

# Rules and Regulations

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## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 1205

[Docket No. AMS-CN-08-0040; CN-08-002]

### Cotton Board Rules and Regulations: Adjusting Supplemental Assessment on Imports (2008 Amendments)

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

**ACTION:** Final rule.

**SUMMARY:** The Agricultural Marketing Service (AMS) is amending the Cotton Board Rules and Regulations by increasing the value assigned to imported cotton for calculating supplemental assessments collected for use by the Cotton Research and Promotion Program. An amendment is required to adjust the assessments collected on imported cotton and the cotton content of imported products to be the same as those paid on domestically produced cotton. In addition, AMS is removing Harmonized Tariff Schedule (HTS) numbers that were absorbed into other HTS categories since the last assessment adjustment.

**DATES:** Effective Date: December 19, 2008.

#### FOR FURTHER INFORMATION CONTACT:

Shethir M. Riva, Chief, Research and Promotion Staff, Cotton and Tobacco Programs, AMS, USDA, Stop 0224, 1400 Independence Ave., SW., Room 2639-S, Washington, DC 20250-0224, telephone (202) 720-6603, facsimile (202) 690-1718, or e-mail at [Shethir.Riva@usda.gov](mailto:Shethir.Riva@usda.gov).

#### SUPPLEMENTARY INFORMATION:

##### Executive Order 12866

This rule has been determined to be not significant for the purpose of Executive Order 12866; and therefore,

has not been reviewed by the Office of Management and Budget (OMB).

##### Executive Order 12988

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. It is not intended to have retroactive effect. This proposed rule would not preempt any state or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The Cotton Research and Promotion Act (7 U.S.C. 2101-2118) ("Act") provides that administrative proceedings must be exhausted before parties may file suit in court. Under Section 12 of the Act, any person subject to an order may file with the Secretary a petition stating that the order, any provision of the plan, or any obligation imposed in connection with the order is not in accordance with law and requesting a modification of the order or to be exempted therefrom. Such person is afforded the opportunity for a hearing on the petition. After the hearing, the Secretary would rule on the petition. The Act provides that the District Court of the United States in any district in which the person is an inhabitant, or has his principal place of business, has jurisdiction to review the Secretary's ruling, provided a complaint is filed within 20 days from the date of the entry of ruling.

##### Background

The Cotton Research and Promotion Act Amendments of 1990 enacted by Congress under Subtitle G of Title XIX of the Food, Agriculture, Conservation, and Trade Act of 1990 (Pub. L. 101-624) on November 28, 1990, contained two provisions that authorized changes in the funding procedures for the Cotton Research and Promotion Program.

These provisions are: (1) The assessment of imported cotton and cotton products; and (2) termination of the right of cotton producers to demand a refund of assessments.

This rule increases the value assigned to imported cotton in the Cotton Board Rules and Regulations (7 CFR 1205.510(b)(2)). The total value is determined by a two-part assessment. The first part of the assessment is levied on the weight of cotton produced or imported at a rate of \$1 per bale of cotton, which is equivalent to 500 pounds, or \$1 per 226.8 kilograms of cotton. The second value is used to

calculate the supplemental assessments on imported cotton and the cotton content of imported products.

Supplemental assessments are levied at a rate of five-tenths of one percent of the value of domestically produced cotton, imported cotton, and the cotton content of imported products. The supplement assessment is combined with the per bale equivalent to determine the total value and assessment of the imported cotton or cotton-containing products.

The Cotton Research and Promotion Rules and Regulations provide for assigning the calendar year weighted average price received by U.S. farmers for Upland cotton to represent the value of imported cotton. This is so that the assessment on domestically produced cotton and the assessment on imported cotton and the cotton content of imported products is the same. The source for the average price statistic is Agricultural Prices, a publication of the National Agricultural Statistics Service (NASS) of the U.S. Department of Agriculture (USDA). Use of the weighted average price figure in the calculation of supplemental assessments on imported cotton and the cotton content of imported products will yield an assessment that is the same as assessments paid on domestically produced cotton.

The current value of imported cotton as published in the Federal Register (68 FR 27898) for the purpose of calculating supplemental assessments on imported cotton is \$0.8267 cents per kilogram. Using the Average Weighted Priced received by U.S. farmers for Upland cotton for the calendar year 2007, the new value of imported cotton is \$0.9874 cents per kilogram or \$0.1607 cents per kilogram more than the previous value.

An example of the complete assessment formula and how the figures are obtained is as follows:

One bale is equal to 500 pounds.

One kilogram equals 2.2046 pounds.

One pound equals 0.453597 kilograms.

##### One Dollar Per Bale Assessment Converted to Kilograms

A 500-pound bale equals 226.8 kg.  $(500 \times .453597)$ .

\$1 per bale assessment equals \$0.002000 per pound (1/500) or \$0.004409 per kg. (1/226.8).

*Supplemental Assessment of 5/10 of One Percent of the Value of the Cotton Converted to Kilograms*

The 2007 calendar year weighted average price received by producers for Upland cotton is \$0.496 per pound or \$1.093 per kg. ( $0.496 \times 2.2046$ ).

Five tenths of one percent of the average price in kg. equals \$0.005465 per kg. ( $1.093 \times .005$ ).

*Total Assessment*

The total assessment per kilogram of raw cotton is obtained by adding the \$1 per bale equivalent assessment of

\$0.004409 per kg. and the supplemental assessment \$0.005465 per kg. which equals \$0.009874 per kg.

The current assessment on imported cotton is \$0.008267 per kilogram of imported cotton. The amended assessment is \$0.009874, an increase of \$0.001607 per kilogram. This increase reflects the increase in the Average Weighted Price of Upland Cotton Received by U.S. Farmers during the period January through December 2007.

Since the value of cotton is the basis of the supplemental assessment calculation and the figures shown in the

right hand column of the Import Assessment Table 1205.510(b)(3) are a result of such a calculation, the figures in this table have been revised. These figures indicate the total assessment per kilogram due for each HTS numbers subject to assessment.

The U.S. Customs and Border Protection informed USDA that several numbers listed in the Import Assessment Table are no longer used or have been combined with other HTS numbers. The HTS numbers that have been removed from the Import Assessment Table are:

5208530000	6109100005	6203424005	6203424050	6204624040	6205202030	6206303020
5210120000	6109100009	6203424010	6203424055	6204624045	6205202035	6206303030
5211210025	6110202065	6203424015	6203424060	6204624050	6205202046	6206303040
5211210035	6110202075	6203424020	6204624005	6204624055	6205202050	6206303050
5211210050	6111206040	6203424025	6204624010	6204624060	6205202060	6206303060
5211290090	6111305040	6203424030	6204624020	6204624065	6205202065	6210405020
5604900000	6115198010	6203424035	6204624025	6205202015	6205202070	6303110000
5702991010	6115929000	6203424040	6204624030	6205202020	6205202075	
5702991090	6115936020	6203424045	6204624035	6205202025	6206303010	

A proposed rule was published on July 24, 2008, with a comment period of July 24 through September 22, 2008 (73 FR 43166). AMS received one comment from a cotton producer association. The comment indicated support of the proposed amendment stating that it would increase the value assigned to imported cotton, and that it is important that domestically produced and imported cotton be assessed equally. The comment also indicated support for removing the HTS numbers that were absorbed into the other HTS categories since the last assessment adjustment.

**Regulatory Flexibility Act and Paperwork Reduction Act**

In accordance with the Regulatory Flexibility Act (RFA) [5 U.S.C. 601–612], AMS has examined the economic impact of this rule on small entities. The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such action so that small businesses will not be unduly or disproportionately burdened. The Small Business Administration defines, in 13 CFR Part 121, small agricultural producers as those having annual receipts of no more than \$750,000 and small agricultural service firms (importers) as having receipts of no more than \$6,500,000. An estimated 13,000 importers are subject to the rules and regulations issued pursuant to the Cotton Research and Promotion Order. Most are considered small entities as defined by the Small Business Administration.

This rule would only affect importers of cotton and cotton-containing products and would raise the

assessments paid by the importers under the Cotton Research and Promotion Order. The current assessment on imported cotton is \$0.008267 per kilogram of imported cotton. The amended assessment is \$0.009874, an increase of \$0.001607, which was calculated based on the 12-month average of monthly weighted average prices received by U.S. cotton farmers. The calculation, and, thus the increase, is dictated by the Cotton Research and Promotion Rules and Regulations, 7 CFR 1205.510. Section 1205.510, “Levy of assessments”, indicates that “the rate of the supplemental assessment on imported cotton will be the same as that levied on cotton produced within the United States.” In addition, section 1205.510 provides that the 12-month average of monthly weighted average prices received by U.S. farmers will be used as the value of imported cotton for the purpose of levying the supplemental assessment on imported cotton.

Under the Cotton Research and Promotion Program, assessments are used by the Cotton Board to finance research and promotion programs designed to increase consumer demand for Upland cotton in the United States and international markets. In 2007, producer assessments totaled \$44 million and importer assessments totaled \$30.4 million. According to the Cotton Board, should the volume of cotton products imported into the U.S. remain at the same level in 2007, one could expect the increased assessment to generate approximately \$5.9 million.

Importers with line items appearing on U.S. Customs and Border Protection documentation with value of the cotton contained therein results of an assessment of two dollars (\$2.00) or less will not be subject to assessments. In addition, imported cotton and products may be exempt from assessment if the cotton content of products is U.S. produced or cotton other than Upland. Importers who import only products that are eligible to be labeled as 100 percent organic under the National Organic Program (7 CFR Part 205) and who are not a split operation, are exempt from payment of assessments.

AMS previously proposed to amend the Cotton Board Rules and Regulations, specifically to adjust the total rate of assessment per kilogram of imported cotton collected under the Cotton Research and Promotion Program, on January 12, 2005 (70 FR 2034). This proposed rule resulted from years of consultation with the industry. In the proposed rule, the total rate of assessment would have been calculated by adding together the \$1 per bale equivalent assessment and the supplemental assessment, and adjusting the sum to account for the estimated amount of U.S. cotton contained in the imported textile products by the estimated average amount of U.S. cotton contained therein. On November 20, 2006, however, AMS withdrew the proposed rule (71 FR 67072) based on a stakeholder comment questioning the data and the calculation of the proposed importer supplemental assessment. After receiving the comment and other available information, the agency did







IMPORT ASSESSMENT TABLE— Continued [Raw cotton fiber]			IMPORT ASSESSMENT TABLE— Continued [Raw cotton fiber]			Aviation and Avionics Branch, AFS-350, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone (202) 493-4922; facsimile (202) 267-5115, e-mail <a href="mailto:kim.a.barnette@faa.gov">kim.a.barnette@faa.gov</a> .
HTS No.	Conv. fact.	Cents/kg.	HTS No.	Conv. fact.	Cents/kg.	
6211320070 ..	0.9763	0.9640	6302910035 ..	1.052	1.0387	
6211330010 ..	0.3254	0.3213	6302910045 ..	1.052	1.0387	
6211330030 ..	0.3905	0.3856	6302910050 ..	1.052	1.0387	
6211330035 ..	0.3905	0.3856	6302910060 ..	1.052	1.0387	
6211330040 ..	0.3905	0.3856	6303910010 ..	0.6429	0.6348	
6211420010 ..	1.0413	1.0282	6303910020 ..	0.6429	0.6348	
6211420020 ..	1.0413	1.0282	6304111000 ..	1.0629	1.0495	
6211420025 ..	1.1715	1.1567	6304190500 ..	1.052	1.0387	
6211420060 ..	1.0413	1.0282	6304191000 ..	1.1689	1.1542	
6211420070 ..	1.1715	1.1567	6304191500 ..	0.4091	0.4039	
6211430010 ..	0.2603	0.2570	6304192000 ..	0.4091	0.4039	
6211430030 ..	0.2603	0.2570	6304910020 ..	0.9351	0.9233	
6211430040 ..	0.2603	0.2570	6304920000 ..	0.9351	0.9233	
6211430050 ..	0.2603	0.2570	6505302070 ..	0.3113	0.3074	
6211430060 ..	0.2603	0.2570	6505901540 ..	0.181	0.1787	
6211430066 ..	0.2603	0.2570	6505902060 ..	0.9935	0.9810	
6212105020 ..	0.2412	0.2382	6505902545 ..	0.5844	0.5770	
6212109010 ..	0.9646	0.9524	*	*	*	
6212109020 ..	0.2412	0.2382	*	*	*	
6212200020 ..	0.3014	0.2976	*	*	*	
6212900030 ..	0.1929	0.1905	Dated: November 13, 2008.			
6213201000 ..	1.1809	1.1660	<b>James E. Link,</b>			
6213202000 ..	1.0628	1.0494	<i>Administrator, Agricultural Marketing Service.</i>			
6213901000 ..	0.4724	0.4664	[FR Doc. E8-27397 Filed 11-18-08; 8:45 am]			
6214900010 ..	0.9043	0.8929	<b>BILLING CODE 3410-02-P</b>			
6216000800 ..	0.2351	0.2321				
6216001720 ..	0.6752	0.6667				
6216003800 ..	1.2058	1.1906				
6216004100 ..	1.2058	1.1906				
6217109510 ..	1.0182	1.0054				
6217109530 ..	0.2546	0.2514				
6301300010 ..	0.8766	0.8656				
6301300020 ..	0.8766	0.8656				
6302100005 ..	1.1689	1.1542				
6302100008 ..	1.1689	1.1542				
6302100015 ..	1.1689	1.1542				
6302215010 ..	0.8182	0.8079				
6302215020 ..	0.8182	0.8079				
6302217010 ..	1.1689	1.1542				
6302217020 ..	1.1689	1.1542				
6302217050 ..	1.1689	1.1542				
6302219010 ..	0.8182	0.8079				
6302219020 ..	0.8182	0.8079				
6302219050 ..	0.8182	0.8079				
6302222010 ..	0.4091	0.4039				
6302222020 ..	0.4091	0.4039				
6302313010 ..	0.8182	0.8079				
6302313050 ..	1.1689	1.1542				
6302315050 ..	0.8182	0.8079				
6302317010 ..	1.1689	1.1542				
6302317020 ..	1.1689	1.1542				
6302317040 ..	1.1689	1.1542				
6302317050 ..	1.1689	1.1542				
6302319010 ..	0.8182	0.8079				
6302319040 ..	0.8182	0.8079				
6302319050 ..	0.8182	0.8079				
6302322020 ..	0.4091	0.4039				
6302322040 ..	0.4091	0.4039				
630242010 ..	0.9935	0.9810				
6302511000 ..	0.5844	0.5770				
6302512000 ..	0.8766	0.8656				
6302513000 ..	0.5844	0.5770				
6302514000 ..	0.8182	0.8079				
6302600010 ..	1.1689	1.1542				
6302600020 ..	1.052	1.0387				
6302600030 ..	1.052	1.0387				
6302910005 ..	1.052	1.0387				
6302910015 ..	1.1689	1.1542				
6302910025 ..	1.052	1.0387				

**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Parts 91 and 105****[Docket No.: FAA-2005-21829; Amendment Nos. 91-305, 105-13]****RIN 2120-AI85****Parachute Equipment and Packing****AGENCY:** Federal Aviation Administration (FAA), DOT.**ACTION:** Final rule.

**SUMMARY:** The FAA is amending the regulations governing the packing interval for certain types of parachutes. Currently, the FAA prohibits most parachutes from being used or carried aboard an aircraft and available for emergency use unless they have been packed within the previous 120 days. New reliability data from the parachute industry and other sources indicate that the packing interval should be increased; therefore, we are lengthening the interval from 120 to 180 days. This final rule revises the parachute packing interval and ensures safe use.

**DATES:** This amendment becomes effective December 19, 2008.

**FOR FURTHER INFORMATION CONTACT:** For technical questions concerning this final rule, contact Kim Barnette, AFS-350, Aircraft Maintenance Division, General

Aviation and Avionics Branch, AFS-350, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone (202) 493-4922; facsimile (202) 267-5115, e-mail [kim.a.barnette@faa.gov](mailto:kim.a.barnette@faa.gov).

For legal questions concerning this final rule, contact Ed Averman, Regulations Division, AGC-210, FAA Office of the Chief Counsel, 800 Independence Avenue, SW., Washington, DC 20591; telephone (202) 267-3147; facsimile (202) 267-7971, e-mail [ed.averman@faa.gov](mailto:ed.averman@faa.gov).

**SUPPLEMENTARY INFORMATION:****Authority for This Rulemaking**

The FAA's authority to issue rules on aviation safety is found in Title 49 of the United States Code. Subtitle I, section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority.

This rulemaking is promulgated under the authority described in Subtitle VII, part A, subpart iii, section 44701. Under that section, the FAA is charged with promoting safe flight of civil aircraft in air commerce by prescribing regulations and minimum standards in the interest of safety for inspecting, servicing, and overhauling aircraft, aircraft engines, propellers, and appliances. This rule is within the scope of that authority because it affects the airworthiness of parachutes used for airborne emergencies and sport applications.

**Background**

The majority of nonmilitary parachutes used in the United States are either sport parachutes or parachutes used for emergency purposes. Nearly all sport parachutes are used for skydiving and use a "dual parachute system." Dual parachute systems contain a "main" parachute and a second parachute called a "reserve" parachute, to be used if the main parachute fails. The other commonly used parachute is a single-unit emergency parachute, often worn in case of emergency when operating special aircraft like gliders or aerobatic airplanes.

The FAA issued a rule in 1978 requiring that all main and most reserve parachutes be packed every 120 days. Before 1978, the FAA required that all parachutes be packed every 60 days. The FAA extended the packing interval to 120 days because new synthetic parachute materials like nylon and Dacron were becoming commonplace. Parachutists had found the synthetic material was just as reliable after being packed for 120 days as it was after 60 days.