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

Animal and Plant Health Inspection Service

9 CFR Part 98

[Docket No. 99–023–1]

Importation of Animal Semen

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Proposed rule.

SUMMARY: We are proposing to amend our regulations concerning the importation of animal semen. Under this proposal, we would eliminate importation requirements for all canine semen from anywhere in the world and for equine semen from Canada. We believe these changes are warranted because canine semen and equine semen from Canada pose no threat of introducing diseases to U.S. livestock. This action would reduce regulatory requirements for the importation of semen while continuing to protect the health of U.S. livestock.

We also propose to require that other animal semen, except for equine semen from Canada, be imported only in shipping containers that bear the official government seal of the national veterinary service of the region of origin. This action would help prevent the importation of animal semen that does not meet the requirements of our regulations.

DATES: We invite you to comment on this docket. We will consider all comments that we receive by March 27, 2000.

ADDRESSES: Please send your comment and three copies to: Docket No. 99–023–1, Regulatory Analysis and Development, PPD, APHIS, Suite 3C03, 4700 River Road, Unit 118, Riverdale, MD 20737–1238. Please state that your comment refers to Docket No. 99–023–1.

You may read any comments that we receive on this docket in our reading room. The reading room is located in room 1141 of the USDA South Building, 14th Street and Independence Avenue, SW., Washington, DC. Normal reading room hours are 8 a.m. to 4:30 p.m., Monday through Friday, except holidays. To be sure someone is there to help you, please call (202) 690–2817 before coming.

APHIS documents published in the **Federal Register**, and related information, including the names of organizations and individuals who have commented on APHIS rules, are available on the Internet at http://www.aphis.usda.gov/ppd/rad/webrepor.html.

FOR FURTHER INFORMATION CONTACT: Dr. Roger Perkins, Senior Staff Veterinarian, National Center for Import and Export (NCIE), VS, APHIS, 4700 River Road Unit 39, Riverdale, MD 20737–1231; (301) 734–8419.

SUPPLEMENTARY INFORMATION:

Background

The regulations in 9 CFR part 98 govern the importation of animal germ plasm to prevent the introduction of contagious diseases of livestock and poultry into the United States. Subparts A and B of part 98 apply to animal embryos, and subpart C (referred to below as ''the regulations'') applies to animal semen.

Canine and Mule Semen

Section 98.30 of the regulations defines terms used in subpart C. We propose to amend the definition of *Animals* in that section by removing dogs and mules from the definition. This change would eliminate importation requirements for canine semen.

We propose this action because canine semen does not pose a threat of introducing diseases to livestock. Further, because mules are sterile hybrids, mule semen is not collected. Therefore, we believe that it is not necessary to continue to regulate these items.

This change would reduce requirements for the importation of canine semen while continuing to protect the health of U.S. livestock.

Equine Semen From Canada

Section 98.36 of the regulations sets forth the requirements for importing animal semen from Canada. We propose to amend this section by eliminating importation requirements for equine semen from Canada.

We propose this action because Canada is free from contagious equine diseases that are transmitted by semen, including dourine and piroplasmosis. We realize that infectious equine anemia occasionally occurs in Canada, but that disease is not transmitted by semen.

If we remove the importation requirements for equine semen from Canada, we would no longer be able to determine whether equine semen imported into the United States from Canada originated in Canada or was imported into Canada from another region. However, equine semen imported into Canada must meet import requirements equivalent to those in place for the importation of equine semen into the United States. Therefore, we have determined that information on the origin of the equine semen imported into the United States from Canada is not necessary.

This change would reduce requirements for the importation of equine semen from Canada while continuing to protect the health of U.S. livestock.

Official Seals on Shipping Containers

We also propose to require that animal semen, except for equine semen from Canada, be imported in shipping containers sealed by an official seal of the national veterinary service of the region of origin and that the seal number of each shipping container be written on the health certificate accompanying the shipment. We also propose to specify that the imported semen must remain in the sealed container until arrival in the United States and, at the U.S. port of entry, an inspector determines that either: (1) The seal numbers on the health certificate and shipping container match; or (2) the seal numbers on the health certificate and shipping container do not match, but an APHIS representative at the port of entry is satisfied that the shipping container contains the semen described on the health certificate, import permit, declaration, and any other accompanying documents. Office International des Epizooties already requires that shipping containers of animal semen be sealed by an official seal of the national veterinary service of the region of origin. Therefore, it is standard industry practice to seal

containers of animal semen for importation into the United States with official seals. As such, we do not believe this change would have a significant effect on exporters or importers.

This action would help inspectors detect shipping containers of imported animal semen that may have been opened, and potentially had their contents removed, replaced, or tampered with, between the time the container was packed and the time it arrived in the United States. Therefore, this action would help prevent the importation of animal semen that does not meet the requirements of our regulations.

Plain Language

On June 1, 1998, President Clinton issued a memorandum requiring agencies to write all documents in plain language. Specifically, for regulations, agencies must use plain language in all proposed rules published in the **Federal Register** after January 1, 1999. Agencies must also use plain language in all final rules published in the **Federal Register** after January 1, 1999, except when the proposed rule was published before January 1, 1999. For existing regulations, the memorandum encourages agencies to rewrite in plain language whenever possible.

We try to make our regulations as clear as possible. With the plain language initiative, we will increase our efforts to use common terms, active verbs, personal pronouns, and short sentences. We will also use special formats, as well as other techniques, to make our regulations easier to understand.

In this proposed rule, we propose to use tables rather than traditional paragraphs for § 98.36. We would like your comments on whether the proposed table format for § 98.36 would make requirements easier to follow. Please send your comments on this issue, and any other discussed in this proposed rule, to the address listed in **ADDRESSES.**

Executive Order 12866 and Regulatory Flexibility Act

This proposed 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.

We propose to amend our regulations for importing animal semen. Under our proposal, we would eliminate importation requirements for canine and mule semen from anywhere in the world and for equine semen from Canada. This means that canine and mule semen from anywhere in the world, and equine semen from Canada, would no longer need an import permit, declaration, health certificate, or other document and would not have to meet any other requirements in our regulations when imported into the United States. We believe these changes are warranted because canine and mule semen from anywhere in the world, as well as equine semen from Canada, pose no threat of introducing diseases to U.S. livestock. This action would reduce requirements while continuing to protect the health of U.S. livestock.

This action would benefit U.S. importers of canine semen from anywhere in the world and equine semen from Canada because it would ease the importation of these products. (This action would have no affect on the importation of mule semen because mule semen is not collected and, therefore, not imported.) As noted above, importers of canine semen from anywhere in the world and equine semen from Canada would no longer need to obtain an import permit, health certificate, or declaration before importing the semen into the United States. This would slightly reduce the time and money required for the importation of these products. The principal monetary savings to affected importers would be the $39.50 per load fee currently charged for a permit to import animal semen into the United States (see table of user fees in 9 CFR part 130.8).

APHIS would also benefit from this action because we would no longer have to use our resources to issue import permits or perform other duties required by the regulations for the importation of canine semen from anywhere in the world or equine semen from Canada.

However, we believe that the benefits of this action would be small because of the apparently small volume of U.S. imports of canine semen from anywhere in the world and equine semen from Canada. Specific data on the volume of these imports is not available, which leads us to believe that the volume of those imports is relatively small. As a point of reference, the value of U.S. imports of bovine semen from all countries of the world in 1998 amounted to approximately $14 million. That means those imports comprised only 0.1 percent of the value of U.S. imports of all products of animal origin from all countries of the world in 1998. Because the volumes of U.S. imports of canine semen and equine semen were not reported as separate categories for 1998, we expect the value of those imports each amounted to less than $14 million.

We also propose to require that other animal semen from anywhere in the world, except for equine semen from Canada, be imported only in shipping containers that bear an official government seal. The seal number of each shipping container would have to appear on the health certificate that accompanies the shipment. This action would help prevent the importation of animal semen that does not meet the requirements of our regulations.

Because it is standard industry practice to seal containers of animal semen for importation into the United States with official seals, we do not believe this change would have a significant impact on exporters, importers, or APHIS. For veterinarians in the country of export, writing the seal numbers of the shipping containers on the health certificate accompanying the shipment and, for APHIS, checking to see that the seal numbers match would require a small amount of time, but we do not believe that would have a significant impact on affected persons.

The Regulatory Flexibility Act requires us to consider the economic impact of our rule changes on small entities. The businesses in the United States that would be affected by the proposed rule change are importers of canine semen from anywhere in the world and equine semen from Canada. The number of these businesses is not known, but there are probably few because of the apparently small volume of U.S. imports of canine and equine semen. Therefore, this action would likely not have an economic effect on a substantial number of U.S. businesses, large or small.

The businesses that would be affected are likely small in size, at least by the standards of the Small Business Administration (SBA). This assumption is based on SBA's information for providers of services involving animal semen, or similar services, in the United States. In 1993, there were 1,671 U.S. firms engaged in buying and/or marketing certain farm products, including animal semen. Of those 1,671 firms, 97 percent had fewer than 100 employees, the SBA's small entity threshold for such firms. In addition, in 1993, there were 6,804 U.S. firms engaged in performing certain services for pets, equines, and other animal specialities, including artificial insemination and breeding services. The per firm sales average of those 6,804 firms was $115,290, a figure well below the SBA's small entity threshold for such firms of $5 million. However, as previously discussed, this proposed rule

is not expected to have a significant economic effect on affected businesses.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action would not have a significant economic impact on a substantial number of small entities.

Executive Order 12988

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. If this proposed rule is adopted: (1) All State and local laws and regulations that are inconsistent with this rule will be preempted; (2) no retroactive effect will be given to this rule; and (3) administrative proceedings will not be required before parties may file suit in court challenging this rule.

Paperwork Reduction Act

This proposed rule contains no new information collection or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

List of Subjects in 9 CFR Part 98

Animal diseases, Imports.

Accordingly, we propose to amend 9 CFR part 98 as follows:

PART 98—IMPORTATION OF CERTAIN ANIMAL EMBRYOS AND ANIMAL SEMEN

1. The authority citation for part 98 would continue to read as follows:

Authority: 7 U.S.C. 1622; 19 U.S.C. 1306; 21 U.S.C. 103–105, 111, 134a, 134b, 134c, 134d, 134f, 136, and 136a; 31 U.S.C. 9701; 7 CFR 2.22, 2.80, and 371.2(d).

2. In § 98.30, the definition of *Animals* would be revised to read as follows:

§ 98.30 Definitions.

* * * * *

Animals. Cattle, sheep, goats, other ruminants, swine, horses, asses, zebras, and poultry.

* * * * *

3. Section 98.35 would be amended as follows:

a. By redesignating paragraphs (d)(7) and (d)(8) as paragraphs (d)(8) and (d)(9), and by adding a new paragraph (d)(7) to read as set forth below.

b. By adding a new paragraph (f) to read as set forth below.

§ 98.35 Declaration, health certificate, and other documents for animal semen.

* * * * *

(d) * * *

(7) The seal number on the shipping container;

* * * * *

(f) All shipping containers carrying animal semen for importation into the United States must be sealed with an official seal of the national veterinary service of the region of origin. The health certificate must show the seal number on the shipping container. The semen must remain in the sealed container until arrival in the United States and, at the U.S. port of entry, an inspector determines that either:

(1) The seal numbers on the health certificate and shipping container match; or

(2) The seal numbers on the health certificate and shipping container do not match, but an APHIS representative at the port of entry is satisfied that the shipping container contains the semen described on the health certificate, import permit, declaration, and any other accompanying documents.

4. Immediately before § 98.36, the heading ''Canada'' would be removed.

5. Section 98.36 would be revised to read as follows:

§ 98.36 Animal semen from Canada.

(a) *General importation requirements for animal semen from Canada.*

If the product is . . .	Then . . .
(1) Equine semen	There are no importation requirements under this part.
(2) Sheep or goat semen	The importer or his agent, in accordance with §§ 98.34 and 98.35 of this part, must present: (i) An import permit; (ii) Two copies of a declaration; and (iii) A health certificate.
(3) Animal semen other than equine, sheep, or goat semen	See paragraph (b) of this section.

(b) *Importation requirements for animal semen other than equine, sheep, or goat semen from Canada.*

If the product is offered for entry at a . . .	And . . .	Or . . .	Then . . .
(1) Canadian land border port listed in § 98.33(b) of this part.	The donor animal was born in Canada or the United States and has never been in a region other than Canada or the United States.	The donor animal was legally imported into Canada, released to move freely in Canada, and has been released in Canada for no less than 60 days.	The importer or his agent, in accordance with § 98.35 of this part, must present: (i) Two copies of a declaration; and (ii) A health certificate.
(2) Canadian land border port listed in § 98.33(b) of this part.	The donor animal does not meet the special conditions listed above in paragraph (b)(1) of this table.		The importer or his agent, in accordance with §§ 98.34 and 98.35 of this part, must present: (i) An import permit; (ii) Two copies of a declaration; and (iii) A health certificate.
(3) Port not listed in § 98.33(b) of this part.			The importer or his agent, in accordance with §§ 98.34 and 98.35 of this part, must present: (i) An import permit; (ii) Two copies of a declaration; and (iii) A health certificate.

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

Bobby R. Acord,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 00–1803 Filed 1–25–00; 8:45 am]

BILLING CODE 3410–34–P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Chapter I

[Docket No. 00–04]

Debt Cancellation Contracts

AGENCY: Office of the Comptroller of the Currency, Treasury.

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The Office of the Comptroller of the Currency (OCC) is seeking comment on whether it is necessary or appropriate to issue regulations governing bank sales of debt cancellation contracts. Currently, no comprehensive Federal regulations specifically govern this activity. The purpose of this request for comments is to help us determine whether to issue a proposed rule covering bank sales of these products.

DATES: Comments must be received by March 27, 2000.

ADDRESSES: Please direct your comments to: Docket No. [00–04], Communications Division, Third Floor, Office of the Comptroller of the Currency, 250 E Street, SW., Washington, DC 20219. You can inspect and photocopy all comments received at that address. In addition, you may send comments by facsimile transmission to FAX number (202) 874–5274, or by electronic mail to REGS.COMMENTS@OCC.TREAS.GOV.

FOR FURTHER INFORMATION CONTACT: Heidi M. Thomas, Senior Attorney, Legislative and Regulatory Activities, at (202) 874–5090.

SUPPLEMENTARY INFORMATION:

Background

Debt cancellation contracts (DCCs) are bank products that are contracts with a borrower providing for the cancellation of the borrower's obligation to repay an outstanding loan upon the occurrence of a certain event, such as the borrower's death or disability.

The authority of national banks to offer DCCs is well established. In 1963, the OCC concluded that offering DCCs was incidental to the express authority of a national bank to make loans, and was therefore a permissible activity pursuant to 12 U.S.C. 24(Seventh). We codified this interpretation in 1971, thus confirming a national bank's authority to sell DCCs. 12 CFR 7.7495 (1972). The Eighth Circuit Court of Appeals upheld the OCC's interpretation in *First National Bank of Eastern Arkansas* v. *Taylor,* 907 F.2d 775, *cert. denied,* 498 U.S. 972 (1990), holding that our construction of the statute was reasonable and that a national bank's ability to sell debt cancellation contracts was within the scope of the bank's powers authorized by 12 U.S.C. 24(Seventh).

In 1996, we amended the rule governing DCCs, which was renumbered as 12 CFR 7.1013, to provide that a national bank may offer DCCs that will cancel a debt obligation upon either the death or disability of the borrower.

Current § 7.1013 states that:

> A national bank may enter into a contract to provide for loss arising from cancellation of an outstanding loan upon the death or disability of a borrower. The imposition of an additional charge and the establishment of necessary reserves in order to enable the bank to enter into such debt cancellation contracts are a lawful exercise of the powers of a national bank.

We further noted that, on a case-by-case basis, we may permit DCCs where the cancellation of the borrower's obligation is triggered by events other than death or disability. 61 FR 4849, 4852 (April 1, 1996).

We have not issued any regulations relating to DCCs since 1996, and there is currently no comprehensive Federal consumer protection scheme that covers national bank offerings of DCCs. The purpose of this advance notice of proposed rulemaking is to request comments on whether we should issue regulations governing DCCs, and if so, what specific provisions we should include in these regulations.

Comment Solicitation

We invite you to comment on all aspects of the issues presented in this advance notice of proposed rulemaking. Specifically:

1. Should we issue regulations governing DCCs that, for example, establish standards for the disclosure of terms, notices, contract termination, contract charges, and dispute resolution?

2. Should we include debt suspension agreements in any regulations covering DCCs?

3. Should we address other areas or issues by regulation? Commenters are invited to provide specific suggestions for provisions that would protect consumers, prohibit abusive practices, and ensure the safety and soundness of national banks.

In addition, commenters are invited to address the impact that a regulation governing DCCs would have on community banks. We recognize that community banks operate with more limited resources than larger institutions and may present a different risk profile. Thus, we specifically request comment on the impact that a regulation governing DCCs would have on community banks' current resources and available personnel with the requisite expertise, and whether the goals of this regulation could be achieved, for community banks, through an alternative approach.

Dated: January 13, 2000.

John D. Hawke, Jr.,

Comptroller of the Currency.

[FR Doc. 00–1748 Filed 1–25–00; 8:45 am]

BILLING CODE 4810–33–P

SMALL BUSINESS ADMINISTRATION

13 CFR Part 121

Small Business Size Regulations; Size Standards for Compliance With Programs of Other Agencies

AGENCY: Small Business Administration.

ACTION: Proposed rule.

SUMMARY: The Small Business Administration (SBA) proposes to amend its size regulations. The proposed amendment requires an agency to consult in writing with SBA before proposing small business size standards for use in its programs, if those size standards are other than those established by SBA. It removes the requirement that the agency have the SBA Administrator's approval for the contemplated size standards prior to the proposed rule. Rather, the agency must seek the SBA Administrator's approval only before it adopts size standards in a final rule. As does the existing regulatory text, the proposed amendment sets forth the minimum information agencies must furnish the SBA Administrator to support its request for approval of its contemplated size standards.

DATES: SBA must receive comments on or before March 27, 2000. SBA will make all public comments available to any person or entity upon request.

ADDRESSES: Address all comments concerning this proposed rule to Gary M. Jackson, Assistant Administrator for Size Standards, Office of Size Standards, 409 3rd Street, SW, Washington, DC 20416.