

# Rules and Regulations

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## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 993

[Docket No. FV05-993-5 IFR]

#### Dried Prunes Produced in California; Decreased Assessment Rate

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

**ACTION:** Interim final rule with request for comments.

**SUMMARY:** This rule decreases the assessment rate established for the Prune Marketing Committee (committee) under Marketing Order No. 993 for the 2005-06 and subsequent crop years from \$6.00 to \$0.65 per ton of salable dried prunes. The committee locally administers the marketing order which regulates the handling of dried prunes grown in California. Authorization to assess dried prune handlers enables the committee to incur expenses that are reasonable and necessary to administer the program. The crop year began August 1 and ends July 31. The assessment rate will remain in effect indefinitely unless modified, suspended, or terminated.

**DATES:** September 16, 2005. Comments received by November 14, 2005, will be considered prior to issuance of a final rule.

**ADDRESSES:** Interested persons are invited to submit written comments concerning this rule. Comments must be sent to the Docket Clerk, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue, SW., STOP 0237, Washington, DC 20250-0237; Fax: (202) 720-8938; or E-mail: [moab.docketclerk@usda.gov](mailto:moab.docketclerk@usda.gov), or Internet: <http://www.regulations.gov>. Comments should reference the docket number and the date and page number of this issue

of the **Federal Register** and will be available for public inspection in the Office of the Docket Clerk during regular business hours, or can be viewed at: <http://www.ams.usda.gov/fv/moab.html>.

**FOR FURTHER INFORMATION CONTACT:** Toni Sasselli, Program Analyst, or Terry Vawter, Marketing Specialist, California Marketing Field Office, Fruit and Vegetable Programs, AMS, USDA; Telephone: (559) 487-5901; Fax (559) 487-5906; or George Kelhart, Technical Advisor, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue, SW., STOP 0237, Washington, DC 20250-0237; 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, 1400 Independence Avenue, SW., STOP 0237, Washington, DC 20250-0237; Telephone: (202) 720-2491, Fax: (202) 720-8938, or E-mail: [Jay.Guerber@usda.gov](mailto:Jay.Guerber@usda.gov).

**SUPPLEMENTARY INFORMATION:** This rule is issued under Marketing Agreement No. 110 and Marketing Order No. 993, both as amended (7 CFR part 993), regulating the handling of dried prunes grown in California, hereinafter referred to as the "order." The marketing agreement and order 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 Department of Agriculture (USDA) is issuing this rule in conformance with Executive Order 12866.

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. Under the marketing order now in effect, California dried prune handlers are subject to assessments. Funds to administer the order are derived from such assessments. It is intended that the assessment rate as issued herein will be applicable to all assessable dried prunes beginning August 1, 2005, and continue until amended, suspended, or terminated. 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. Such 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 rule decreases the assessment rate established for the committee for the 2005-06 and subsequent crop years from \$6.00 to \$0.65 per ton of salable dried prunes handled.

The California dried prune marketing order provides authority for the committee, with the approval of USDA, to formulate an annual budget of expenses and collect assessments from handlers to administer the program. The members of the committee are producers and handlers of California dried prunes. They are familiar with the committee's needs and with the costs for goods and services in their local area; and are, thus, in a position to formulate an appropriate budget and assessment rate. The assessment rate is formulated and discussed in at least one public meeting. Thus, all directly affected persons have an opportunity to participate and provide input.

For the 2004-05 and subsequent crop years the committee recommended, and USDA approved, an assessment rate that would continue in effect from crop year to crop year unless modified, suspended, or terminate by USDA upon recommendation and information submitted by the committee or other information available to USDA.

The committee met on June 30, 2005, and unanimously recommended a decreased assessment rate of \$0.65 per ton of salable dried prunes and a decreased level of expenses for the 2005-06 crop year. The committee recommended a total budget of \$89,090.

The proposed assessment rate of \$0.65 per ton of salable dried prunes is \$5.35 lower than the rate currently in effect.

The committee recommended a lower assessment rate based on an estimated production of 104,500 tons of salable dried prunes. The committee's expenses are being reduced significantly from the 2004–05 budget as the result of the August 1, 2005, suspension of the

reporting and handling requirements under the order. The assessment rate of \$0.65 per ton of salable dried prunes plus excess funds from the 2004–2005 crop year are expected to provide sufficient funds for the committee's reduced activities.

In comparison, the actual expenditures for the 2004–05 crop year were \$284,000 and the assessment rate

was \$6.00 per ton of salable prunes, based upon 47,203 salable tons.

The following table compares the proposed major budget expenditures recommended by the committee on June 30, 2005, and major budget expenditures in the 2004–05 budget.

Budget expense categories	2004–05	2005–06
Total Personnel Salaries .....	\$208,335	\$45,945
Total Operating Expenses .....	54,500	16,755
Reserve for Contingencies .....	21,165	26,390

The assessment rate recommended by the committee was derived by dividing anticipated expenses by the estimated salable tons of California dried prunes. Production of dried prunes for the year is estimated to be 104,500 salable tons, which should provide \$67,925 in assessment income. Income derived from handler assessments plus excess funds from the 2004–2005 crop year should be adequate to cover budgeted expenses. The committee is authorized to use excess assessment funds from the 2004–05 crop year (currently estimated at \$21,165) for up to 5 months beyond the end of the crop year to meet 2005–06 crop year expenses. At the end of the 5 months, the committee either refunds or credits excess funds to handlers (§ 993.81(c)).

The assessment rate established in this rule will continue in effect indefinitely unless modified, suspended, or terminated by USDA upon recommendation and information submitted by the committee or other available information.

Although this assessment rate is effective for an indefinite period, the committee will continue to meet prior to or during each crop year to recommend a budget of expenses and consider recommendations for modification of the assessment rate. The dates and times of committee meetings are available from the committee or USDA. Committee meetings are open to the public and interested persons may express their views at these meetings. USDA will evaluate committee recommendations and other available information to determine whether modification of the assessment rate is

needed. Further rulemaking would be undertaken as necessary. The committee's 2005–06 budget and those for subsequent crop years would be reviewed and, as appropriate, approved by USDA.

#### Initial Regulatory Flexibility Analysis

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 initial 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 1,100 producers of dried prunes in the production area and approximately 22 handlers subject to regulation under the marketing order. The Small Business Administration (13 CFR 121.201) defines small agricultural producers as those whose annual receipts are less than \$750,000, and small agricultural service firms as those whose annual receipts are less than \$6,000,000.

Eight of the 22 handlers (36.4 percent) shipped over \$6,000,000 of dried prunes and could be considered large handlers by the Small Business Administration. Fourteen of the 22 handlers (63.6

percent) shipped under \$6,000,000 of dried prunes and could be considered small handlers. An estimated 32 producers, or less than 3 percent of the 1,100 total producers, would be considered large producers with annual incomes over \$750,000. The majority of handlers and producers of California dried prunes may be classified as small entities.

The producer price for the 2005–06 crop year is expected to average between \$1,500 and \$1,600 per ton of salable dried prunes. Based on an estimated 104,500 salable tons of dried prunes, assessment revenue as a percentage of producer prices during the 2005–06 crop year is expected to be between .041 and .043 percent.

This rule decreases the assessment rate established for the committee and collected from handlers for the 2005–06 and subsequent crop years from \$6.00 to \$0.65 per ton of salable dried prunes. The committee unanimously recommended a 2005–06 total budget of \$89,090 and a decreased assessment rate of \$0.65 per ton of salable dried prunes at the meeting on June 30, 2005. The proposed recommended budget of \$89,090 is significantly reduced for the 2005–06 crop year as compared to previous crop years. The assessment rate of \$0.65 per ton of salable dried prunes is \$5.35 lower than the current rate. The quantity of salable dried prunes for the 2005–06 crop year is now estimated at 104,500 salable tons.

The following table compares the proposed major budget expenditures recommended by the committee on June 30, 2005, and major budget expenditures in the 2004–05 budget.

Budget expense categories	2004–05	2005–06
Total Personnel Salaries .....	\$208,335	\$45,945
Total Operating Expenses .....	54,500	16,755
Reserve for Contingencies .....	21,165	26,390

Prior to arriving at its budget of \$89,090, the committee considered information from various sources, such as the committee's Executive Subcommittee. An alternative to this action would be to continue with the \$6.00 per ton assessment rate. However, an assessment rate of \$0.65 per ton of salable dried prunes and excess funds from the 2004–2005 crop year will provide enough income to fund the committee's reduced activities.

Therefore, the Executive Subcommittee and committee agreed that \$0.65 per ton of salable dried prunes is an acceptable assessment rate. The committee is authorized to use excess assessment funds from the 2004–05 crop year (currently estimated at \$21,165) for up to 5 months beyond the end of the crop year to meet 2003–04 crop year expenses. At the end of the 5 months, the committee either refunds or credits excess funds to handlers (§ 993.81(c)).

This action decreases the assessment obligation imposed on handlers. Assessments are applied uniformly on all handlers, and some of the costs may be passed on to producers. However, decreasing the assessment rate reduces the burden on handlers, and may reduce the burden on producers. In addition, the committee's meeting was widely publicized throughout the California dried prune industry and all interested persons were invited to attend the meeting and participate in committee deliberations on all issues. Like all committee meetings, the June 30, 2005, meeting was a public meeting and all entities, both large and small, were encouraged to express views on this issue. Finally, interested persons are 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 California dried prune 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 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 is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect, and that good cause exists for not postponing the effective date of this rule until 60 days after publication in the **Federal Register** because: (1) The 2005–06 crop year began on August 1, 2005, and the marketing order requires that the rate of assessment for each crop year apply to all assessable prunes handled during such crop year; (2) the assessment rate is considerably lower than that which is currently in effect; and (3) handlers are aware of this action, which was unanimously recommended by the committee at a public meeting; and (4) this interim final rule provides a 60-day comment period, and all comments timely received will be considered prior to finalization of this rule.

#### List of Subjects in 7 CFR Part 993

Marketing agreements, Plums, Prunes, Reporting and Recordkeeping requirements.

■ For the reasons set forth in the preamble, 7 CFR part 993 is amended as follows:

#### PART 993—DRIED PRUNES PRODUCED IN CALIFORNIA

■ 1. The authority citation for 7 CFR part 993 continues to read as follows:

**Authority:** 7 U.S.C. 601–674.

■ 2. Section 993.347 is revised to read as follows:

#### § 993.347 Assessment rate.

On and after August 1, 2005, an assessment rate of \$0.65 per ton of salable dried prunes is established for California dried prunes.

Dated: September 9, 2005.

**Lloyd C. Day,**

*Administrator, Agricultural Marketing Service.*

[FR Doc. 05–18284 Filed 9–14–05; 8:45 am]

**BILLING CODE 3410–02–P**

#### FARM CREDIT ADMINISTRATION

#### 12 CFR Parts 607, 614, 615, and 620

**RIN 3052–AC09**

#### Assessment and Apportionment of Administrative Expenses; Loan Policies and Operations; Funding and Fiscal Affairs, Loan Policies and Operations; and Funding Operations; Disclosure to Shareholders; Capital Adequacy Risk-Weighting Revisions; Effective Date

**AGENCY:** Farm Credit Administration.

**ACTION:** Notice of effective date.

**SUMMARY:** The Farm Credit Administration (FCA) published a final rule under parts 607, 614, 615, and 620 on June 17, 2005 (70 FR 35336). This final rule changed our regulatory capital standards on recourse obligations, direct credit substitutes, residual interests, asset- and mortgage-backed securities, claims on securities firms, and certain residential loans. In accordance with 12 U.S.C. 2252, the effective date of the final rule is 30 days from the date of publication in the **Federal Register** during which either or both Houses of Congress are in session. Based on the records of the sessions of Congress, the effective date of the regulation is September 8, 2005.

**EFFECTIVE DATE:** The regulation amending 12 CFR parts 607, 614, 615, and 620 published on June 17, 2005 (70 FR 35336) is effective September 8, 2005.

#### FOR FURTHER INFORMATION CONTACT:

Robert Donnelly, Senior Accountant, Office of Regulatory Policy, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4498, TTY (703) 883–4434; or

Jennifer A. Cohn, Senior Attorney, Office of General Counsel, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4020, TTY (703) 883–4020.

(12 U.S.C. 2252(a)(9) and (10))

Dated: September 8, 2005.

**Jeanette C. Brinkley,**

*Secretary, Farm Credit Administration Board.*  
[FR Doc. 05–18285 Filed 9–14–05; 8:45 am]

**BILLING CODE 6705–01–P**