

Rules and Regulations

Federal Register

Vol. 65, No. 57

Thursday, March 23, 2000

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OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 532

RIN 3206-AJ05

Prevailing Rate Systems; Change in the Survey Cycle for the Orleans, LA, Nonappropriated Fund Wage Area

AGENCY: Office of Personnel Management.

ACTION: Interim rule with request for comments.

SUMMARY: The Office of Personnel Management is issuing an interim rule that will change the timing of local wage surveys in the Orleans, Louisiana, nonappropriated fund (NAF) Federal Wage System (FWS) wage area. This change will help even out the local wage survey workload for the Department of Defense and improve the amount and quality of data it collects during local annual wage surveys in the Orleans wage area.

DATES: This interim rule is effective on April 24, 2000. The Office of Personnel must receive comments by April 24, 2000.

ADDRESSES: Send or deliver comments to Donald J. Winstead, Assistant Director for Compensation Administration, Workforce Compensation and Performance Service, Office of Personnel Management, Room 7H31, 1900 E Street NW., Washington, DC 20415-8200, or FAX: (202) 606-4264.

FOR FURTHER INFORMATION CONTACT: Jennifer Hopkins, (202) 606-2848, FAX: (202) 606-0824, or email jdhopkin@opm.gov.

SUPPLEMENTARY INFORMATION: The Department of Defense (DOD) requested that the Office of Personnel Management (OPM) change the timing of local wage surveys in the Orleans, LA, nonappropriated fund (NAF)

Federal Wage System (FWS) wage area. Full-scale wage surveys currently begin in February of each odd-numbered fiscal year. Full-scale wage surveys will begin in the future in June of each even-numbered fiscal year. Under section 532.207 of title 5, Code of Federal Regulations, the scheduling of wage surveys takes into consideration the best timing in relation to wage adjustments in the principal local private enterprise establishments, reasonable distribution of workload of the lead agency, timing of surveys for nearby or selected wage areas, and scheduling relationships with other pay surveys.

DOD asked OPM to change the starting time for local wage surveys in the Orleans wage area to June of even fiscal years to help spread out its survey workload. In addition, this change will avoid annual Mardi Gras festivities in New Orleans during the month of February. DOD will next conduct a full-scale wage survey in the Orleans wage area in June 2000. DOD will update the data collected in the full-scale wage survey during a "wage change" survey in June 2001.

The Federal Prevailing Rate Advisory Committee, the national labor-management committee responsible for advising OPM on matters concerning the pay of FWS employees, recommended by consensus that we change the full-scale survey cycle for the Orleans NAF wage area from February of odd-numbered fiscal years to June of even-numbered fiscal years.

Waiver of Notice of Proposed Rulemaking and Delayed Effective Date

Under 5 U.S.C. 553(b)(3)(B), I find good cause to waive the general notice of proposed rulemaking. DOD and the local wage survey committee must begin preparations for the Orleans, LA, NAF wage area before a full-scale wage survey begins in June 2000.

Regulatory Flexibility Act

I certify that this regulation will not have a significant economic impact on a substantial number of small entities because it will affect only Federal agencies and employees.

List of Subjects in 5 CFR Part 532

Administrative practice and procedure, Freedom of information, Government employees, Reporting and recordkeeping requirements, Wages.

U.S. Office of Personnel Management.

Janice R. Lachance,
Director.

Accordingly, the Office of Personnel Management is amending 5 CFR part 532 as follows:

PART 532—PREVAILING RATE SYSTEMS

1. The authority citation for part 532 continues to read as follows:

Authority: 5 U.S.C. 5343, 5346; § 532.707 also issued under 5 U.S.C. 552.

Appendix A to Subpart B of Part 532 [Amended]

2. Appendix B to Subpart B is amended by revising under the State of Louisiana the listing of beginning month of survey from "February" to "June" and the listing of fiscal year of full-scale survey from "odd" to "even" for the Orleans NAF wage area.

[FR Doc. 00-7141 Filed 3-22-00; 8:45 am]

BILLING CODE 6325-01-P

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

9 CFR Part 94

[Docket No. 98-034-2]

RIN 0579-AA96

Importation of Poultry Meat and Other Poultry Products From Sinaloa and Sonora, Mexico

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: We are amending the regulations concerning the importation of animal products to relieve certain restrictions on the importation of poultry meat and other poultry products from the Mexican States of Sinaloa and Sonora. Because of the existence of exotic Newcastle disease in Mexico, we have required poultry meat and other poultry products from Sinaloa and Sonora to be cooked, sealed, and packaged to certain specifications to be eligible for entry into the United States. This rule establishes new, less restrictive conditions for the

importation of poultry meat and other poultry products from Sinaloa and Sonora into the United States. This action is based on a risk assessment indicating that such importations will present a negligible risk of introducing exotic Newcastle disease into the United States.

EFFECTIVE DATE: April 24, 2000.

FOR FURTHER INFORMATION CONTACT: Dr. Michael David, Senior Staff Veterinarian, National Center for Import and Export, VS, APHIS, 4700 River Road Unit 39, Riverdale, MD 20737; (301) 734-5034.

SUPPLEMENTARY INFORMATION:

Background

The Animal and Plant Health Inspection Service (APHIS) of the U.S. Department of Agriculture (USDA) regulates the importation of animals and animal products into the United States to guard against the introduction of animal diseases not currently present or prevalent in this country. The regulations pertaining to the importation of animals and animal products are set forth in the Code of Federal Regulations (CFR), title 9, chapter I, subchapter D (9 CFR parts 91 through 99).

The regulations in part 94 pertain to, among other things, the importation of meat and other animal products into the United States. Section 94.6 of the regulations governs the importation of carcasses, or parts or products of carcasses, of poultry, game birds, or other birds from regions where exotic Newcastle disease (END) is considered to exist. Specifically, the regulations allow poultry carcasses, or parts or products of poultry carcasses, to be imported for consumption from regions where END is considered to exist if: (1) The poultry is packed in hermetically sealed containers and cooked by a commercial method after such packing to produce articles that are shelf stable without refrigeration; (2) the poultry is thoroughly cooked and appears to have a thoroughly cooked appearance throughout upon APHIS inspection at the port of arrival; or (3) the poultry is imported under permit after APHIS determines the importation as such will not constitute a risk of introducing or disseminating END into the United States.

On May 21, 1999, we published in the *Federal Register* (64 FR 27711-27717, Docket No. 98-034-1) a proposal to establish a new § 94.22 to allow the importation of poultry meat and other poultry products from the States of Sinaloa and Sonora, Mexico, under conditions less restrictive than provided

in § 94.6. We based our proposed rule on information presented to APHIS by the Mexican Government in 1994 in a request to recognize the Mexican States of Sinaloa and Sonora as free of END, and on a site visit that APHIS officials made to Mexico in 1997 to verify that Sinaloa and Sonora had the veterinary infrastructure, disease control programs, diagnostic capabilities, and surveillance programs necessary to diagnose and prevent an introduction of END. Following the site visit, we performed a qualitative risk assessment on the importation of poultry meat and other poultry products from federally inspected slaughtering and processing plants in Sinaloa and Sonora. The qualitative risk assessment indicated that such importations would present a negligible risk of introducing END into the United States.

Based on the finding of negligible risk, we proposed to relieve restrictions on the importation of poultry meat and other poultry products from Sinaloa and Sonora, Mexico. However, we proposed to allow the poultry meat and other poultry products to be imported only under certain conditions, to help prevent the possibility that poultry meat and other poultry products from poultry raised in regions of Mexico other than Sinaloa or Sonora could be exported to the United States via Sinaloa or Sonora. We wanted to prevent the following possibilities: That poultry from regions of Mexico other than Sinaloa or Sonora could be moved to Sinaloa or Sonora for slaughter, processing, and export to the United States; that poultry meat or other poultry products from other regions could be moved to Sinaloa or Sonora for export to the United States; or that, once leaving Sinaloa or Sonora, poultry meat or other poultry products from Sinaloa or Sonora could be commingled with poultry meat or other poultry products from other regions of Mexico in transit to the United States. We stated our belief that the proposed import conditions would provide a higher degree of safety against the occurrence of any of these scenarios.

In the proposed rule, we set forth (1) our reasons for believing that the importation of poultry meat and other poultry products from Sinaloa and Sonora could be accomplished safely under certain conditions; (2) the proposed import conditions for poultry meat and other poultry products from Sinaloa and Sonora; and (3) our basis for the proposed import conditions. The proposed import conditions follow:

1. The poultry meat or other poultry products must be derived from poultry that were born and raised in Sinaloa or Sonora and slaughtered in Sinaloa or

Sinaloa at a federally inspected slaughter plant under the direct supervision of a full-time salaried veterinarian of the Government of Mexico, and the slaughter plant must be approved to export poultry meat and other poultry products to the United States in accordance with 9 CFR 381.196.

2. If processed in any manner, the poultry meat or other poultry products must be processed at a federally inspected processing plant in Sinaloa or Sonora under the direct supervision of a full-time salaried veterinarian of the Government of Mexico.

3. The poultry meat or other poultry products may not have been in contact with poultry from any State in Mexico other than Sinaloa and Sonora or from any other region not listed in § 94.6 as a region where END is not known to exist.

4. The foreign meat inspection certificate for the poultry meat or other poultry products (required by the Food Safety and Inspection Service, USDA, under 9 CFR 381.197) must be signed by a full-time salaried veterinarian of the Government of Mexico. The certificate must include statements that certify the above conditions have been met. The certificate must also show the seal number on the shipping container if a seal is required (see below).

5. In addition, if the poultry meat or other poultry products are going to transit any State in Mexico other than Sinaloa or Sonora, or any other region not listed in § 94.6 as a region where END is not known to exist, en route to the United States, a full-time salaried veterinarian of the Government of Mexico must apply serially numbered seals to the containers carrying the poultry meat or other poultry products at the federally inspected slaughter or processing plant in Sinaloa or Sonora, and the seal numbers must be recorded on the foreign meat inspection certificate.

6. Prior to its arrival in the United States, the shipment of poultry meat or other poultry products may not have been in any State in Mexico other than Sinaloa or Sonora or in any other region not listed in § 94.6 unless the poultry meat or poultry products have remained under seal until arrival at the U.S. port and either (1) the numbers on the seals match the numbers on the foreign meat inspection certificate or (2) if the numbers on the seals do not match the numbers on the foreign meat inspection certificate, an APHIS representative at the port of arrival is satisfied that the poultry meat or poultry products were not contaminated during movement to the United States.

We solicited comments concerning our proposal for 60 days ending July 20, 1999. We received 14 comments by that date. They were from an association representing U.S. veterinarians, three associations representing the U.S. poultry industry, several associations representing the Mexican poultry industry, and one individual. The comments are discussed below by topic.

Eggs and Egg Products

Nine commenters supported the proposed rule but requested that APHIS clarify under what conditions eggs and egg products from Sinaloa and Sonora are eligible for importation into the United States. They also asked if the proposed rule relieved restrictions on the importation of eggs and egg products from Sinaloa and Sonora. One commenter requested that we include new conditions for importing eggs and egg products from Mexico in our proposal.

The proposed rule did not alter or otherwise affect the restrictions currently in place for eggs and egg products from Mexico. While our use of the term "poultry meat and other poultry products" in our proposal could be construed to include eggs and egg products, it was not our intent to allow eggs and egg products to be imported from Sinaloa and Sonora under conditions less restrictive than those currently in place. Further, our risk assessment did not take into account the risk associated with eggs and egg products, nor did we develop any new conditions specific to the importation of eggs and egg products for this rule.

Because *Salmonella enteritidis* phage-type 4 is considered to exist in Mexico, eggs from any Mexican State, including Sinaloa and Sonora, may only be imported into the United States in accordance with the conditions contained in § 94.6(d) of the regulations. We are currently reviewing our *S. enteritidis* regulations, and should we determine that changes are warranted, we will publish a proposed rule in the **Federal Register** for comment.

Food Safety and Oversaturation of the U.S. Poultry Market

One commenter opposed the proposed rule based on concerns about food safety and the potential for oversaturating the U.S. poultry market. He cited concern about the potential for poultry meat and other poultry products from Sinaloa and Sonora to carry *Salmonella*, *Listeria* spp., and *Campylobacter*. The commenter suggested that poultry from Mexico should be clearly labeled in stores so it is not confused with poultry raised in

the United States. The commenter also stated that there is little need for imports of poultry and eggs from Mexico, considering that the United States is experiencing an egg surplus and spent fowl with little or no market.

APHIS regulates the importation of animals and animal products into the United States to guard against the introduction of animal diseases not currently present or prevalent in this country. Our chief responsibility is to safeguard American agriculture from foreign animal diseases. However, no poultry meat or other poultry products from Sinaloa or Sonora are eligible to enter into U.S. commerce until USDA's Food Safety and Inspection Service (FSIS) has approved such imports. Issues related to food safety and poultry imports from Mexico will be addressed by FSIS if and when FSIS approves such imports. Product labeling also falls under the jurisdiction of FSIS.

As stated earlier, we are not amending the restrictions currently in place for eggs from Mexico in this rule. Further, by amending the regulations regarding the importation of poultry meat and other poultry products from Sinaloa and Sonora, Mexico, as requested by the Government of Mexico, APHIS has acted in accordance with trade agreements entered into by the United States, including the North American Free Trade Agreement and the Uruguay Round of the General Agreement on Tariffs and Trade. APHIS is bound under these agreements to relieve restrictions on foreign imports of animals and animal products, if requested to do so, if we determine that decreased restrictions on imports will not result in a significant risk of introducing foreign animal diseases into the United States, regardless of the domestic need for such imports.

Compliance With the Regulations

Four commenters supported our proposal provided we could ensure compliance with the proposed regulations. In addition, one commenter stated that if APHIS amends the regulations to allow poultry meat and other poultry products from Sinaloa and Sonora to be imported into the United States under the conditions described in our proposal, APHIS should conduct an ongoing monitoring, evaluation, and verification program to ensure compliance with the regulations.

We will inspect shipments of poultry meat and other poultry products from Sinaloa and Sonora, Mexico, upon arrival in the United States to review the foreign meat inspection certificate and to check the seals on containers. However, we do not intend to conduct

a more rigorous monitoring, evaluation, and verification program because, as stated in our proposal and in this document, we believe both Sinaloa and Sonora have the veterinary infrastructure, disease control programs, diagnostic capabilities, and surveillance programs necessary to diagnose and prevent an introduction of END. It is in both States' interest to take measures necessary to prevent an outbreak of END and to comply with APHIS regulations. Should APHIS determine that poultry meat or other poultry products from Sinaloa or Sonora have not met all the conditions of this rule, the poultry meat or other poultry products will be refused entry into the United States.

Therefore, for the reasons given in the proposed rule and in this document, we are adopting the proposed rule as a final rule, without change.

Executive Order 12866 and Regulatory Flexibility Act

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

In accordance with 5 U.S.C. 604, we have performed a final regulatory flexibility analysis regarding the economic effect of this rule on small entities. This analysis also provides a cost-benefit analysis.

In accordance with 21 U.S.C. 111, the Secretary of Agriculture is authorized to promulgate regulations to prevent the introduction or dissemination of the contagion of any contagious, infectious, or communicable disease of animals from a foreign country into the United States.

This final rule relieves certain restrictions on the importation of poultry meat and other poultry products from the States of Sinaloa and Sonora, Mexico, by establishing new conditions for the importation of poultry meat and other poultry products from Sinaloa and Sonora into the United States.

Currently, no poultry slaughter facilities in the States of Sinaloa or Sonora are approved by the Food Safety and Inspection Service (FSIS) of the U.S. Department of Agriculture to export poultry meat or other poultry products to the United States. Poultry processing facilities in Sinaloa and Sonora will need FSIS approval prior to exporting poultry meat or other poultry products to the United States. Further, based on the following analysis, we anticipate that, if and when Mexican facilities receive FSIS approval to export poultry meat or other poultry products to the United States, the economic effect

of those imports on U.S. producers and processors will be minimal.

As part of our analysis, we compared the expected benefits of importing poultry meat and other poultry products from Sinaloa and Sonora to the expected costs resulting from a possible disease outbreak. A qualitative risk assessment prepared by APHIS indicates that the expected costs of disease introduction are likely to be zero, as the imports pose a low probability of causing an outbreak of exotic Newcastle disease (END) in the United States.

The benefits of allowing poultry imports from Sinaloa and Sonora under less restrictive conditions are calculated as the net change in consumer and producer surplus that results from the estimated volume of trade. Assuming that, among other things, poultry meat and other poultry products from Sinaloa and Sonora will be a perfect substitute for domestic poultry meat and other poultry products, it is estimated that the net benefits of the imports will be positive. Allowing importations of poultry meat and other poultry products from Sinaloa and Sonora will cause U.S. farm gate prices to decrease marginally, benefiting U.S. consumers.

Our economic analysis examines the potential economic effects of such imports under low- (100 metric tons per year), medium- (1,000 metric tons per year), and high- (5,000 metric tons per year) volume scenarios. We chose these levels because 5,000 metric tons is the highest volume of poultry meat Mexico has ever exported to the world. Further, recently, there have been years when Mexico has exported no poultry meat. Therefore, we used the above import level scenarios based on Mexico's poultry export history.

For the low-volume scenario, consumer surplus is estimated to increase by \$67,172 (1996 dollars) and producer surplus would decrease by \$67,166, resulting in a net annual benefit of \$6. The price of poultry would fall by \$0.006 per metric ton. The medium-volume scenario shows an increase in consumer surplus of \$671,734, a decrease in producer surplus of \$671,645, and a net benefit of \$89. The price of poultry would decrease by \$0.063 per metric ton. Under the high-volume scenario, consumer surplus would rise by \$3,358,942, and producer surplus would fall by \$3,357,902, for a net benefit of \$1,040. Poultry prices would decrease by \$0.30 per metric ton. It is apparent that expected economic effects are very small for each of the scenarios.

The United States Poultry Market

Since the mid-1960s, there have been dramatic changes in the market structure, production technology, and retail marketing of broiler products. Production efficiency has been increased by continuing improvements in genetics, nutrition, housing, equipment, disease control, and management. Improved production efficiency is demonstrated in the reduction of feed and time required for producing a broiler chicken. Growing a 4.5 lb. broiler in 1940 required 14 weeks and 4 pounds of feed per pound of live bird. Today, the same size bird can be produced in 6.5 weeks with less than 2 pounds of feed per pound of bird.

Managerial decisionmaking has shifted from single proprietorship farming operations to vertically integrated poultry producing-processing-marketing firms, in which production and marketing decisions are centralized in a single entity that is either owned directly or controlled through contracts.

Improvement in poultry house technology enables producers to raise chickens in large confinement units throughout the year, resulting in increased production efficiency and consequent reductions in production cost. By 1995, almost all (99 percent) broilers were produced by vertically integrated companies. In 1978, in the United States, the four largest broiler companies controlled 21.4 percent of national production, and the eight largest broiler companies controlled 36 percent. By 1998 the four largest companies produced approximately 47 percent of national production, while the eight largest companies produced about 63 percent.

The potential economic effects of the importation of poultry meat and other poultry products from the Mexican States of Sinaloa and Sonora on national, regional, and local poultry producers are dependent on a number of factors, such as where the products will be consumed in the United States. While it is currently unknown exactly how poultry meat and other poultry products from Sinaloa and Sonora will enter U.S. marketing and distribution channels and where they would ultimately be consumed, it is likely that they will be shipped by truck through Nogales, AZ. Other U.S. States in the region that could receive poultry from Sinaloa and Sonora are California, New Mexico, and Texas. It is unclear whether poultry from Sinaloa and Sonora will be consumed only in these four States. If poultry from Sinaloa and Sonora were purchased by a local retail chain or

wholesaler, it would likely be consumed regionally. If it were purchased by a national wholesaler, it could be consumed anywhere in the United States. The effect on small producers will be more pronounced if Sinaloa and Sonora imports affect only California, Arizona, New Mexico, and Texas producers. For the purpose of this analysis, we examined both the possibility that poultry meat and other poultry products from Sinaloa and Sonora will be consumed locally in these four southwestern States and also the possibility that they will enter national distribution channels.

The Small Business Administration (SBA) defines small poultry farms (Standard Industrial Code 0251) as those earning less than \$500,000 in annual sales, except for sales of chicken eggs. Industry experts suggest that only those poultry operations producing in excess of 270,000 broiler chickens earn \$500,000 or more in sales annually.

According to the SBA definition, at least 99 percent of poultry farms in Arizona, New Mexico, and Texas and 97 percent of poultry farms in California are small entities. There were 1,241 small poultry farms in the four States in 1997, and only 4 farms with estimated annual revenues greater than \$500,000. For the United States as a whole, in 1997, there were an estimated 10,289 small poultry farms. Although some structural changes may have occurred among broiler producers since the 1997 Census of Agriculture, it can be assumed that poultry farms remain predominantly small entities.

According to the Census of Agriculture, in 1997, Texas' average sales by small poultry farms (\$75,294) were higher than the national average (\$62,714), while sales in California were lower (\$46,855). There are no comparable data for Arizona's and New Mexico's poultry farmers.

Whether we consider the United States as a whole or only selected southwestern States, the overwhelming majority of poultry farms are small entities. It is reasonable to conclude that, if U.S. poultry producers are affected by this rule, a substantial number will be small entities.

Economic Effects on Small Entities

There is no general rule that sets threshold or trigger levels for "significant economic impact;" however, it has been suggested that an economic effect that equals a small business' profit margin—5 to 10 percent of annual sales—could be considered significant.¹

¹ Verkuil, *Duke Law Journal*, 1982.

We used estimated changes in producer surplus together with the 1997 Census of Agriculture data on poultry inventories and poultry sales to develop very rough estimates of the economic effects of this rule on small poultry farmers across the United States and in selected southwestern States. To do this, we assumed that losses in producer surplus are shared equally among all poultry farms in the geographic area under consideration (either the entire United States or selected southwestern States). We then compared per farm changes in producer surplus with small farms' annual sales to determine whether the economic effects approached the 5–10 percent threshold.

If poultry meat and other poultry products from Sinaloa and Sonora enter national distribution channels and, therefore, economic effects are shared by all U.S. producers, there will not be a significant economic effects on small entities no matter which level (low, medium, or high volume) of imports is assumed. Producer surplus losses per U.S. poultry farm will range from \$2 to \$103 per year, and these amounts are substantially less than 1 percent of the typical small poultry farmer's annual sales in every scenario.

If, under the high-volume scenario, the maximum 5,000 metric tons are imported annually from Sinaloa and Sonora and consumed locally in Arizona, California, New Mexico, and Texas, there likely will not be a significant economic effect on small entities no matter which level (low, medium, or high volume) of imports is assumed. Producer surplus losses per poultry farm in the selected southwestern States will range from \$10 to \$488 per year, and these amounts are less than 1 percent of the typical small California or Texas poultry farmer's annual sales in every scenario. Since we have no data available on sales in Arizona and New Mexico, we cannot determine the effect of this rule on producers in those States.

A substantial number (99 percent) of U.S. broiler farms meet the SBA size criteria for designation as small entities. However, this rule is not likely to have a significant economic effect on them. Even under the high-volume import assumption, there will not be a significant economic effect on small U.S. poultry farms, no matter where the Mexican poultry is imported and consumed. Under the most extreme assumptions (imports of 5,000 metric tons and limited geographic area affected), small poultry producers in California and Texas will experience losses in producer surplus equaling less than 1 percent of annual sales, which

does not meet the suggested criteria for significant economic effect. Further, we expect that this action will have a similar effect on small poultry producers in Arizona and New Mexico, though we do not have the data to confirm this.

It is very unlikely that a volume of 5,000 metric tons of poultry meat or other poultry products will be exported from Sinaloa and Sonora to the United States since Mexico is not a major exporter of poultry meat or other poultry products. Mexico had yearly world exports of 5,000 metric tons of poultry meat and poultry products in 1990, 1991, and 1992. However, in 1993, 1994, 1995, Mexico exported no poultry meat and other poultry products, and since 1996 has exported less than 1,000 metric tons of poultry meat and other poultry products annually.

Further, even under the high-volume scenario (5,000 metric tons), Mexico's exports to the United States represent less than .05 percent of total U.S. poultry production (over 14 million metric tons in 1997).

Alternatives Considered

In developing this rule, we considered: (1) Making no changes to the existing regulations governing the importation of poultry meat and other poultry products from Sinaloa or Sonora, Mexico; (2) allowing the importation of poultry meat and other poultry products from Sinaloa and Sonora under conditions different from those set forth in this document; or (3) allowing the importation of poultry and poultry products from Sinaloa and Sonora under the conditions set forth in this document.

We rejected the first alternative because poultry meat and other poultry products from Sinaloa and Sonora appear to present little risk of introducing END into the United States, and taking no action would not be scientifically defensible and would be contrary to trade agreements entered into by the United States. We also rejected the second alternative, which would allow the importation of poultry meat and other poultry products from Sinaloa and Sonora under conditions other than those set forth in this document. In developing the criteria for the importation of such poultry meat and other poultry products, we determined that conditions less stringent than those set forth would present a risk of the introduction of END into the United States via poultry meat or other poultry products from regions of Mexico other than Sinaloa or Sonora. We further concluded that more

stringent conditions would be unnecessarily restrictive.

We consider the conditions set forth by this rule to be both effective and necessary in ensuring that the risk of END introduction via poultry meat and other poultry product imports from Sinaloa and Sonora remains at a negligible level.

This rule contains various recordkeeping requirements, which were described in our proposed rule, and which have been approved by the Office of Management and Budget.

Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule: (1) Preempts all State and local laws and regulations that are inconsistent with this rule; (2) has no retroactive effect; and (3) does not require administrative proceedings before parties may file suit in court challenging this rule.

National Environmental Policy Act

An environmental assessment and finding of no significant impact have been prepared for this rule. The assessment provides a basis for the conclusion that the importation of poultry meat and other poultry products from Sinaloa and Sonora, Mexico, under the conditions specified in this rule will not present a significant risk of introducing or disseminating END into the United States and will not have a significant impact on the quality of the human environment. Based on the finding of no significant impact, the Administrator of the Animal and Plant Health Inspection Service has determined that an environmental impact statement need not be prepared.

The environmental assessment and finding of no significant impact were prepared in accordance with: (1) The National Environmental Policy Act of 1969, as amended (NEPA) (42 U.S.C. 4321 *et seq.*), (2) regulations of the Council on Environmental Quality for implementing the procedural provisions of NEPA (40 CFR parts 1500–1508), (3) USDA regulations implementing NEPA (7 CFR part 1b), and (4) APHIS' NEPA Implementing Procedures (7 CFR part 372).

Copies of the environmental assessment and finding of no significant impact are available for public inspection at USDA, room 1141, South Building, 14th Street and Independence Avenue, SW., Washington, DC, between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays. Persons wishing to inspect copies are requested to call ahead on (202) 690–2817 to facilitate entry into the reading room. In

addition, copies may be obtained by writing to the individual listed under **FOR FURTHER INFORMATION CONTACT.**

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the information collection or recordkeeping requirements included in this rule have been approved by the Office of Management and Budget (OMB) under OMB control number 0579-0144.

List of Subjects in 9 CFR Part 94

Animal diseases, Imports, Livestock, Meat and meat products, Milk, Poultry and poultry products, Reporting and recordkeeping requirements.

Accordingly, we are amending 9 CFR part 94 as follows:

PART 94—RINDERPEST, FOOT-AND-MOUTH DISEASE, FOWL PEST (FOWL PLAGUE), EXOTIC NEWCASTLE DISEASE, AFRICAN SWINE FEVER, HOG CHOLERA, AND BOVINE SPONGIFORM ENCEPHALOPATHY: PROHIBITED AND RESTRICTED IMPORTATIONS

1. The authority citation for part 94 continues to read as follows:

Authority: 7 U.S.C. 147a, 150ee, 161, 162, and 450; 19 U.S.C. 1306; 21 U.S.C. 111, 114a, 134a, 134b, 134c, 134f, 136, and 136a; 31 U.S.C. 9701; 42 U.S.C. 4331 and 4332; 7 CFR 2.22, 2.80, and 371.2(d).

2. A new § 94.22 is added to read as follows:

§ 94.22 Importation of poultry meat and other poultry products from Sinaloa and Sonora, Mexico.

Notwithstanding any other provisions of this part, poultry meat and other poultry products from the States of Sinaloa and Sonora, Mexico, may be imported into the United States under the following conditions:

(a) The poultry meat or other poultry products are derived from poultry born and raised in Sinaloa or Sonora and slaughtered in Sinaloa or Sonora at a federally inspected slaughter plant under the direct supervision of a full-time salaried veterinarian of the Government of Mexico, and the slaughter plant must be approved to export poultry meat and other poultry products to the United States in accordance with 9 CFR 381.196.

(b) If processed, the poultry meat or other poultry products were processed in either Sinaloa or Sonora, Mexico, in a federally inspected processing plant that is under the direct supervision of a full-time salaried veterinarian of the Government of Mexico.

(c) The poultry meat or other poultry products have not been in contact with poultry from any State in Mexico other than Sinaloa or Sonora or with poultry from any other region not listed in § 94.6 as a region where exotic Newcastle disease is not known to exist.

(d) The foreign meat inspection certificate accompanying the poultry meat or other poultry products (required by 9 CFR 381.197) includes statements certifying that the requirements in paragraphs (a), (b), and (c) of this section have been met and, if applicable, listing the numbers of the seals required by paragraph (e)(1) of this section.

(e) The shipment of poultry meat or other poultry products has not been in any State in Mexico other than Sinaloa or Sonora or in any other region not listed in § 94.6 as a region where exotic Newcastle disease is not known to exist, unless:

(1) The poultry meat or other poultry products arrive at the U.S. port of entry in shipping containers bearing intact, serially numbered seals that were applied at the federally inspected slaughter plant by a full-time salaried veterinarian of the Government of Mexico, and the seal numbers correspond with the seal numbers listed on the foreign meat inspection certificate; or

(2) The poultry meat or other poultry products arrive at the U.S. port of entry in shipping containers bearing seals that have different numbers than the seal numbers on the foreign meat inspection certificate, but, upon inspection of the hold, compartment, or container and all accompanying documentation, an APHIS representative is satisfied that the poultry containers were opened and resealed en route by an appropriate official of the Government of Mexico and the poultry meat or other poultry products were not contaminated or exposed to contamination during movement from Sinaloa or Sonora to the United States.

Done in Washington, DC, this 20th day of March 2000.

Bobby R. Acord,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 00-7211 Filed 3-22-00; 8:45 am]

BILLING CODE 3410-34-U

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Parts 303 and 362

RIN 3064-AC38

Activities and Investments of Insured State Banks

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Interim final rule; request for comment.

SUMMARY: The FDIC is adopting a rule on an interim basis to implement certain provisions of the Gramm-Leach-Bliley Act. The interim final rule impacts the FDIC's rules and regulations governing activities and investments of insured state banks. Under the rule, FDIC insured state nonmember banks must file a notice before they may conduct activities as principal through a subsidiary that a national bank can conduct only in a financial subsidiary. State nonmember banks must comply with four requirements to carry out these activities. Also, state nonmember banks along with their insured depository institution affiliates must have received a rating of not less than satisfactory under the Community Reinvestment Act. Under the rule, the FDIC may impose standards and prudential safeguards to insulate the bank from liability for activities of the subsidiary.

DATES: The interim final rule is effective March 11, 2000. Comments must be received by May 22, 2000.

ADDRESSES: Send written comments to Robert E. Feldman, Executive Secretary, Attention: Comments/OES, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429. Comments may be hand delivered to the guard station at the rear of the 17th Street Building (located on F Street), on business days between 7:00 a.m. and 5:00 p.m. Fax number (202) 898-3838; Internet Address: comments@fdic.gov. Comments may be inspected and photocopied in the FDIC Public Information Center, Room 100, 801 17th Street, N.W., Washington, D.C. 20429, between 9:00 a.m. and 4:30 p.m. on business days.

FOR FURTHER INFORMATION CONTACT: Curtis Vaughn, Examination Specialist ((202) 898-6759), Division of Supervision; Linda L. Stamp, Counsel ((202) 898-7310) or Janet V. Norcom, Counsel ((202) 898-8886), Legal Division, FDIC, 550 17th Street, N.W., Washington, D.C. 20429.