confidential information.

The ballots and other information or reports that reveal, or tend to reveal, the vote of any person covered under the Act and the voting list shall be held confidential and shall not be disclosed.

Dated: April 8, 1997.

Sharon Bomer Lauritsen,

Acting Director, Fruit and Vegetable Division.

[FR Doc. 97–9569 Filed 4–11–97; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

7 CFR Part 1710

RIN 0572–AB30

Pre-Loan Procedures for Electric Loans

AGENCY: Rural Utilities Service, USDA.

ACTION: Direct final rule; confirmation of effective date.

SUMMMARY: On Thursday, February 20, 1997 the Rural Utilities Service (RUS) published a direct final rule. (See 62 FR 7663). The direct final rule notified the public of RUS' intention to issue a minor amendment to its pre-loan procedures that will clarify that use of a conventional utility indenture as a security instrument for loans to power supply borrowers is permissible. The rule will also enhance loan security and by conforming more closely to private lending practice, allow easier access to private sector financing.

We did not receive any written adverse comments or any written notice of intent to submit adverse comments in response to the direct final rule.

EFFECTIVE DATE: The effective date of the direct final rule is confirmed as April 7, 1997.

FOR FURTHER INFORMATION CONTACT: F. Lamont Heppe, Jr., Director, Program Support and Regulatory Analysis, Rural Utilities Service, U.S. Department of Agriculture, Room 4036–S, 1400 Independence Avenue, SW., STOP 1522, Washington, DC 20250–1522. Telephone: 202 720–0736. FAX: 202 720–4120. E-mail: fheppe@rus.usda.gov.

Authority: 7 U.S.C. 901–950(b); Pub. L. 99–591, 100 Stat. 3341; Pub. L. 103–354, 108 Stat 3178 (7 U.S.C. 6941 *et seq.*).

Dated: April 7, 1997.

Wally Beyer,

Administrator, Rural Utilities Service.

[FR Doc. 97–9474 Filed 4–11–97; 8:45 am]

BILLING CODE 3410–15–P

FARM CREDIT ADMINISTRATION

12 CFR Parts 600, 603, 611, 614, 615, 618, and 619

RIN 3052–AB61

Organization and Functions; Privacy Act Regulations; Organization; Loan Policies and Operations; Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations; General Provisions; Definitions

AGENCY: Farm Credit Administration.

ACTION: Final rule and notice of effective date.

SUMMARY: The Farm Credit Administration (FCA or Agency) through the Farm Credit Administration Board adopts as final without change an interim rule that updates the regulations in parts 600, 603, 611, 614, 615, 618, and 619. This rule eliminates unnecessary, outdated, duplicative, or burdensome regulatory requirements, replaces outdated regulatory language with more current terminology, and clarifies the intended meaning of certain regulatory provisions.

EFFECTIVE DATE: March 4, 1997.

FOR FURTHER INFORMATION CONTACT:

Linda C. Sherman, Policy Analyst, Regulation Development Division, Office of Policy Development and Risk Control, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4498, TDD (703) 883–4444.

or

Wendy R. Laguarda, Senior Attorney, Legal Counsel Division, Office of General Counsel, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4020, TDD (703) 883–4444.

SUPPLEMENTARY INFORMATION: On December 20, 1996, the FCA published an interim rule with request for public comments (61 FR 67181). The interim rule is part of the FCA's ongoing efforts to streamline the regulatory process and reduce regulatory burden. The regulatory changes made in parts 600, 603, 611, 614, 615, 618, and 619 update the regulatory language with more current terminology, remove contradictions between the regulations and the Farm Credit Act of 1971, as amended (Act), clarify certain regulations, and eliminate regulations or sections of regulations that are burdensome or unnecessary. These changes cover a wide variety of technical issues, such as bylaw amendments, Federal records retention, liquidation of associations and banks, interest rate programs, loan servicing requirements, purchasing automobiles through the General Services Administration, retirement of eligible borrower stock, the definition of banks for cooperatives, disclosure of data regarding borrowers to credit bureaus, disposal of obsolete records, Farm Credit System (System) institution employees being summoned as witnesses, and issues on borrower rights and agricultural credit banks.

The public comment period closed on January 31, 1997. The FCA received two comments on the interim rule, both from System institutions. One commenter thanked the FCA for clarifying an issue regarding release of borrower information to consumer reporting agencies at § 618.8320. The comment letter stated that the change would eliminate uncertainty in a sensitive area of lending operations and result in benefits to borrowers and the System.

The other comment received responded to the FCA's request that institutions inform the Agency of any Federal records still in their possession. The commenter stated that they do not have any of the records referred to in the previous FCA regulation at § 618.8390. As noted in the preamble to the interim rule, the FCA's goal is to identify all Federal records still retained by System institutions so that they can either be destroyed (at the institution's discretion) or archived, as appropriate. Additional guidance on the maintenance and disposition of Federal records will be provided by the Agency in the near future.

The FCA Board adopts the interim rule amending 12 CFR parts 600, 603, 611, 614, 615, 618, and 619, which was published at 61 FR 67181 on December 20, 1996, as final without change.