Federal Register

Vol. 63, No. 22

Tuesday, February 3, 1998

Proposed Rules

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Parts 958 and 980

[Docket No. FV97–958–2AN]

Onions Grown in Certain Designated Counties in Idaho, and Malheur County, Oregon, and Imported Onions; Possible Increase in Grade Requirements for White Onions

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Advance notice of proposed rulemaking; request for public comments.

SUMMARY: The Agricultural Marketing Service (AMS) invites comments from producers, handlers, importers, commercial users, and other interested persons on a possible increase in the minimum grade requirements for white onions handled under the Idaho-Eastern Oregon onion marketing order, and for imported white onions. A recommendation to increase the minimum grade for white onions from U.S. No. 2 to U.S. No. 1 is under consideration. Comments pertaining to the volume and grade of imported white onions, as well as to other aspects of the potential grade increase, including its probable regulatory and economic impact on small business entities are sought.

DATES: Comments received by April 6, 1998, will be considered prior to issuance of a proposed rule.

ADDRESSES: Interested persons are invited to submit written comments concerning the issues contained in this notice. Comments must be sent in triplicate to the Docket Clerk, Fruit and Vegetable Programs, AMS, USDA, room 2525–S, P.O. Box 96456, Washington, DC 20090–6456; *Fax:* (202) 205–6632. All comments should reference the docket number and the date and page number of this issue of the **Federal Register** and will be made available for public inspection in the Office of the Docket Clerk during regular business hours.

FOR FURTHER INFORMATION CONTACT: Robert J. Curry, Northwest Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1220 SW Third Avenue, room 369, Portland, Oregon 97204–2807; telephone: (503) 326–2724, Fax: (503) 326–7440; or George J. Kelhart, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, room 2525–S, P.O. Box 96456, Washington, DC 20090–6456; telephone (202) 720–2491, Fax: (202) 205–6632.

SUPPLEMENTARY INFORMATION: This advance notice of proposed rulemaking invites comments on a possible increase in the minimum grade requirements for Idaho-Eastern Oregon and imported white onions. AMS is seeking information pertaining to the volume and grade of imported white onions, and on the regulatory and economic impact such rulemaking might have on handlers, producers, importers, and other interested parties, including small businesses. All other views, suggestions or comments relative to the proposal in general also are sought. The regulation being considered for amendment governs the handling of onions grown in certain designated counties in Idaho, and Malheur County, Oregon, and is authorized under Marketing Agreement No. 130 and Marketing Order No. 958, both as amended (7 CFR part 958). Any action to amend the domestic onion handling regulation also would affect the Onion Import Regulation (7 CFR 980.117). The marketing agreement, marketing order, and import regulation are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), hereinafter referred to as the ''Act.''

The onion import regulation requires imported onions to meet the same or comparable grade, size, quality, and maturity standards as are in effect for domestic onions under a Federal marketing order. The Act further provides that when two or more marketing orders regulating the same commodity are concurrently in effect, imports will be subject to the requirements established for the commodity grown in the area with which the imported commodity is in most direct competition. Onion import requirements are based on regulations established under the Idaho-Eastern Oregon (7 CFR part 958) and South Texas (7 CFR part 959) onion marketing orders. The action under consideration is a change to the grade requirements for imported white onions during the period the Idaho-Eastern Oregon requirements apply (June 5–March 9).

Pursuant to the requirements set forth in the Regulatory Flexibility Act, the AMS will consider the economic impact any such action would have on small entities and prepare regulatory flexibility analyses for inclusion in any subsequent rulemaking actions. Any actions undertaken as a result of this advance notice or also reviewed by the AMS under Executive Order 12866 and 12988.

This advance notice is based on a unanimous recommendation of the Idaho-Eastern Oregon Onion Committee (Committee). The Committee recommendation would increase the minimum grade requirements for white onion varieties grown in the Idaho-Eastern Oregon onion production area and handled subject to marketing order requirements. Pursuant to section 8e of the Act and the onion import regulation, this action would also affect imported white onions.

The recommended change would increase the minimum grade from U.S. No. 2 to U.S. No. 1, thereby eliminating from the fresh market all U.S. Commercial and U.S. No. 2 white onions produced in the regulated production area and those imported into the U.S. during the period from June 5 through March 9. Information, suggestions, and comments pertaining to the proposal are sought. Anyone having specific information relative to the affect the recommendation to eliminate the importation of U.S. Commercial and U.S. No. 2 white onions would have on the volume of imported white onions is encouraged to comment. Producers, handlers, importers, and other small businesses, both large and small, potentially impacted by the possible grade change also are encouraged to provide comments relative to any probable regulatory and economic impacts.

Section 958.328(a)(1) establishes the grade requirements for white onions handled subject to the Idaho-Eastern onion marketing order. Such grade requirements are based on the U.S. Standards for Grades of Onions (Other than Bermuda-Granex-Grano and Creole Types)(7 CFR part 51.2830 *et seq.*), or the U.S. Standards for Grades of Bermuda-Grano-Granex Type Onions (7 CFR part 51.3195 *et seq.*). Currently, these handling regulations require that white onion varieties shall be (1) U.S. No. 2 or U.S. Commercial, 1 inch minimum to 2 inches maximum diameter; or (2) U.S. No. 2 or U.S. Commercial, if not more than 30 percent of the lot is comprised of onions of U.S. No. 1 quality, and at least 1½ inches minimum diameter; or (3) U.S. No. 1, at least 1½ inches minimum diameter. The regulations further specify that none of these three categories may be commingled in the same bag or other container.

The change under consideration would require all bags or other containers of white onion varieties shipped subject to marketing order requirements to be either: (1) U.S. No. 1, 1 inch minimum to 2 inches maximum diameter; or (2) U.S. No. 1, at least 1½ inches minimum diameter. Commingling of these two categories would not be allowed. Current exemptions under the order for special purpose shipments in section 958.328(e), and shipments qualifying for a minimum quantity exemption in section 958.328(g), would continue to apply when applicable.

The Committee justified its recommendation stating that the shipment of U.S. No. 2 and U.S. Commercial grade white onions have had a negative impact on producer returns and have been a factor in decreasing this industry's share of the fresh domestic white onion market. In addition, the Committee stated that consumers of white onions traditionally demand a quality product and that U.S. No. 2 and U.S. Commercial grade white onions have poor consumer acceptance.

The Committee stated that producers seldom profit from U.S. No. 2 or U.S. Commercial grade white onion sales, and as a consequence, common business practice for many is to discard such onions as culls following harvest. Furthermore, the Committee indicated that shipments of low quality U.S. No. 2 or U.S. Commercial grade white onions have a depressing influence on the price of the higher quality U.S. No. 1 grade white onions.

An annual average of 336,000 hundredweight of white onions, representing 3.9 percent of the total of all onion varieties, have been shipped from the Idaho-Eastern Oregon production area since the 1986/87 marketing season. The annual average of all Idaho-Eastern Oregon onion shipments for this period, including white, yellow, and red onion varieties, is 9,517,500 hundredweight. During the same period of time, shipments of Idaho-Eastern Oregon U.S. No. 2 white onions averaged 3,807 hundredweight per year, or approximately an annual average of 1.2 percent of white Idaho-Eastern Oregon onion shipments and an annual average of .04 percent of all Idaho-Eastern Oregon onion shipments. Onions from the Idaho-Eastern Oregon production area are shipped throughout the year. The majority of Idaho-Eastern Oregon white onions are marketed during the months of September, October and November, with significant additional volume through February.

As mentioned earlier, section 8e of the Act requires that when certain domestically produced commodities, including onions, are regulated under a Federal marketing order, imports of that commodity must meet the same or comparable grade, size, quality, or maturity requirements. Section 8e also provides that whenever two or more marketing orders regulating the same commodity produced in different areas of the U.S. are concurrently in effect, a determination must be made as to which of the areas produces the commodity in more direct competition with the imported commodity. Imports must then meet the requirements established for the particular area.

Grade, size, quality, and maturity regulations have been issued regularly under both Marketing Order No. 958 and Marketing Order No. 959, which regulates the handling of onions grown in South Texas, since the marketing orders were established. The current import regulation specifies that import requirements for onions are to be based on the seasonal categories of onions grown in both marketing order areas. The import regulation specifies that imported onions must meet the requirements of the Idaho-Eastern Oregon onion marketing order during the period June 5 through March 9 and the South Texas onion marketing order during the period March 10 through June 4 each season. The Committee's recommendation, if adopted, would change the import requirements for the period June 5 through March 9 of each marketing year to provide that all imported white onion varieties must be U.S. No. 1 grade. While no changes are required in the language of section 980.117, all white onion varieties imported during this period would be required to meet the modified grade requirement should the recommended grade increase eventually be implemented.

During the period June 5 through March 9, the current import regulation requires that all imported onions, except braided red varieties, must be at least U.S. No. 2 grade. During the period March 10 through June 4 the current onion import regulation requires that all imported onions must be U.S. No. 1 grade with an allowable tolerance of up to 20 percent for defects, 10 percent for serious damage, and 2 percent for decay.

White onions are imported into the U.S. throughout the year from a number of different countries. By far the largest source of all imported onions is Mexico. Mexican white onions enter the U.S. from November through July, with the heaviest volumes moving during the months of December through April. The annual average volume of all Mexican onions imported into the U.S. between 1986 and 1996 was 3,333,150 hundredweight, while the annual average volume for all imported onions from all sources during the same period was 4,040,004 hundredweight. Other major sources of imported onions are Canada, Chile, Australia, and New Zealand with small quantities coming from Belgium, France, Guatemala, Israel, Morocco, the Netherlands, and Taiwan. Compiled statistics specific to the volume and grade of imported white onions are not available at this time.

There are approximately 35 handlers of Idaho-Eastern Oregon onions who are subject to regulation under the marketing order and approximately 260 producers, including approximately 80 producers of white onions, in the regulated area. In addition, approximately 150 importers of onions are subject to import regulations and would be affected by the possible grade change discussed in this document. Small agricultural service firms have been defined by the Small Business Administration (13 CFR 121.601) as those having annual receipts of less than $5,000,000, and small agricultural producers are defined as those having annual receipts of less than $500,000. Although it is unknown how many importers of white onions may be classified as small entities, approximately 9 percent of the handlers and 7 percent of the producers of Idaho-Eastern Oregon white onions may be classified as small entities.

In conclusion, the AMS is soliciting the views of producers, handlers, importers, commercial users, consumers, and other interested persons on possible grade requirement changes for Idaho-Eastern Oregon and imported onions described in this document. Specifically, the AMS is interested in statistical information, suggestions, and comments pertaining to the volume and grade of imported white onions and to the probable regulatory and economic impact of the proposal on small businesses. All views are solicited, however, so that every aspect of this potential revision may be studied prior to formulating a proposed rule, if such is deemed warranted by the Agency.

This request for public comments does not constitute notification that the recommendation to change the regulations described in this document is or will be proposed or adopted.

A 60-day comment period is provided to allow interested persons the opportunity to respond to this request for information and comments. All written comments timely received will be considered before any subsequent rulemaking action is undertaken.

Authority: 7 U.S.C. 601–674.

Dated: January 28, 1998.

Robert C. Keeney,

Deputy Administrator, Fruit and Vegetable Programs.

[FR Doc. 98–2551 Filed 2–2–98; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE

Rural Business—Cooperative Service

Rural Utilities Service

7 CFR Part 4284

RIN 0570–AA05

Rural Business Opportunity Grants

AGENCIES: Rural Business—Cooperative Service and Rural Utilities Service, USDA.

ACTION: Proposed rule.

SUMMARY: The Rural Business-Cooperative Service (RBS) is proposing to issue new regulations for the Rural Business Opportunity Grant (RBOG) Program. This action is needed to implement a new program authorized by section 741 of the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104–127, to assist economic development in rural areas. The intended effect of this action is to implement the RBOG program.

DATES: Written or E-mail comments must be received on or before March 20, 1998 to be assured of consideration. The comment period for information collections under the Paperwork Reduction Act of 1995 continues through April 6, 1998.

ADDRESSES: Submit written comments in duplicate to the Branch Chief, Regulations And Paperwork Management Branch, Rural Development, U.S. Department of Agriculture, STOP 0743, Room 6345, 1400 Independence Ave. SW, Washington, DC 20250–0743. Comments may be submitted via the Internet by addressing them to ''Comments@rus.usda.gov'' and must contain the word ''opportunity'' in the subject. All written comments made pursuant to this notice will be available for public inspection between 8:00 a.m. and 4:30 p.m. Monday through Friday, except Holidays, at the above office.

FOR FURTHER INFORMATION CONTACT: M. Wayne Stansbery, Loan Specialist, Specialty Lenders Division, Rural Business-Cooperative Service, U.S. Department of Agriculture, STOP 1521, 1400 Independence Ave. SW, Washington, DC 20250, Telephone (202) 720–6819.

SUPPLEMENTARY INFORMATION:

Classification

This rule has been determined to be significant and has been reviewed by the Office of Management and Budget under Executive Order 12866.

Programs Affected

The Catalog of Federal Domestic Assistance number for the program impacted by this action is 10.773, Rural Business Opportunity Grants.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), RBS announces its intention to seek Office of Management and Budget (OMB) approval of the reporting and recordkeeping requirements associated with this proposed rule.

The purpose of the RBOG program is to promote sustainable economic development in rural communities with exceptional needs. This will be achieved through grants to public bodies, nonprofit community development corporations or entities and other agencies, to enable the recipients to carry on activities related to rural economic development, such as identifying and analyzing business opportunities, establishing business support centers, and providing training, technical assistance, and planning.

The information requirements contained within the regulations are requested from grant applicants and grant recipients. The information is vital for RBS to make prudent decisions regarding eligibility of applicants and selection priority among competing applicants, to ensure compliance with applicable laws and regulations, and to evaluate the program. It includes information to allow the Agency to determine that an applicant is a legally organized entity with authority to enter into contracts and carry out the proposed activities. It provides for a description and scope of the proposed activities. It includes information on the applicant's financial condition and stability. It includes information to provide for evaluation of grantee accomplishments. It requires information needed to ensure compliance with Executive Orders and provides methods for applicants and grantees to appeal adverse decisions, request changes in grant conditions and request exceptions to the regulations. No new forms are created for this program.

Public Burden in 7 CFR Part 4284, Subpart G

At this time, the Agency is requesting OMB clearance of the following burden:

Section 4284.638(a)(2)(i). Copies of organizational documents, such as Articles of Incorporation, Bylaws, and certificates of good standing, are part of the grant application. They are needed so RBS can be sure the applicant is a legal entity with authority to make commitments and perform the activities called for under the proposed grant. They also indicate who is officially in control of the applicant organization.

Section 4284.638(a)(2)(ii). A written scope of work needed to document what the grant funds are to be used for and what is to be accomplished. This is important for evaluating the application and also for monitoring to ensure that funds are used for the purpose for which they were intended.

Section 4284.638(a)(2)(iii). A written narrative is required to provide additional information, beyond what is provided in the scope of work, as to the need for the project, the service area, the applicant's ability to accomplish the planned activities, who will be assisted, what impact is expected, and how the work will be performed. The information is needed to properly evaluate each application and select the most deserving applications for funding.

Section 4284.638(a)(2)(iv). A financial statement is required to help RBS to ensure that an applicant has the financial stability to remain in operation and supplement the grant funds as necessary to accomplish the grant purposes.

Section 4284.638(a)(2)(v). It is an eligibility requirement that applicants include a basis for determining the success or failure of the project in their proposal. This requirement ensures that some method exists for evaluating the success or failure of each grant and that the applicants will have input in determining how they will be evaluated.

Section 4284.638(a)(2)(vi). Intergovernmental Review comments,