

# Proposed Rules

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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 46 and 47

[Docket No. FV99-362]

RIN 0581-AB76

#### Perishable Agricultural Commodities Act: Increase in License and Complaint Filing Fees

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Proposed rule: withdrawal.

**SUMMARY:** The Department of Agriculture (USDA) is withdrawing a proposed rule published in the **Federal Register** on February 15, 2000 (65 FR 7462). The proposed rule would have amended the regulations under the Perishable Agricultural Commodities Act (PACA or Act) to increase license fees and the PACA Rules of Practice Other than Formal Disciplinary Proceedings to increase complaint filing fees in reparation actions. Specifically, the annual license fee would have been increased from \$550 to \$600 for very small businesses, and increased from \$550 to \$850 for all other licensees. The informal complaint filing fee would have been increased from \$60 to \$100.

**DATES:** This proposed rule is withdrawn as of August 14, 2000.

**ADDRESSES:** The complete file for this notice is available for public inspection by appointment during normal business hours at USDA, 1400 Independence Avenue, SW, Room 2095—So. Bldg., Washington, D.C. 20250.

**FOR FURTHER INFORMATION CONTACT:** Charles W. Parrott, Acting Chief, PACA Branch, Fruit and Vegetable Programs, AMS, USDA, Room 2095—So. Bldg., P.O. Box 96456, Washington, D.C. 20090-6456, phone (202) 720-2272. E-mail charles.parrott@usda.gov.

**SUPPLEMENTARY INFORMATION:** The Perishable Agricultural Commodities Act (PACA or Act) establishes a code of fair trade practices covering the

marketing of fresh and frozen fruits and vegetables in interstate and foreign commerce. The PACA protects growers, shippers, distributors, and retailers dealing in those commodities by prohibiting unfair and fraudulent trade practices. In this way, the law fosters an efficient nationwide distribution system for fresh and frozen fruits and vegetables, benefiting the whole marketing chain from farmer to consumer. USDA's Agricultural Marketing Service (AMS) administers and enforces the PACA.

Historically, the PACA program has been funded through license fees and fees for filing reparation complaints. The PACA Amendments of 1995 (1995 Amendments)<sup>1</sup> increased the annual license from \$400 to \$550 (up to a maximum fee of \$4000) for all licensees except retailers and grocery wholesalers, which were phased out of paying license fees over a 3-year period that concluded on November 14, 1998. Retailers account for approximately 30 percent of all PACA licensees, and provided about 35 percent of the program's revenue prior to being phased out of the license fee requirement. Funds acquired in excess of operating costs are maintained by AMS exclusively for the program's use, without fiscal year limitations, in a separate reserve fund. This reserve is used to offset unanticipated expenses, and provide flexibility to deal with rising program costs.

The 1995 Amendments authorize the Secretary of Agriculture to increase fees to operate the PACA program after November 14, 1998, through rulemaking, provided that the PACA program's financial reserves fall below 25 percent of the projected annual program costs. USDA proposed that license and complaint filing fees be increased when PACA program budget projections for fiscal years 2000 and 2001 showed that the program's assets would have fallen below the required 25 percent of projected expenditures in fiscal year 2001. Without a fee increase, the PACA program would have exhausted its reserves by the end of fiscal year 2003, and would have needed to begin reducing its level of services to the industry. In response, AMS proposed, on February 15, 2000, to

increase license fees and fees charged for filing reparation complaints.

On June 20, 2000, however, President Clinton signed H.R. 2559 (Public Law 106-224), which included \$30.45 million to be deposited into USDA's PACA reserve fund in fiscal year 2001, in order to maintain PACA license and complaint filing fees at current levels. In light of the funds provided to the PACA program by P.L. 106-224, USDA has concluded that it is unnecessary to continue this rulemaking. Therefore, USDA withdraws the proposed rule.

**Authority:** 7 U.S.C. 499a-499t.

Dated: August 2, 2000.

**Robert C. Keeney,**  
*Deputy Administrator, Fruit and Vegetable Programs.*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-209038-89]

RIN 1545-A075

#### Foreign Trusts That Have U.S. Beneficiaries

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rulemaking and notice of public hearing.

**SUMMARY:** This document contains proposed regulations under section 679 of the Internal Revenue Code relating to transfers of property by U.S. persons to foreign trusts having one or more United States beneficiaries. The proposed regulations affect United States persons who transfer property to foreign trusts. This document also provides notice of a public hearing on these proposed regulations.

**DATES:** Written or electronic comments must be received by November 6, 2000. Requests to speak (with outlines of oral comments) to be discussed at the public hearing scheduled for November 8, 2000, at 10 a.m. must be submitted by October 18, 2000.

**ADDRESSES:** Send submissions to: CC:MSP:RU (REG-209038-89), room 5226, Internal Revenue Service, POB

<sup>1</sup> Pub. L. 104-48, 109 Stat. 427 (1995).