

along with anticipated contributions, interest income, and other income should be adequate to cover budgeted expenses.

The major expenditures recommended by the Committee for the 2004–2005 fiscal period include \$10,000 for committee expenses, \$163,482 for salary expenses, \$81,960 for travel/office expenses, \$60,000 for production research expenses, \$32,000 for export market development expenses, \$600,000 for promotion expenses, and \$50,000 for unforeseen marketing order contingencies. Budgeted expenses for these items in 2003–2004 were \$10,000, \$148,353, \$72,610, \$59,170, \$27,250, \$589,617, and \$50,000, respectively.

The Committee reviewed and unanimously recommended 2004–2005 expenditures of \$997,442. This budget includes increases in the budget line items for salary expenses, travel and office expenses, research expenses, export expenses, and promotion expenses. Committee expenses and the marketing order contingency fund would remain the same. Prior to arriving at this budget, the Committee considered information from various sources, including the Idaho-Eastern Oregon Onion Executive, Research, Export, and Promotion Committees. These subcommittees discussed alternative expenditure levels, based upon the relative value of various research and promotion projects to the Idaho-Eastern Oregon onion industry. The assessment rate of \$0.105 per hundredweight of assessable onions was then determined by taking into consideration the estimated level of assessable shipments, other revenue sources, and the Committee's goal of not having to use reserve funds during 2004–2005.

A review of historical information and preliminary information pertaining to the upcoming fiscal period indicates that the producer price for the 2004–2005 season could be about \$10.80 per hundredweight. Therefore, the estimated assessment revenue for the 2004–2005 fiscal period as a percentage of total producer revenue could be about 1.1 percent.

This action increases the assessment obligation imposed on handlers. While assessments impose some additional costs on handlers, the costs are minimal and uniform on all handlers. Some of the additional costs may be passed on to producers. However, these costs are offset by the benefits derived by the operation of the order. In addition, the Committee's meetings were widely publicized throughout the Idaho-Eastern Oregon onion industry and all interested persons were invited to

attend the meetings and participate in Committee deliberations on all issues. Like all Committee meetings, the April 1, 2004, meeting was 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 rule imposes no additional reporting or recordkeeping requirements on either small or large Idaho-Eastern Oregon onion 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.

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

A proposed rule concerning this action was published in the **Federal Register** on May 21, 2004 (69 FR 29244). Copies of the proposed rule were also mailed or sent via facsimile to all onion handlers. Finally, the proposal was made available through the Internet by the Office of the Federal Register and USDA. A 30-day comment period ending June 21, 2004, was provided for 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 material presented, including the information and recommendation submitted by the Committee 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.

Pursuant to 5 U.S.C. 553, it also found and determined that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because: (1) The Committee needs to have sufficient funds to pay its expenses which are incurred on a continuous basis; (2) the 2004–2005 fiscal period began on July 1, 2004, and the order requires that the rate of assessment for each fiscal period apply to all assessable onions handled during such fiscal period; (3) handlers are aware of this action which was unanimously recommended by the Committee at a public meeting; and (4) a 30-day comment period was provided

for in the proposed rule, and no comments were received.

List of Subjects in 7 CFR Part 958

Onions, Marketing agreements, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, 7 CFR part 958 is amended as follows:

PART 958—ONIONS GROWN IN CERTAIN DESIGNATED COUNTIES IN IDAHO, AND MALHEUR COUNTY, OREGON

■ 1. The authority citation for 7 CFR part 958 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 2. Section 958.240 is revised to read as follows:

§ 958.240 Assessment rate.

On and after July 1, 2004, an assessment rate of \$0.105 per hundredweight is established for Idaho-Eastern Oregon onions.

Dated: July 13, 2004.

A.J. Yates,

Administrator, Agricultural Marketing Service.

[FR Doc. 04–16271 Filed 7–16–04; 8:45 am]

BILLING CODE 3410–02–P

FARM CREDIT ADMINISTRATION

12 CFR Parts 609, 611, 612, 614, 615, and 617

RIN 3052–AB69

Electronic Commerce; Organization; Standards of Conduct and Referral of Known or Suspected Criminal Violations; Loan Policies and Operations; Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations; Borrower Rights

AGENCY: Farm Credit Administration.

ACTION: Correcting amendment.

SUMMARY: The Farm Credit Administration (FCA) published a document in the **Federal Register** on March 9, 2004 (69 FR 10901, clarifying the rights provided in the Farm Credit Act of 1971, as amended, for loan applicants and borrowers of the Farm Credit System (System) and explaining the responsibilities of the System in providing these rights, responding to comments, and placing all borrower rights provisions in one part of our regulations. That document failed to include a necessary nomenclature change to § 609.930(i). This document

corrects the final regulations by revising this section.

DATES: Effective on July 19, 2004.

FOR FURTHER INFORMATION CONTACT:

Mark L. Johansen, Senior Policy Analyst, Office of Policy and Analysis, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4479, TTY (703) 883-4434; or Joy Strickland, Senior Counsel, Office of General Counsel, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4020, TTY (703) 883-2020.

SUPPLEMENTARY INFORMATION: The final rule published on March 9, 2004 (69 FR 10901) redesignated existing part 617 as a newly designated subpart B in part 612. Because of this redesignation, a nomenclature change in § 609.930(i) should have been included in the final rule.

List of Subjects

12 CFR Part 609

Agriculture, Banks, banking, Electronic commerce, Reporting and recordkeeping requirements, Rural areas.

12 CFR Part 611

Agriculture, Banks, banking, Rural areas.

12 CFR Part 612

Agriculture, Banks, banking, Conflict of interests, Rural areas.

12 CFR Part 614

Agriculture, Banks, banking, Flood insurance, Foreign trade, Reporting and recordkeeping requirements, Rural areas.

12 CFR Part 615

Accounting, Agriculture, Banks, banking, Government securities, Investments, Rural areas.

12 CFR Part 617

Banks, banking, Criminal referrals, Criminal transactions, Embezzlement, Insider abuse, Investigations, Money laundering, Theft.

■ Accordingly, 12 CFR part 609 is corrected by making the following correcting amendment:

PART 609—ELECTRONIC COMMERCE

■ 1. The authority citation for part 609 continues to read as follows:

Authority: Sec. 5.9 of the Farm Credit Act (12 U.S.C. 2243); 5 U.S.C. 301; Pub. L. 106-229 (114 Stat. 464).

§ 609.930 [Corrected]

■ 2. Section 609.930(i) is corrected by removing the reference “617” and adding in its place “612, subpart B”.

Dated: July 14, 2004.

Jeanette C. Brinkley,

Secretary, Farm Credit Administration Board.

[FR Doc. 04-16379 Filed 7-16-04; 8:45 am]

BILLING CODE 6705-01-P

FARM CREDIT ADMINISTRATION

12 CFR Part 614

RIN 3052-AB87

Loan Policies and Operations; Participations

AGENCY: Farm Credit Administration.

ACTION: Final rule; response to comment.

SUMMARY: The Farm Credit Administration (FCA or agency) responds to a comment letter on a final rule that repealed regulations that required a Farm Credit System (FCS or System) bank or association to provide notice or obtain consent before purchasing participations in loans that a non-System lender originates in the chartered territory of another FCS institution. This response, which is pursuant to an order of the United States District Court for the District of Columbia dated April 8, 2004, supplements the preamble to the final rule that was published at 65 FR 24101 on April 25, 2000.

DATES: *Effective Date:* These regulations became effective on May 25, 2000. *See* 65 FR 33743.

FOR FURTHER INFORMATION CONTACT:

Alan Markowitz, Senior Policy Analyst, Office of Policy and Analysis, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4498, TTY (703) 883-4434, or Richard A. Katz, Senior Attorney, Office of the General Counsel, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4020, TTY (703) 883-2020.

SUPPLEMENTARY INFORMATION:

I. Background

On November 9, 1998, the FCA proposed repeal of several regulations in parts 611, 614, and 618 that required System lenders operating under title I or II of the Farm Credit Act of 1971, as amended (Act) to provide notice or obtain consent before they could lend, participate in loans, or offer related services to borrowers in the chartered territory of other FCS lending institutions. *See* 63 FR 60219. The extended comment period closed on May 10, 1999.

The FCA received more than 270 comment letters from System institutions, commercial banks, trade

associations, FCS and non-System customers, state agricultural commissioners, a statewide council of agricultural organizations, a United States senator, and individuals. Commercial bank commenters opposed the proposed rule, while the other commenters were evenly divided between those supporting and opposing the proposal.

The Farm Credit Bank of Texas (FCBT) and its six affiliated Federal land credit associations (FLCAs)¹ in Alabama, Louisiana, and Mississippi, and its two affiliated production credit associations (PCAs) in New Mexico sent the FCA a joint comment letter dated May 3, 1999, opposing the proposed rule. The joint comment letter stated that: (1) The FCA lacked statutory authority to enact the proposed rule; (2) the proposed rule would conflict with statutory amendments enacted in 1992; (3) geographic boundaries are an integral part of the System's statutory scheme; (4) out-of-territory credit and related services would hurt the System and its customers, especially small farmers; and (5) the proposed rule would not advance any congressionally mandated purpose.

The FCA did not repeal those regulations that require notice or consent when a System lender operating under title I or II of the Act makes direct loans or offers related services outside its chartered territory. However, the FCA adopted a final rule on April 25, 2000, that repealed the notice and consent requirements only for out-of-territory loan participations. *See* 65 FR 24101. As a result, notice and consent requirements no longer apply when a System lender purchases participations in loans that non-System lenders originate in the chartered territory of other FCS institutions.²

The preamble to the final rule explained that repealing the notice and consent requirements for loan participations could help: (1) Increase the flow and availability of agricultural credit; (2) improve the liquidity of non-System lenders; and (3) diversify geographic and industry concentrations in the loan portfolios of Farm Credit banks and associations. The preamble also pointed out that the chartered territory of an FCS lender does not change when it buys participations in loans that non-System lenders originate

¹ At the time that the FCA received this comment letter, the FCBT had not yet transferred direct lending authority to one of these FLCAs pursuant to section 7.6 of the Act.

² The final rule does not affect intra-System loan participations because the originating FCS lender consents when it sells participations in its loans to other FCS institutions.