

upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and car hire agreement under the terms of that agreement, and upon the American Short Line Railroad Association; and that notice of this order be given to the general public by depositing a copy in the Office of the Secretary of the Commission at Washington, D.C., and by filing it with the Director, Office of the Federal Register.

By the Commission, Railroad Service Board, members Joel E. Burns, Lewis R. Teeple and Thomas J. Byrne.

ROBERT L. OSWALD,
Secretary.

[FR Doc.77-1960 Filed 1-19-77;8:45 am]

Title 50—Wildlife and Fisheries

CHAPTER I—U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR

PART 33—SPORT FISHING

Savannah National Wildlife Refuge, Georgia

The following special regulations are issued and are effective on January 1, 1977.

§ 33.5 Special regulations; sport fishing; for individual wildlife refuge areas.

GEORGIA

SAVANNAH NATIONAL WILDLIFE REFUGE

Sport fishing on the Savannah National Wildlife Refuge is permitted only on impounded waters, tidal creeks, ditches and canals in an area comprising 13,000 acres and delineated on a map available at the refuge headquarters and from the office of the Regional Director, U.S. Fish and Wildlife Service, 17 Executive Park Drive, N.E., Atlanta, Georgia 30329. Sport fishing shall be in accordance with all applicable State regulations subject to the following special conditions:

- (1) The sport fishing season on the refuge extends from March 15, 1977 through October 25, 1977.
- (2) Fishing is permitted during daylight hours only.
- (3) Outboard motors prohibited in impounded waters.
- (4) Tidal creeks may be fished from boat only from February 1 through October 25.
- (5) Rod and reel, pole and line, artificial and live baits permitted.
- (6) All areas posted with "closed area signs" are closed to all activities including fishing.

The provisions of these special regulations supplement the regulations which govern fishing on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 33, and are effective through December 31, 1977.

KENNETH E. BLACK,
Regional Director,
Fish and Wildlife Service.

JANUARY 11, 1977.

[FR Doc.77-1923 Filed 1-19-77;8:45 am]

PART 28—PUBLIC ACCESS, USE, AND RECREATION

Wheeler National Wildlife Refuge, Alabama

The following special regulation is issued and is effective on April 1, 1977.

§ 28.28 Special regulations, public access, use, and recreation; for individual wildlife refuge areas.

ALABAMA

WHEELER NATIONAL WILDLIFE REFUGE

With the exception of the display pool adjoining the observation building, the area immediately north of its dike, and along the headquarters shoreline, which are closed to all fishing throughout the year, the area is open to transportation of unstrung bows and arrows when used for fishing in conformance with Alabama State fishing regulations. This regulation effective April 1, 1977 through June 30, 1977.

KENNETH E. BLACK,
Regional Director,
Fish and Wildlife Service.

JANUARY 11, 1977.

[FR Doc.77-1922 Filed 1-19-77;8:45 am]

CHAPTER II—NATIONAL MARINE FISHERIES SERVICE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE

PART 216—REGULATIONS GOVERNING THE TAKING AND IMPORTING OF MARINE MAMMALS

Approval and Review of State Laws and Regulations; Correction

On August 31, 1976, in FR Doc. 76-25514 appearing at page 36659, the Director, National Marine Fisheries Service, published final regulations regarding the approval and review of State laws and regulations governing the taking and importing of marine mammals.

The following amendment is made: On page 36661, in § 216.107, the word "rate" is deleted from the second line.

Dated: January 14, 1977.

JACK W. GEHRINGER,
Deputy Director,
National Marine Fisheries Service.

[FR Doc.77-1826 Filed 1-19-77;8:45 am]

Title 7—Agriculture

CHAPTER VI—SOIL CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE

PART 601—FUNCTIONS

Functions Assigned

On December 17, 1973, there was published in the FEDERAL REGISTER (38 FR 34642) a notice of organization and functions of the Soil Conservation Service, United States Department of Agriculture. This was published in Chapter VI of Title 7 of the Code of Federal Regulations. It is necessary to add the function assigned to the Soil Conservation Service for coordination of the United States Department of Agriculture input to the Coastal Zone Management Pro-

gram administered by the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, Department of Commerce.

The Administrator of the Soil Conservation Service was designated on March 31, 1975, by letter from the Secretary of Agriculture to the Acting Secretary of Commerce, as the USDA representative to coordinate reviews of State coastal zone management plans and associated environmental impact statements within USDA and with the Office of Coastal Zone Management. This publication adds that assignment to the list of functions assigned.

7 CFR 601.1 is amended by adding a new § 601.1(h), reading as follows:

§ 601.1 Functions assigned.

(h) Coordination of Departmental input and assistance to the Office of Coastal Zone Management, Department of Commerce, and to qualifying states and localities in the development, review, and implementation of coastal management programs prepared under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.).

Effective date: January 21, 1977.

R. M. DAVIS,
Administrator.

[FR Doc.77-1820 Filed 1-19-77;8:45 am]

CHAPTER IX—AGRICULTURAL MARKETING SERVICE (MARKETING AGREEMENTS AND ORDERS: FRUITS, VEGETABLES, NUTS), DEPARTMENT OF AGRICULTURE

[Navel Orange Reg. 391, Amdt. 1]

PART 907—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Minimum Size Requirement

This amendment extends the minimum size requirement of 2.32 inches in diameter currently in effect for navel oranges grown in District 2 of the production area, effective January 21, through July 15, 1977. This size requirement is designed to promote orderly marketing in the interest of producers and consumers.

On December 30, 1976, notice was published in the FEDERAL REGISTER (41 FR 56821) regarding a proposed amendment to be made effective pursuant to the marketing agreement, as amended, and Order No. 907, as amended (7 CFR Part 907), regulating the handling of navel oranges grown in Arizona and designated part of California. This notice allowed interested persons 14 days during which they could submit written data, views, or arguments pertaining to this proposed amendment. None were submitted. The amendment was proposed by the Navel Orange Administrative Committee established pursuant to the said marketing agreement and order. This program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674).

This action reflects the Department's appraisal of the need for regulation based on the current and prospective crop and market conditions. Shipment of navel oranges from District 2 of the production area is now in progress, and such navel oranges in fresh domestic shipments are required to be at least 2.32 inches in diameter through January 20, 1977. This amendment extends the effective period of this minimum size requirement through July 15, 1977. The volume and size composition of the navel orange crop grown in District 2 is such that ample supplies of the more desirable sizes of fruit are available to satisfy the demand in regulated channels. The amendment is designed to permit shipment of ample supplies of navel oranges of acceptable sizes in the interest of both growers and consumers, and is necessary to maintain orderly marketing conditions, provide consumer satisfaction, and prevent shipment of fruit of less desirable sizes. Navel oranges which do not meet the minimum size requirement may be shipped to fresh export markets where smaller fruit is in demand, left on the trees to attain further growth, or utilized in processing. The amendment is consistent with the objectives of the act of promoting orderly marketing and protecting the interest of consumers.

After consideration of all relevant matter presented, including the proposal set forth in the aforesaid notice, the recommendation and information submitted by the committee, and other available information, it is hereby found and determined that the amendment, as hereinafter set forth, is in accordance with the provisions of the said amended marketing agreement and order and will tend to effectuate the declared policy of the act.

It is hereby further found that good cause exists for not postponing the effective date of this amendment until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553) in that (1) notice of this proposed amendment was published in the FEDERAL REGISTER and no objections were received; (2) the regulatory provisions in the amendment are the same as those now in effect through January 20, 1977; (3) compliance with these regulatory provisions will not require any special preparation on the part of navel orange handlers which cannot be completed by January 21, 1977; and (4) shipment of navel oranges from District 2 is now in progress, and insofar as practicable, the regulatory provisions should apply to all shipments of such oranges in order to effectuate the declared policy of the act.

Order. The provisions of § 907.691 Navel Orange Regulation 391 (41 FR 54197) are amended to read as follows:

§ 907.691 Navel Orange Regulation 391.

Order. (a) During the period January 21, 1977, through July 15, 1977, no handler shall handle any navel oranges grown in District 2 which are of a size smaller than 2.32 inches in diameter, which shall be the largest measurement

at a right angle to a straight line running from the stem to the blossom end of the fruit: *Provided*, That not to exceed 5 percent, by count, of the navel oranges contained in any type of container may measure smaller than 2.32 inches in diameter.

(b) The terms "handler" and "handle" as used herein shall have the same meaning as is given to the respective terms in said marketing agreement and order.

(Secs. 1-19, 48 Stat. 31, as amended; (7 U.S.C. 601-674).)

Dated, January 17, 1977, to become effective January 21, 1977.

CHARLES R. BRADER,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc. 77-1965 Filed 1-19-77; 8:45 am]

[Navel Orange Reg. 397]

PART 907—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

This regulation fixes the quantity of California-Arizona Navel oranges that may be shipped to fresh market during the weekly regulation period January 21-27, 1977. It is issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and Marketing Order No. 907. The quantity of Navel oranges so fixed was arrived at after consideration of the total available supply of Navel oranges, the quantity currently available for market, the fresh market demand for Navel oranges, Navel orange prices, and the relationship of season average returns to the parity price for Navel oranges.

§ 907.697 Navel orange regulation 397.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 907, as amended (7 CFR Part 907), regulating the handling of Navel oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Navel Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Navel oranges as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) The need for this regulation to limit the respective quantities of Navel oranges that may be marketed from District 1, District 2, and District 3 during the ensuing week stems from the production and marketing situation confronting the Navel orange industry.

(3) The committee has submitted its recommendation with respect to the quantities of Navel oranges that should be marketed during the next succeeding

week. Such recommendation, designed to provide equity of marketing opportunity to handlers in all districts, resulted from consideration of the factors enumerated in the order. The committee further reports that the fresh market demand for Navel oranges improved during the past week. Prices f.o.b. averaged \$3.46 a carton on a reported sales volume of 623 cartons last week, compared with \$3.63 per carton on sales of 685 cartons a week earlier. Track and rolling supplies at 340 cars were up 11 cars from last week.

(ii) Having considered the recommendation and information submitted by the committee, and other available information, the Secretary finds that the respective quantities of Navel oranges which may be handled should be fixed as hereinafter set forth.

(3) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rulemaking procedure, and postpone the effective date of this regulation until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this regulation is based because available and the time this regulation must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Navel oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Navel oranges; it is necessary, in order to effectuate the declared policy of the act, to make this regulation effective during the period herein specified; and compliance with this regulation will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on January 18, 1977.

(b) *Order.* (1) The respective quantities of Navel oranges grown in Arizona and designated part of California which may be handled during the period January 21, 1977, through January 27, 1977, are hereby fixed as follows:

- (i) District 1: 1,121,000 cartons;
- (ii) District 2: 229,000 cartons;
- (iii) District 3: Unlimited movement.

(2) As used in this section, "handled," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in said amended marketing agreement and order.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: January 19, 1977.

CHARLES R. BRADER,
Deputy Director, Fruit and
Vegetable Division, Agricultural
Marketing Service.

[FR Doc.77-2237 Filed 1-19-77; 11:58 am]

PART 981—HANDLING OF ALMONDS GROWN IN CALIFORNIA

Revision of Salable and Reserve Percentages for 1976-77 Crop Year

This action revises the salable and reserve percentages for the 1976-77 crop year to 100 percent and 0 percent, respectively. Currently, salable, reserve and export percentages of 96.8 percent, 3.2 percent and 0 percent, respectively, for California almonds for the 1976-77 crop year are in effect (41 FR 43710). The 1976-77 crop year began July 1, 1976.

The action was unanimously recommended by the Almond Board of California pursuant to the provisions of the marketing agreement, as amended, and Order No. 981, as amended (7 CFR Part 981; 41 FR 26852, 27827, 53650), regulating the handling of almonds grown in California. The marketing agreement and order program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674).

In arriving at its recommendation the Board noted that there is no immediate prospect of selling reserve almonds in new-use outlets. Moreover, shipments of salable almonds during the first five months of the 1976-77 season were greater than handlers expected, and it now appears that trade demand for the entire year will exceed the projections made at the Almond Board meeting July 29, 1976. Thus, the quantity of almonds now held in reserve is needed to fill demand in normal marketing channels. Currently, the reserve percentage is 3.2 percent (8.3 million pounds) of the estimated marketable production of 264 million pounds as estimated by the Board at its July 29, 1976, meeting. The reserve is available to develop new outlets noncompetitive with existing normal domestic and export outlets. However, due to the changing market conditions, the Board has not specified any outlets.

In recommending a salable percentage of 100 percent, the Board, pursuant to §§ 981.47 and 981.49, revised its July estimates on which the percentages currently in effect were based. The Board's estimate of total production remains at 280 million pounds, but the Board lowered its estimate of California 1976 marketable production to 260 million pounds because poor harvest conditions caused a higher than anticipated rate of inedible material. Trade demand for the 1976-77 crop year is now estimated at 230 million pounds—95 million pounds for domestic needs and 135 million pounds for export needs. Previously, the

Board estimated 1976-77 trade demand at 215 million pounds—95 million in domestic markets and 120 million pounds in export. A carryover adjustment of 30 million pounds, instead of 40.7 million pounds, is the result of an estimate of 89 million pounds for desirable handler carryover from the 1976 crop minus the 59 million pounds handlers carried over from the 1975 crop. This carryover adjustment is added to the trade demand estimate to equal 260 million pounds, the quantity of almonds from the estimated marketable production available for trade demand needs. Since the salable percentage is computed as the ratio of the total marketable production, 260 million pounds, to this total, also 260 million pounds, the salable percentage equals 100 percent. The reserve percentage, therefore, equals 0 percent.

After consideration of the Board's recommendation and supporting information, and other available information, it is found that to establish salable, reserve, and export percentages as hereinafter set forth will tend to effectuate the declared policy of the act.

It is also found that, it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice and engage in public rulemaking procedure, and that good cause exists for not postponing the effective time of this action until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553) in that: (1) The relevant provisions of said amended marketing agreement and this part require that salable, reserve and export percentages designated for a particular crop year shall be applicable to all almonds received by handlers for their own accounts during such year; (2) the current crop year began on July 1, 1976, and the percentages established herein will automatically apply to all such almonds beginning with such date; and (3) this action relieves a restriction on handlers.

Therefore, the salable and reserve percentages for almonds received by handlers for their own account during the 1976-77 crop year are established as follows:

§ 981.226. Salable, reserve, and export percentages for almonds during the crop year, beginning July 1 1976.

The salable, reserve, and export percentages during the crop year beginning July 1, 1976, shall be 100 percent, 0 percent and 0 percent, respectively.

NOTE.—It is hereby certified that the economic and inflationary impacts of this regulation have been carefully evaluated in accordance with OMB Circular A-107.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674).

Dated: January 14, 1977.

CHARLES R. BRADER,
Acting Director, Fruit and Vegetable
Division, Agricultural
Marketing Service.

[FR Doc.77-1844 Filed 1-19-77; 8:45 am]

CHAPTER XVII—RURAL ELECTRIFICATION ADMINISTRATION, DEPARTMENT OF AGRICULTURE

PART 1701—PUBLIC INFORMATION

Appendix A—REA Bulletins; Title Insurance

Appendix A to Part 1701, Title 7, is hereby amended to include a new supplement dated January 14, 1977, to REA Bulletin 380-1, Right-of-Way and Title Procedures, Telephone.

The purpose of this supplement is to further reduce the number of instances in which REA requires borrowers to secure title insurance for investments in real estate and improvements thereon which legally are considered part of the realty. Effective with the date of this supplement, REA will require title insurance only in cases in which the borrower's investment in realty is \$250,000 or more. The revised regulation replaces that of April 12, 1966, which requires title insurance in cases in which the real estate investment is \$100,000 or more.

Since this change will result in fewer instances in which title insurance will be required to be obtained by REA borrowers, and thereby benefits borrowers without the imposition of any additional burdens, it is not considered necessary to invite public comment prior to its adoption. However, any comment on the revised requirement may be submitted to the Director, Telephone Operations and Standards Division, Room 1355, South Building, Rural Electrification Administration, U.S. Department of Agriculture, Washington, D.C. 20250, for appropriate consideration in any further revisions. Copies of the new supplement are available from the office named above.

Dated: January 14, 1977.

DAVID A. HAMIL,
Administrator.

[FR Doc.77-1847 Filed 1-19-77; 8:45 am]

Title 20—Employees' Benefits

CHAPTER VI—EMPLOYMENT STANDARDS ADMINISTRATION, DEPARTMENT OF LABOR

SUBCHAPTER A—LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT AND RELATED STATUTES

PART 701—GENERAL: ADMINISTERING AGENCY; DEFINITIONS AND USE OF TERMS

PART 702—ADMINISTRATION AND PROCEDURES

Office of Workers' Compensation Programs; Longshoremen's and Harbor Workers' Compensation

On August 13, 1976, the Employment Standards Administration of the U.S. Department of Labor published a notice of proposed amendments to certain provisions of 20 CFR 701 and 702 in the FEDERAL REGISTER (41 FR 34294). The proposed amendments were intended to clarify and expand certain procedural rules applicable to the filing, processing and adjudication of claims under the

Longshoremen's and Harbor Workers' Compensation Act, 33 U.S.C. 901 et seq., as amended. The notice also established a 30-day comment period, during which time interested persons were invited to submit written comments on the proposal.

The Employment Standards Administration has received comments regarding many of the proposed amendments. No comments were received, however, concerning the proposed amendments to §§ 701.201 or 701.301(a) (5) which would redesignate the Office of Workmen's Compensation Programs as the Office of Worker's Compensation Programs, or to § 702.101 which would establish two new compensation districts—District No. 11 and District No. 12—and change the boundaries of Districts No. 10 and 14. To avoid further delay in effectuating these procedural amendments while considering the comments submitted concerning other amendments, the Employment Standards Administration adopts unchanged the amendments to §§ 701.201, 701.301(a) (5) and 702.101 as set forth in the proposal published in the FEDERAL REGISTER on August 13, 1976 at 41 FR 34294 and 34295 and as set forth below. Section 701.201 and § 701.301(a) (5) will be effective January 21, 1977. To insure the orderly transfer of responsibilities to the newly designated compensation districts and to protect the rights of persons affected by changes in existing boundaries, § 702.101 will be effective on March 1, 1977.

Section 701.201 is amended to read as follows:

§ 701.201 Establishment of the Office of Workers' Compensation Programs.

The Assistant Secretary of Labor for Employment Standards, by authority

vested in him by the Secretary of Labor in Secretary's Order 16-75, 40 FR 55913, established in the Employment Standards Administration (ESA) an Office of Workers' Compensation Programs (OWCP) by Employment Standards Order 2-75, 40 FR 56743. The Assistant Secretary has further designated as the head thereof a Director who, under the general supervision of the Assistant Secretary, shall administer the programs assigned to that Office by the Assistant Secretary.

Section 701.301(a) (5) is amended to read as follows:

§ 701.301 Definitions and use of terms.

(a) * * *

(5) "Office of Workers' Compensation Programs" or "OWCP" or "the Office" means the Office of Workers' Compensation Programs in the Department of Labor, described in § 701.201 of this part. Whenever the term "Office of Workmen's Compensation Programs" appears in this part or in Part 702, it shall have the same meaning as "Office of Worker's Compensation Programs."

Section 702.101 is amended to read as follows:

§ 702.101 Establishment of compensation districts.

Pursuant to section 39(b) of the Longshoremen's and Harbor Workers' Compensation Act, 33 U.S.C. 939(b), the following compensation districts have been established:

- District No. 1. Comprises the States of Massachusetts, Maine, New Hampshire, Vermont, Rhode Island, and Connecticut; with headquarters at Boston, Mass.
- District No. 2. Comprises the States of New York and New Jersey; with headquarters at New York, N.Y.

District No. 3. Comprises the States of Pennsylvania, Delaware, and West Virginia; with headquarters at Philadelphia, Pa.

District No. 4. Comprises the State of Maryland and the District of Columbia; with headquarters at Baltimore, Md.

District No. 5. Comprises the State of Virginia; with headquarters at Norfolk, Va.

District No. 6. Comprises the States of Florida, North Carolina, Kentucky, Tennessee, South Carolina, Georgia, Alabama, and Mississippi; with headquarters at Jacksonville, Fla.

District No. 7. Comprises the States of Louisiana and Arkansas; with headquarters at New Orleans, La.

District No. 8. Comprises the States of Texas, Oklahoma, and New Mexico; with headquarters at Houston, Tex.

District No. 9. Comprises the States of Ohio, Indiana, and Michigan; with headquarters at Cleveland, Ohio.

District No. 10. Comprises the States of Illinois, Minnesota, and Wisconsin; with headquarters at Chicago, Ill.

District No. 11. Comprises the States of Missouri, Iowa, Kansas and Nebraska; with headquarters at Kansas City, Mo.

District No. 12. Comprises the States of Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming; with headquarters at Denver, Colo.

District No. 13. Comprises the States of California, Arizona, and Nevada; with headquarters at San Francisco, Calif.

District No. 14. Comprises the States of Washington, Idaho, Oregon, and Alaska; with headquarters at Seattle, Wash.

District No. 15. Comprises the State of Hawaii; with headquarters at Honolulu, Hawaii.

Signed at Washington, D.C. this 13th day of January 1977.

JOHN C. READ,
Assistant Secretary for
Employment Standards.

[FR Doc.77-2131 Filed 1-19-77;8:45 am]

proposed rules

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

Commodity Credit Corporation

[7 CFR Part 1488]

FINANCING OF SALES OF AGRICULTURAL COMMODITIES

Financing of Export Sales of Agricultural Commodities From Private Stocks Under CCC Export Credit Sales Program (GSM-5)

The Office of the General Sales Manager (OGSM) is proposing to revise the regulations entitled *Financing of Export Sales of Agricultural Commodities from Private Stocks under CCC Export Credit Sales Program (GSM-4, Revision III)* and supplements I, II, and III, thereto, covering beef breeding cattle, dairy breeding cattle, and breeding swine, respectively. This revision includes minor editorial changes and the following proposed major changes:

1. The filing of financing applications and the issuance of financing approvals are eliminated.

2. The interest rate applicable to a particular sale will be the interest rate in effect on the date CCC receives the sale registration request.

Interested persons may participate in this proposed rulemaking by submitting written comments, suggestions, data, views, or arguments to the Assistant Sales Manager, Commercial Export Programs, Office of the General Sales Manager, U.S. Department of Agriculture, 14th Street and Independence Avenue, S.W., Washington, D.C. 20250. Each person submitting a comment should include his name and address, identify the notice (GSM-5), and give reasons for any recommendations. In order to be sure of consideration before final action is taken on this proposal, comments must be received before February 22, 1977. Copies of all written comments received will be available for examination by interested persons in room 4526, South Agriculture Building, 14th Street and Independence Avenue, S.W., Washington, D.C. 20250.

It is proposed to revise Part 1488, Title 7, Code of Federal Regulations, covering the CCC Export Credit Sales Program (GSM-4) published in the FEDERAL REGISTER on April 11, 1975 (40 FR 16322-16333), to read as follows:

Subpart A—Financing of Export Sales of Agricultural Commodities From Private Stocks Under CCC Export Credit Sales Program (GSM-5)

GENERAL

- Sec.
1488.1 General Statement.
1488.2 Definition of terms.

FINANCING EXPORT SALES

- Sec.
1488.3 General.
1488.4 Submission of requests for sale registrations.
1488.5 Acceptance of sales registrations.
1488.6 Amendments to financing agreement.
1488.7 Expiration of period(s) for delivery and/or export.

DOCUMENTS REQUIRED FOR FINANCING

- 1488.8 Documents required after delivery.
1488.9 Evidence of export.

DOCUMENTS REQUIRED AFTER FINANCING

- 1488.10 Evidence of entry into country of destination.

DELIVERY REQUIREMENTS

- 1488.11 Liquidated damages.

BANK OBLIGATIONS AND REPAYMENT

- 1488.12 Coverage of bank obligations.
1488.13 CCC drafts.
1488.14 Interest charges.
1488.15 Advance payment.
1488.16 Liability for payment.

MISCELLANEOUS PROVISIONS

- 1488.17 Assignment.
1488.18 Covenant against contingent fees.
1488.19 Shipments of commodities on vessels calling at Cuban and North Vietnamese ports.
1488.20 Officials not to benefit.
1488.21 Exporter's records and accounts.
1488.22 Communications.

SUPPLEMENT I—BEEF BREEDING CATTLE

SUPPLEMENT II—DAIRY BREEDING CATTLE

SUPPLEMENT III—BREEDING SWINE

Authority: Sec. 5(f), 62 Stat. 1072 (15 U.S.C. 714c), and sec. 4, 80 Stat. 1538 (7 U.S.C. 1707a).

Subpart A—Financing of Export Sales of Agricultural Commodities From Private Stocks Under CCC Export Credit Sales Program (GSM-5)

GENERAL

§ 1488.1 General statement.

(a) Except as otherwise provided in this paragraph (a), the regulations and the supplements thereto contained in this Subpart A supersede the regulations and supplements revised April 1975, and set forth the terms and conditions governing the CCC Export Credit Sales Program (GSM-5). The maximum financing period shall be three years. The regulations and supplements as revised in April 1971 and April 1975, shall remain in effect for all transactions under financing approvals issued thereunder.

(b) Subject to the terms and conditions set forth in this Subpart A, CCC will purchase for cash, after delivery,

the exporter's account receivable arising from the export sale.

(c) The provisions of Public Law 83-664 are not applicable to shipments under this program.

(d) The regulations contained in this Subpart A may be supplemented by additional terms and conditions applicable to specified agricultural commodities and, to the extent that they may be in conflict or inconsistent with any other provisions of this Subpart A, such additional terms and conditions shall prevail.

§ 1488.2 Definition of terms.

As used in this Subpart A and in the forms and documents related thereto, the following terms shall have the meanings assigned to them in this section:

(a) "Account receivable" means the contractual obligation of the foreign importer to the exporter for the port value of the commodity delivered for which the exporter is extending credit to the importer. The account receivable shall be evidenced by documents, in form and substance satisfactory to CCC, establishing the contractual obligation between the U.S. exporter and the foreign importer. The account receivable shall provide for (1) payment of principal and interest in U.S. dollars in the United States, (2) interest in accordance with § 1488.14 and (3) acceleration of payment thereunder in accordance with these regulations.

(b) "Agency or branch bank" means an agency or branch of a foreign bank, supervised by New York State banking authorities or the banking authorities of any other State providing similar supervision, and approved by the Controller, CCC.

(c) "Assistant Sales Manager" means the Assistant Sales Manager, Commercial Export Programs, Office of the General Sales Manager.

(d) "Bank obligation" means an obligation, acceptable to CCC, of a U.S. bank, a foreign bank, an agency or branch bank, to pay to CCC in U.S. dollars the amount of the account receivable, plus interest in accordance with § 1488.14. The bank obligation shall be in the form of an irrevocable letter of credit issued by a U.S. bank or a branch bank, or confirmed or advised by a U.S. bank or an agency or branch bank in accordance with § 1488.12. The bank obligation shall provide for payment under the terms and conditions of the financing agreement and shall be payable not later than the date of expiration of the financing period or of the bank obligation, whichever oc-

curs first, if payment is not received from other sources.

(e) "CCC" means the Commodity Credit Corporation, U.S. Department of Agriculture.

(f) "Carrying charges" means storage, insurance, and interest charges involved in the cost of storing the commodity before delivery as provided for in the sales contract, and other incidental costs as may be approved by the Assistant Sales Manager.

(g) "Commercial risk" means risk of loss due to any cause other than a political risk.

(h) "Date of delivery" means the on-board date of the ocean bill of lading, or the date of airway bill, or, if exported by rail or truck, the date of entry shown on an authenticated landing certificate or similar document issued by an official of the government of the importing country, or, if delivery is before export, the date(s) of the warehouse receipts or other evidence, acceptable to CCC, of delivery of the commodity to a warehouse.

(i) "Date of sale" means the earliest date the exporter has knowledge that a contractual obligation exists with the foreign buyer under which a firm dollar and cent price has been established or a mechanism to establish the price has been agreed upon.

(j) "Delivery" means the delivery required by the export sale contract to transfer to the importer full or conditional title to the agricultural commodity. Delivery before export shall be at a warehouse in the U.S. acceptable to CCC. Delivery at point of export shall be f.a.s. or f.o.b. export carrier at U.S. ports, at U.S. airports, at U.S. border points or exit or, if transshipped through Canada, at ports on the Great Lakes and on the St. Lawrence River.

(k) "Eligible commodities" means agricultural commodities, including eligible cotton, produced in the United States and designated as eligible for export under CCC's Export Credit Sales Program in a USDA announcement. Commodities which have been purchased from CCC are eligible for export as private stocks. Exports of commodities pursuant to any CCC barter contract, PL-480, AID agreement, or direct loan by the Export-Import Bank are not eligible for financing under this program. Commodities delivered prior to CCC receiving the sale registration request in accordance with § 1488.4 are not eligible for financing under this program unless such financing is determined by the Vice President, CCC, or the Assistant Sales Manager to be in the interest of CCC.

(l) "Eligible cotton" means Upland and Extra long staple cotton grown in the United States: *Provided, however*, That reginned or repacked cotton, as defined in regulations of the U.S. Department of Agriculture under the U.S. Cotton Standards Act (7 CFR 28.40), by-products of cotton such as cotton mill waste, motes, and linters, and any cotton that contains any by-products of cotton are not eligible for export financing hereunder. CCC's determination as to the eligibility of cotton shall be final.

(m) "Eligible destination" means the country which is named in the financing agreement and which meets the licensing requirements of the U.S. Department of Commerce.

(n) "Eligible exporter" or "exporter" means a person (1) who is engaged in the business of buying or selling commodities and for this purpose maintains a bona fide business office in the United States, its territories or possessions, and has someone on whom service of judicial process may be had within the United States, (2) who is financially responsible, and (3) who is not suspended or debarred from contracting or participating in any program financed by CCC on the date of issuance of the financing agreement.

(o) "OGSM" means the Office of the General Sales Manager, U.S. Department of Agriculture.

(p) "Financing agreement" means the exporter's request for a sale registration as approved by the Assistant Sales Manager, including the terms and conditions of the regulations in effect on the date of approval.

(q) "Financing period" means the specified number of months over which repayment is to be made. Such period shall start on the date of delivery or the weighted average delivery date of the commodities to be exported under the financing agreement and shall expire on the expiration of the bank obligation or the specified period over which repayment is to be made, whichever occurs first.

(r) "Foreign bank" means a bank which is not a U.S. bank or an agency or branch bank, but includes a foreign branch of a U.S. bank.

(s) "Foreign importer" or "importer" means the foreign buyer who purchases the commodities to be exported under a financing agreement and executes the documents evidencing the account receivable assigned to CCC.

(t) "GSM-5" means the regulations contained in this Subpart A, and supplements thereto, setting forth the terms and conditions governing the CCC Export Credit Sales Program.

(u) "Political risk" means risk of loss due to (1) inability of the foreign bank through no fault of its own to convert foreign currency to dollars, or (2) non-delivery into the eligible destination of the commodity covered by a financing agreement through no fault of the foreign bank or importer or exporter, because of the cancellation by the government of the eligible destination of the previously issued valid authority to import such shipment into the eligible destination, or because of the imposition of any law or of any order, decree, or regulation having the force of law which prevents the import of such shipment into the eligible destination, or (3) inability of the foreign bank to make payment due to war, hostilities, civil war, rebellion, revolution, insurrection, civil commotion, or other like disturbance occurring in the eligible destination, or expropriation, confiscation, or other like action by the government of the eligible

destination country, or (4) failure of the foreign bank to make payment for any reason, if it is an instrumentality of or is wholly owned by the foreign government.

(v) "Port value" means the net amount of the exporter's sale price of the commodity to be exported under the financing agreement, basis f.a.s. or f.o.b. export carrier at U.S. ports, at U.S. border points of exit, at U.S. airports if shipped by air, or if transshipped through Canada, at ports on the Great Lakes or on the St. Lawrence River. The port value shall not include ocean freight for a c.&f. sale or ocean freight and marine and war risk insurance for a c.i.f. sale but may include carrying charges as provided for in the sales contract. The net amount of the exporter's sales price means the exporter's contract price for the commodities, on the basis stated above, less any payments made to the exporter and less any discounts, credits, or allowances by the exporter.

(w) "Sale" means a contract to sell on credit U.S. agricultural commodities to be financed under GSM-5.

(x) "United States" means the 50 States, the District of Columbia, and Puerto Rico.

(y) "U.S. bank" means a bank organized under the laws of the United States, a State, or the District of Columbia.

(z) "USDA announcement" means an announcement published monthly by the U.S. Department of Agriculture (USDA), and which includes the list of eligible commodities and interest rates under GSM-5.

(aa) "Vice President, CCC" means the Vice President who is the General Sales Manager, Office of the General Sales Manager.

FINANCING EXPORT SALES

§ 1488.3 General.

When considering the extension of CCC credit for the purpose of financing agricultural commodities, CCC will take into account the extent to which CCC credit financing will:

(1) Permit U.S. exporters to meet competition from other countries.

(2) Prevent a decline in U.S. commercial export sales.

(3) Substitute commercial dollar sales for sales made pursuant to Pub. L. 480 or other concessional programs.

(4) Result in a new use of the agricultural commodity in the importing country.

(5) Permit expanded consumption of agricultural commodities in the importing country and thereby increase total commercial sales of agricultural commodities to the importing country.

§ 1488.4 Submission of requests for sale registrations.

(a) An eligible exporter shall submit a request for a sale registration for financing to the office specified in § 1488.22.

(b) Requests for sale registrations shall be in writing. If such a request is made by telephone, it must be confirmed by letter or wire.

(c) The total amount requested to be registered under a sale shall not exceed the sale contract value, including the upward tolerance, if any.

(d) Requests for sale registration shall incorporate by reference all terms and conditions of GSM-5. The following information shall also be included in the exporter's request for a sale registration:

(1) The name, class, grade, or quality, as applicable, and quantity of the commodity to be exported.

(2) The country of destination.

(3) The port value of the commodity to be exported and the sale contract tolerance, if applicable.

(4) The date of sale and exporter's sale number.

(5) The date of delivery or the period for delivery and the month in which application for payment will be submitted.

(6) The financing period.

(7) Whether the bank obligation assuring payment of the account receivable will be issued by a U.S. bank, branch bank, or foreign bank. If it will be issued by a foreign bank, its name and address, and the name of the confirming U.S. bank, branch bank, or agency bank (if approved as provided in § 1488.12b), and the percentage of confirmation.

(8) The name and address of the foreign importer.

(9) If delivery of the commodity to be exported is before export, the name and address of the warehouse to which delivery is to be made.

(10) If the commodity will be sold through an intervening purchaser, the name and address of the intervening purchaser, and a statement that the sale of the commodity is or will be conditioned on its resale by the intervening purchaser and that the commodity will be shipped directly to the foreign importer in the destination-country specified in paragraph (d) (2) of this section pursuant to a contract in which the foreign importer agrees to pay the U.S. exporter the amount to be financed in accordance with the terms of GSM-5 financing agreement.

(11) Any additional information as determined by CCC.

§ 1488.5 Acceptance of sale registrations.

(a) Upon receiving a request for a sale registration complying with the applicable provisions of this Subpart, the Assistant Sales Manager may approve the registration of the sale. If approved, the exporter will be notified in writing of the financing agreement number which will constitute notice that the sale is registered and eligible for financing.

(b) A sale entered into prior to the date that financing becomes available will not be eligible for financing unless such sale is made contingent upon the availability of CCC credit or unless CCC determines that acceptance of such sale would be in the interest of the program objectives.

(c) CCC reserves the right to reject any and all requests for sale registration.

(d) The registration of a sale shall create a financing agreement between the exporter and CCC which shall consist of

the exporter's request for a sale registration, CCC's acceptance of the sale registration, the applicable terms and conditions of this Subpart, including amendments and supplemental announcements hereunder which are in effect on the date of approval.

(e) The financing agreement may contain such terms and conditions, not inconsistent with GSM-5, as are deemed necessary in the interest of CCC.

(f) An exporter shall promptly notify the Assistant Sales Manager when he is unable to fulfill his obligations under any sale registered with CCC.

§ 1488.6 Amendments to financing agreement.

The financing agreement may be amended provided such amendment is in conformity with GSM-5 at the time of amendment and is determined to be in the interest of CCC. Amendments may include extension of the period for delivery or the period for export, and change in the interest rate. After the commodity has been delivered, CCC will consider requests to increase the amount of the sale registration value for any quantity within the tolerance in the sales contract and for carrying charges provided such requests relate to the same sale as originally registered with CCC.

§ 1488.7 Expiration of period(s) for delivery and/or export.

(a) Unless delivery by the exporter to the importer is made within such period as may be provided in the financing agreement or any amendment thereof, or under paragraph (b) of this section, the financing agreement will no longer be valid.

(b) If the Assistant Sales Manager determines that delay in delivery was due solely to causes without the fault or negligence of the exporter, the period for delivery may be extended by CCC by the period of such delay.

(c) If delivery is made before export under the terms of the financing agreement, failure to export within the period specified therefor in the financing agreement shall constitute a breach of the financing agreement. In such case, if full payment under the bank obligation or account receivable has not been received, the account receivable and the bank obligation shall, at the option of the Assistant Sales Manager, become immediately due and payable, and liquidated damages shall be payable in accordance with § 1488.11.

DOCUMENTS REQUIRED FOR FINANCING

§ 1488.8 Document required after delivery.

(a) CCC will purchase an exporter's account receivable only if the Treasurer, Commodity Credit Corporation, United States Department of Agriculture, Washington, D.C. 20250, receives the documents specified in paragraphs (b) through (e) of this section within forty-five days, or any extension thereof by the Treasurer or Assistant Treasurer, CCC, after date of delivery of commodities exported or to be exported under the financing agreement.

(b) The exporter shall submit a "Combined Application for Disbursement, Assignment of Account Receivable and Certification" which shall include:

(1) A written application for disbursement, showing the financing agreement number and the port value of the commodity delivered.

(2) An assignment of the account receivable arising from the export sale, in form and substance acceptable to CCC.

(3) The exporter's certification (i) that he has entered into a contract to sell an eligible commodity; (ii) of the date of sale, the grade, quality, quantity, agreed upon price for the commodity and payment terms and interest in accordance with the financing agreement; (iii) that he has in his files documents evidencing the export sale contract and the obligation of the importer to him for the financed portion of the export sale and will retain and furnish them to CCC on demand until 3 years after the end of the financing period; (iv) that agricultural commodities of the grade, quality, and quantity called for in the exporter's sale as registered with CCC have been delivered to the foreign importer; and (v) that he knows of no defenses to the account receivable assigned to CCC.

(c) A copy of the sales invoice to the foreign importer, or, if the commodity has been sold through an intervening purchaser, a copy of the exporter's sales invoice to the intervening purchaser and of the intervening purchaser's sales invoice to the foreign importer.

(d) Either (1) a copy of the document evidencing export provided for in § 1488.9 and, if the consignee is other than the foreign importer named in the financing agreement, such additional information as CCC may request to show that export was made in accordance with the instructions of, or the export sale contract with, the foreign importer, or (2) if delivery is before export, documents acceptable to CCC evidencing delivery of the commodity to the importer or his agent.

(e) A bank obligation or obligations in accordance with § 1488.7(c), § 1488.10, § 1488.12 and paragraph (i) of this section, naming CCC as beneficiary, in form and substance acceptable to CCC, covering the amount of the application for disbursement, citing the financing agreement number; and providing for the payment of interest in accordance with § 1488.14.

(f) On receipt of the documents described in paragraphs (b) through (e) of this section, the Treasurer, CCC will pay promptly to the exporter the amount of the account receivable or the dollar amount of sales registered in accordance with § 1488.5, whichever is the lesser.

(g) If an acceptable application for disbursement and the supporting documents described in paragraphs (b) through (e) of this section have not been received by CCC within 45 days from the date of the delivery, or any extension thereof by the Treasurer or Assistant Treasurer, CCC, the financing agreement shall be void.

(h) If, under the financing agreement, delivery is made before export,

documents evidencing export as provided in § 1488.9 shall be submitted to the Assistant Sales Manager within 20 days after delivery to export carrier.

(i) If for any reason a draft drawn under a foreign bank obligation is dishonored or if the issuing bank is insolvent, in bankruptcy, in receivership, or in liquidation, or has made an assignment for the benefit of creditors, or for any other reason discontinues or suspends payments to depositors or creditors, or otherwise ceases to operate on an unrestricted basis, any balance due on the account receivable assured by the obligation issued by such bank shall, at the option of CCC, become immediately due and payable. CCC may permit the substitution of another acceptable foreign bank obligation covering such balance due if confirmed in accordance with § 1488.12.

§ 1488.9 Evidence of export.

(a) If the commodity is exported by rail or truck, the exporter shall furnish to the Treasurer, CCC, one copy of the bill of lading covering the commodity exported, certified by the exporter as being a true copy, and an authenticated landing certificate or similar document issued by an official of the government of the country to which the commodity is exported, showing the quantity, the gross landed weight of the commodity, the place and date of entry, and the name and address of both the exporter and the importer.

(b) If the commodity is exported by ocean carrier, the exporter shall furnish to the Treasurer, CCC, one non-negotiable copy or photo copy or other type of copy of either (1) an on-board ocean bill of lading or (2) an ocean bill of lading with an onboard endorsement, dated and signed or initialed on behalf of the carrier. The bill of lading must be certified by the exporter as being a true copy and must show the quantity, the date and place of loading the commodity, the name of the vessel, the destination of the commodity and the name and address of both the exporter and the importer.

(c) If the commodity is exported by aircraft, the exporter shall furnish to the Treasurer, CCC, one non-negotiable copy of an airway bill, dated and signed or initialed on behalf of the carrier. The airway bill must be certified by the exporter as being a true copy and must show the date and place of loading the commodity, the name of the airline, the destination of the commodity, and the name and address of both the exporter and the importer.

(d) If the exporter is unable to supply documentary evidence of export as specified in this section, he shall submit such other documentary evidence as may be acceptable to CCC.

(e) For commodities transshipped through Canada via the Great Lakes or the St. Lawrence River, the exporter shall certify that the commodity transshipped was produced in the United States.

DOCUMENTS REQUIRED AFTER FINANCING

§ 1488.10 Evidence of entry into country of destination.

(a) Commodities exported under a financing agreement must enter the destination country specified in the financing agreement.

(b) For a financing agreement under which the financing period is in excess of 12 months, within 90 days, or such extension of time as may be granted in writing by the Assistant Sales Manager, following shipment from the United States of any agricultural commodity exported under the financing agreement, the exporter shall furnish to the office specified in § 1488.22, documentary evidence verifying entry of the commodity into the country of destination specified in the financing agreement. The documentary evidence must (1) identify the agricultural commodity (or permit identification through supplementary documents also furnished) as that exported under the financing agreement, (2) state the quantity and date of entry of the commodity into the destination country, and (3) be signed by (i) a customs official of the destination country, or (ii) the importer, or (iii) a representative of an independent superintending or controlling firm.

(c) When the commodity enters the country of destination in bond, a statement by the importer may be acceptable which (1) identifies the commodity as that exported under the financing agreement, (2) states the quantity of the commodity entered under bond and date of entry into the destination country, and (3) certifies that the commodity will be withdrawn from bonded storage at a later date for consumption in the destination country.

(d) If the evidence of entry is in other than the English language, the exporter shall also provide an English translation thereof.

(e) Failure to furnish, within the time specified, evidence of entry of the commodity into the country of destination shall constitute prima facie evidence of failure to enter or to cause the entry of the commodity into such country as required. In such case, the financing agreement may be terminated by the Assistant Sales Manager, and if full payment under the bank obligation or account receivable has not yet been received, the bank obligation and the account receivable shall at the option of CCC, become due and payable and liquidated damages shall be payable in accordance with § 1488.11. The remedy herein provided shall not be exclusive of other rights available to the Federal Government if the commodity enters a country other than that specified in the financing agreement.

DELIVERY REQUIREMENTS

§ 1488.11 Liquidated damages.

Failure of the exporter to export or cause to be exported, within the period provided therefor, any agricultural com-

modity financed, when delivery is made before export under the terms of the financing agreement, or failure of the exporter to enter or cause the entry of, such commodity into the country of destination, shall constitute a breach of the financing agreement which will result in serious and substantial damage to CCC and to its program. Since it will be difficult, if not impossible, to prove the exact amount of such damage, the exporter shall pay to CCC promptly on demand, as reasonable compensation and not as a penalty, liquidated damages in lieu of probable actual damages, as follows: (a) For each day of delay in exportation after the final date for exportation, when delivery is made before export under the terms of the financing agreement, .15 percent of the amount financed under the financing agreement for the commodity not exported; (b) for failure to export or cause exportation, when delivery is made before export under the terms of the financing agreement, 5 percent of the amount financed under the financing agreement for the commodity not exported; (c) for failure, after exportation, to enter or cause the entry of the commodity into the country of destination, at the rate of 5 percent a year of the amount financed under the financing agreement for such commodity from the start of the financing period until payment to CCC of the amount financed; *Provided however*, That the aggregate of all amounts assessed under this § 1488.11 with respect to the same commodity shall not exceed 5 percent of the amount financed for such commodity. Liquidated damages shall not be assessed: under paragraph (a) of this section if the Assistant Sales Manager determines that the delay was due to such causes as acts of God or government or public enemy, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or unusually severe weather; under (b) of this section if the Assistant Sales Manager determines that failure to export was due to loss, damage, destruction or deterioration of the commodity or act of God or government or public enemy; and under paragraph (c) if this section if the Assistant Sales Manager determines that failure to enter or cause the entry of the commodity into the country of destination was due to loss, damage, destruction or deterioration of the commodity or act of God or government or public enemy.

BANK OBLIGATIONS AND REPAYMENT

§ 1488.12 Coverage of bank obligations.

(a) U.S. banks and branch banks shall be liable without regard to risk for payment of bank obligations issued by them.

(b) An obligation issued by a foreign bank must be confirmed and advised, as provided in paragraphs (c), (d), (e), and (f) of this section, by a U.S. bank or a branch bank, or may be confirmed by an agency bank when determined by

the President or Vice President, CCC, after consultation with the Controller, CCC, to be in the interest of CCC.

(c) A U.S. bank must confirm the full amount of an obligation issued by its foreign branch. CCC will hold the U.S. bank liable for payment without regard to risks.

(d) If a branch bank confirms an obligation issued by its home office, or by another branch of its home office, it must confirm the full amount thereof. CCC will hold the branch bank liable for payment without regard to risks.

(e) If CCC accepts an agency bank confirmation of a foreign bank obligation, it must be for the full amount thereof without regard to risks and will be subject to such terms and conditions as may be contained in the financing agreement. CCC will not accept an agency bank confirmation of an obligation issued by its home office, or by a branch of its home office.

(f) Except as provided in paragraphs (c) and (d) of this section, if a U.S. bank or a branch bank confirms an obligation issued by a foreign bank, it must confirm at least 10 percent pro rata and must advise the remainder of the foreign bank obligation. The percentage of confirmation shall be the same for both the account receivable and the interest portions of the obligation. For the confirmed amount, CCC will hold the U.S. bank or branch bank liable for commercial risks but not for political risks. For the advised amount, CCC will not hold the U.S. bank or branch bank liable without regard to risks for all amounts not recovered from the U.S. or branch bank.

(g) Under special circumstances, on application in writing, the Vice President, CCC, may reduce or waive requirement for 10 percent confirmation by a U.S. or branch bank, but a bank will not be relieved of any obligation it undertakes.

(h) Any bank obligation which provides for a bank acceptance of a time draft by CCC (banker's acceptance) shall not be acceptable to CCC.

(i) CCC will consent to cancellation or reduction of a bank obligation to the extent of any payment it receives from other sources of amounts otherwise payable under such bank obligation.

(j) Collection of accounts receivable purchased under GSM-5 will be effected through the issuance by CCC of sight drafts against the bank obligations, but this method of collection shall not be exclusive of any other collection procedures or rights available to CCC.

§ 1488.13 CCC drafts.

CCC will draw one draft for each payment due under bank obligations. If any portion of a CCC draft is dishonored, the U.S. bank or branch bank shall return the dishonored draft together with its statement of the reason for non-payment. If a draft which is drawn under a partially confirmed bank obligation is dishonored, CCC will replace the draft with separate drafts for the

confirmed and unconfirmed portions at the request of the confirming bank. Such replacement shall not alter the confirming bank's obligation for timely payment to CCC of the confirmed portion of the credit. For confirmed amounts, except as provided in § 1488.12 (c) and (d), a U.S. or branch bank may request refund from CCC of the amount paid if it certifies to CCC that it is unable to recover funds from the foreign bank due to a stipulated political risk which existed on the date payment was made to CCC under the draft. If CCC finds that inability to recover funds was due to such a political risk, the refund shall be promptly made together with interest at the Federal Reserve Bank of New York discount rate from and including the date payment was originally made to CCC but not include the date of refund by CCC. For unconfirmed amounts, remittance to CCC shall be considered final, and the U.S. bank or branch bank shall not thereafter have recourse to CCC.

§ 1488.14 Interest charges.

The account receivable assigned to CCC and the related bank obligation(s) shall bear interest as specified in this section. Rates of interest applicable to financing agreements shall be published in a USDA announcement. The interest rate applicable to that portion of an account receivable for which payment is assured by a bank obligation issued or prorata confirmed by a U.S. bank shall be lower than the interest rate applicable for the remainder of the account receivable. The interest rate applicable to that portion of an account receivable the payment of which is assured by a bank obligation issued or prorata confirmed by a branch bank shall, when determined by the President or Vice President, CCC, after consultation with the Controller, CCC, to be in the interest of CCC, be lower than the interest rate applicable for the remainder of the account receivable. The interest rates applicable to accounts receivable the payment of which is assured by an agency bank confirmation may, when determined by the President or Vice President, CCC, after consultation with the Controller, CCC, to be in the interest of CCC, be lower than the interest rate applicable for the remainder of the account receivable. The interest rate applicable will be the rate in effect on the date CCC receives the sale registration request under § 1488.4. Interest shall accrue on the account receivable from the date of delivery or the weighted average delivery date of the agricultural commodities delivered under the financing agreement to the date of payment, or to the date of expiration of the financing period, or to the date of expiration of the bank obligation, whichever occurs first, and shall be payable as specified in the financing agreement. Thereafter, interest shall accrue on any unpaid part of both the principal and interest due as of such expiration date.

§ 1488.15 Advance payment.

If, before expiration of the financing period, the exporter or the U.S. bank or the agency or branch bank accepts payment from or on behalf of the foreign importer of any part of the account receivable, it shall be remitted promptly to CCC. Such prepayment shall be applied first to interest on the unpaid balance of the account receivable to the date CCC receives such prepayment and then to the principal.

§ 1488.16 Liability for payment.

If delivery is made within the coverage of the bank obligation(s) submitted in accordance with § 1488.8, CCC will look to the obligating bank or banks and the foreign importer, rather than to the exporter or intervening purchaser, for payment of all amounts due at maturity of the account receivable and of the bank obligation(s), but the exporter and the intervening purchaser shall remain liable for any loss arising from breach of any contractual obligation, certification or warranty made by them pursuant to the financing agreement, and the exporter shall remain liable for any amounts not covered by the bank obligation which are owing to CCC, and any remittance or refund required by § 1488.15 and § 1488.18, together with interest thereon at the rate specified in the documents evidencing the account receivable, as well as for any liquidated damages provided for in § 1488.11. The liability of the bank and the importer under their respective obligations shall be several.

MISCELLANEOUS PROVISIONS

§ 1488.17 Assignment.

The exporter shall not assign any claim or rights or any amounts payable under the financing agreement, in whole or in part, without written approval of the Vice President, CCC, or the Controller, CCC.

§ 1488.18 Covenant against contingent fees.

The exporter warrants that no person or selling agency has been employed or retained to solicit or secure the financing agreement on an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the exporter for the purpose of securing business. For breach or violation of this warranty, CCC shall have the right, without limitation on any other rights it may have, to annul the financing agreement without liability to CCC. Should the financing agreement be annulled, CCC will promptly consent to the reduction or cancellation of related bank obligations except for amounts outstanding under a financing agreement. Such amounts shall, on demand, be refunded to CCC by the exporter.

§ 1488.19 Shipment of commodities on vessels calling at Cuban and North Vietnamese ports.

Any commodity exported under a financing agreement shall not be shipped from the United States, or transshipped through Canada via ports on the Great Lakes or on the St. Lawrence River, on a vessel which has called at a Cuban port on or after January 1, 1963, or at a North Vietnamese port on or after January 25, 1966, unless a special waiver is granted by the Maritime Administration. Commodities shipped on such vessel shall not be considered to have been exported under the financing agreement.

§ 1488.20 Officials not to benefit.

No member of or delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of the financing agreement or to any benefit that may arise therefrom, but this provision shall not be construed to extend to the financing agreement if made with a corporation for its general benefit.

§ 1488.21 Exporter's records and accounts.

CCC shall have access to and the right to examine any directly pertinent books, documents, papers and records of the exporter involving transactions related to the financed export credit sale until the expiration of three years after the end of the financing period.

§ 1488.22 Communications.

(a) Unless otherwise provided, written requests, notifications, or communications by the applicant pertaining to the financing agreement shall be addressed to the Assistant Sales Manager, Commercial Export Programs, Office of the General Sales Manager, U.S. Department of Agriculture, Washington, D.C. 20250.

SUPPLEMENT I—BEEF BREEDING CATTLE

Section

- A. Additional definitions.
- B. Submission of requests for sale registrations.
- C. Additional documents required after delivery.
- D. Miscellaneous (identification, quality, certification).
- E. Dual purpose breeds (standards applicable).
- Exhibit I—Females (general breed and health requirements).
- Exhibit II—Bulls (general breed and health requirements).
- Appendix I—Performance Testing.
- Appendix II—Specification for Official U.S. Standards for Grades.

A. ADDITIONAL DEFINITIONS

1. "Port value" means the net amount of the exporter's sales price for beef breeding cattle to be exported under the financing agreement, basis f.a.s. or f.o.b. export carrier at U.S. ports, at U.S. border points of exit, or at U.S. airports if shipped by air. The point of exportation for animals shall be designated by the Animal and Plant Health Inspection Service (APHIS), U.S. Department of Agriculture. The port value shall not include the ocean freight for a c. & f. sale or ocean freight and marine and war risk insurance for a c.i.f. sale, and shall also not include any animal care or servicing cost

incurred after such animals are loaded aboard the export carrier. The net amount of the exporter's sales price means the contract price for the animals less any payments made by the importer and less any discounts, credits, or allowances to the importer. Such net amount shall not exceed (a) for registered bulls, \$2000 each or, with prior approval of the Assistant Sales Manager for Commercial Export Programs, \$5,000 if performance has been superior to the performance records specified in Exhibit II to this supplement; (b) for registered females, \$1,000 each or, with prior approval of the Assistant Sales Manager for Commercial Export Programs, \$1,500 if performance has been superior to the performance records specified in Exhibit I to this supplement; (c) for nonregistered females, and average, for the sale, of \$750 each or, with prior approval of the Assistant Sales Manager for Commercial Export Programs, \$1,000 if performance has been superior to the performance records specified in said Exhibit I. The difference, if any, between the maximum net amount specified in (a), (b), or (c) of this paragraph A.1. and the contract price for the individual animal, if registered, or the average contract price for the individual animal, if nonregistered, shall not be included as part of the port value.

2. "Producer" means the person holding legal title to the animal at time of birth and who has had continuous ownership of such animal until sold for export under an approved financing agreement.

3. "Bred female" means either a bred heifer or bred cow as set forth in Exhibit I, Option B, which has been certified to as pregnant at the time of inspection.

4. "Breeder" means the person holding legal title to the female animal at the time she was served to qualify such animal hereunder as a bred female.

5. "Eligible animal" means an animal which meets all the following requirements:

- (a) The animal must be the progeny of a nationally recognized beef cattle breed (Exhibits I and II);
- (b) The animal must have been owned by a person who had continuous title to such animal for a period of at least 90 days immediately before acquisition by the exporter, unless the exporter is the producer of the animal.

(c) The animal must, at the time of export, be individually identified by an ear tag, a legible ear tattoo symbol, or a firebrand and ranch holding brand symbol acceptable to USDA testing authority as an authentic identification symbol for such animal. The term "identification number(s)" as used herein shall also include ear tattoo symbol and firebrand and ranch holding brand symbol.

(d) The animal must qualify under the specifications of Exhibit I for females and Exhibit II for bulls.

6. "Registered animal" means an eligible animal which the appropriate national breed association has officially registered or otherwise classified as a purebred animal of that breed. Such animal must be marked with a legible tattoo or brand which corresponds with the number shown in the certificate of registration or other official document issued by the appropriate national breed association.

7. "Nonregistered animal" means an eligible animal, whether or not purebred, which is predominantly of the color characteristics and body conformation of the beef breed stated in the contract between the exporter and the importer. (See Exhibits I and II.)

B. SUBMISSION OF REQUESTS FOR SALE REGISTRATIONS

1. In addition to the information required by § 1488.4(c) (1) through (11), the request

for a sale registration for financing export credit sales of beef breeding cattle shall include the following:

(a) A general description by breed of the animals to be exported, separately describing the animals under the following classes:

- (1) Registered bulls;
- (2) Registered bred females;
- (3) Registered unbred females;
- (4) Nonregistered bred females; and
- (5) Nonregistered unbred females.

(b) A statement that such animals will conform to the general specification requirements set forth in Exhibits I or II, as applicable to the class of animals to be exported.

2. In addition to the considerations specified in § 1488.3, a financing period in excess of 12 months but not in excess of 36 months for beef breeding cattle may be justified when it will result in the use by the importer, or by purchasers from the importer, of the animals in the destination country under conditions which will promote expanded demand for additional breeding animals or feed stuffs from the United States.

C. ADDITIONAL DOCUMENTS REQUIRED AFTER DELIVERY

In addition to the documents specified in § 1488.3 (b) through (e), the exporter shall submit the following documents to the Treasurer, Commodity Credit Corporation:

1. Separate animal identification lists for registered animals and for nonregistered animals, containing the following information:

- (a) Identification number;
- (b) For each registered animal, shown separately opposite the identification number, the sales price as specified in the sales invoice;

(c) For nonregistered animals, shown for each lot group by identification number, the average sales price per animal based on the sales invoice for such nonregistered animals.

2. Performance records for animals for which a higher maximum port value has been approved by the Assistant Sales Manager for Commercial Export Programs as provided in paragraph A.1.

3. A certification by the exporter that animals of the description in the exporter's sales contract have been delivered, and that the exporter knows of no defenses to the account receivable assigned to CCC.

4. A certification by the exporter that the documents specified in paragraph D. of this Supplement have been furnished to the importer.

D. MISCELLANEOUS

The following documents or certifications, as applicable, shall be furnished to the importer by the exporter:

1. The certificates issued by an agent of the Agricultural Marketing Service (AMS), U.S. Department of Agriculture, as to official registration of the animal(s) and listing the identification number(s) and corresponding registration certificate number(s) for each registered animal showing that such numbers have been verified as legible and accurate for such animal, and that the person holding legal title to the animal at the time of export sale has appropriately executed such certificate for transfer to the party designated by the importer. (See Exhibit I or II.)

2. A certification by the breeder of females sold as "bred females" showing the identification numbers and stating that the service bull was a registered bull of the same beef cattle breed as the female to which bred. (See Exhibit I.)

3. The certificate issued or endorsed by Veterinary Services, Animal and Plant Health Inspection Service, listing the identification number(s) and showing that such animal has been inspected for compliance with "Health" requirements. (See Exhibit I or II.)

4. The certificates issued by the Agricultural Marketing Service listing the identification number(s) for each animal showing for such animal compliance with breed, age, weight, and conformation grade, for the class, as shown in Exhibit I or II, as applicable.

5. Certificates issued by a veterinarian accredited by the Animal and Plant Health Inspection Service, showing that bred females, sold as such, were examined and found to be with calf at time of inspection.

6. A semen certification by a veterinarian accredited by the Animal and Plant Health Inspection Service, for bulls over one year of age, except that for Santa Gertrudis and Brahman cattle the certification shall be for bulls over 18 months of age.

E. DUAL PURPOSE BREEDS

When dual purpose breeds¹ are eligible for financing under the provisions of both Supplement I and Supplement II to GSM-5, as revised, the exporter has the option of qualifying such animals under the provisions of either supplement. Such option must be stated in the request for a sale registration filed pursuant to § 1488.4. In the event such dual purpose breeds are approved for export hereunder, the provisions of this supplement shall apply.

EXHIBIT I TO SUPPLEMENT I

USDA Approved Beef Breeding Cattle Export Specifications—Females, Option A (to be specified by purchaser):

1. Registered.²

BREED

- a. Angus.
- b. Hereford.
- c. Polled Hereford.
- d. Charolais.
- e. Santa Gertrudis.
- f. Shorthorn.
- g. Polled Shorthorn.
- h. Brahman.
- i. Milking Shorthorn.³
- j. Red Poll.⁴

k. Other beef cattle breeds having a registry Association in the U.S.

2. Nonregistered.⁵

PREDOMINANT BREED

Specify from breed above.

Option B (to be specified by purchaser):

AGE⁶

1. Calf—(7 to 12 months).
2. Yearling Open—(12 to 18 months).
3. Heifer Open—(18 to 24 months).
4. Bred Heifer—(18 to 36 months).
5. Bred Cow—(24 to 48 months).
6. Mature Cow—(24 to 48 months).⁷

General Requirements:

- A. Health.⁸
 1. Tested negative for tuberculosis within 30 days of loading aboard export carrier.
 2. Tested negative for brucellosis within 30 days of loading aboard export carrier, or is an official vaccinee under 30 months of age.
 3. Certified that the United States is a country where foot-and-mouth disease has not existed since 1929, contagious bovine pleuropneumonia has not existed since 1892, and rinderpest has never occurred.
 4. Animals come from farms that have not been under State or Federal quarantine

¹ Milking Shorthorn and Red Poll.

² Animals must be officially registered with the appropriate National Breed Association and be so certified by AMS agent.

³ Dual Purpose Breeds (see paragraph E, Supplement I or II).

⁴ Nonregistered animals will be certified for breed by the AMS agent.

for any communicable disease during the past year.

5. Animals have been inspected, and found sound (including freedom from blindness, structural defects, etc.), free of evidence of communicable disease and exposure thereto, and free of mites, ticks and ringworm or freed from the same.

B. Minimum Weight:⁹

1. Calf—(7 to 12 months), 400 pounds.
2. Yearling Open—(12 to 18 months), 500 pounds.
3. Heifer Open—(18 to 24 months), 600 pounds.
4. Bred Heifer—(18 to 24 months), 700 pounds; (24 to 36 months), 800 pounds.
5. Bred Cow—(24 to 36 months), 800 pounds; (36 to 48 months), 950 pounds.
6. Mature Cow—(24 to 36 months), 800 pounds; (36 to 48 months), 950 pounds.¹⁰

C. Minimum Conformation: Choice.¹¹

All nonregistered females must be dehorned or naturally polled unless otherwise specified in the request for a sale registration. Horn stubs in excess of one inch will not be acceptable on dehorned cattle.

D. Performance Records.¹² (Optional, unless specified.) (See attached Appendix I to Exhibits I and II.)

1. Minimum adjusted daily gain to weaning 1.6 pounds/day.
2. Minimum adjusted daily gain to weaning of offspring 1.6 pounds/day (if appropriate).

E. Statement of Service or Other Requirement. 1. Bred females must have been bred to a registered bull of the same breed and the calf from a registered female must be eligible for registration.¹³

2. Bred females must be at least two months but no more than six months pregnant at time of inspection when being shipped by vessel. If shipped by air, bred females must be at least two months pregnant but may be up to eight months pregnant with veterinarian approval.¹⁴

3. Mature cows not qualifying as "bred cows", to be eligible for financing hereunder, must be lactating and have their offspring not in excess of approximately five months of age at side at time of inspection by AMS. Such calves, though not eligible for financing, may be supplied along with the parent cow if facilities for their care and safe transportation to destination point are adequate.

EXHIBIT II TO SUPPLEMENT I

USDA Approved Beef Breeding Cattle Export Specifications—Bulls, Option A (to be specified by purchaser):

BREED¹

1. Angus.
2. Hereford.
3. Polled Hereford.

¹ Certification by AMS agent.

² See E3 of this Exhibit I.

³ Certification or endorsement furnished by Veterinary Services, Animal and Plant Health Inspection Service, USDA.

⁴ Certification furnished by Livestock Division, AMS, USDA. Conformation grade to be based on the muscling requirements of the official USDA Feeder Cattle Standards. (See Appendix II attached.)

⁵ Official State records or National Breed Association records, or Performance Registry International records.

⁶ Must be certified to by the breeder of the female at time of sale to exporter.

⁷ Certification of pregnancy shall be issued by an accredited veterinarian.

⁸ All animals for delivery under these specifications must be officially registered with the appropriate National Breed Association and be so certified by AMS agent.

4. Charolais.
5. Santa Gertrudis.
6. Shorthorn.
7. Polled Shorthorn.
8. Brahman.
9. Milking Shorthorn.²
10. Red Poll.³
11. Other beef cattle breeds having a registry Association in the U.S.

Option B (to be specified by purchaser):

AGE⁴

1. Bull Calf—(7 to 12 months).
2. Yearling Bull—(12 to 18 months).
3. Bull—(18 to 24 months).
4. Mature Bull—(24 to 48 months).

General Requirements:

A. Health.⁵

1. Tested negative for tuberculosis within 30 days of loading aboard export carrier.
2. Tested negative for brucellosis within 30 days of loading aboard export carrier.
3. Certified that the United States is a country where foot-and-mouth disease has not existed since 1929, contagious bovine pleuropneumonia has not existed since 1892, and rinderpest has never occurred.

4. Animals come from farms that have not been under State or Federal quarantine for any communicable disease during the past year.

5. Animals have been inspected, and found sound (including freedom from blindness, structural defects, etc.), free of evidence of communicable disease and exposure thereto, and free of mites, ticks, ringworm or freed from the same.

B. Minimum Weight.⁶

1. 7 to 12 months, 470 pounds.
2. 12 to 18 months, 790 pounds.
3. 18 to 24 months, 1100 pounds.
4. Over 24 months, 1350 pounds.

C. Minimum Conformation: Prime.⁷

D. Performance Records.⁸ (optional, unless specified.) (See attached Appendix I to Exhibits I and II.)

1. Minimum adjusted daily gain to weaning, 1.9 pounds per day.

E. A semen check indicating at least 60 percent sperm motility must be supplied for bulls over one year of age,⁹ except that for Santa Gertrudis and Brahman cattle the certification shall be for bulls over 18 months of age.

APPENDIX I TO EXHIBITS I AND II—PERFORMANCE TESTING

Performance testing is known by several names in the United States, but practically all organizations evaluate similar characteristics in beef cattle. The principal factors used in evaluating performance are growth rate and conformation, but not necessarily both. Animals which are tested are weighed at birth and again at weaning. The weaning weight is adjusted to an equivalent of 205 days of age and is also adjusted depending on the age of the dam. This is done to make weights of calves from first-calf heifers comparable to weights of calves from older cows.

¹ Dual Purpose Breeds (see paragraph E, Supplement I or II).

² Certification by AMS agent.

³ Certification or endorsement furnished by Veterinary Services, Animal and Plant Health Inspection Service, USDA.

⁴ Certification furnished by Livestock Division, AMS, USDA. Conformation grade based on the muscling requirements of the official USDA Feeder Cattle Standards. (See Appendix II attached.)

⁵ Official State records or National Breed Association records, or Performance Registry International records.

⁶ Certification must be issued by an accredited veterinarian.

The adjusted daily gain from birth to weaning is indicative not only of inherited gaining ability but also of the milking ability of the dam.

APPENDIX II TO EXHIBITS I AND II—SPECIFICATIONS FOR OFFICIAL UNITED STATES STANDARDS FOR GRADES OF CATTLE (STEERS, HEIFERS, AND COWS)¹

PRIME

Cattle which possess typical minimum qualifications for the Prime grade are very thickly muscled throughout. They are wide through the chest with well sprung ribs and are moderately wide and thick through the crops, back and loin. The rounds tend to be thick and the twist is moderately deep. They have large, rugged frames with moderately large but refined bone.

CHOICE

Cattle which possess typical minimum qualifications for the Choice grade are thickly muscled throughout. They are moderately wide through the chest with a moderate spring of ribs and are slightly wide and thick through the crops, back and loin. The rounds are slightly thick and the twist is slightly deep. They have moderately large, rugged frames, and the bone usually is moderately large, but may be slightly fine or slightly large and coarse.

SUPPLEMENTAL II—DAIRY BREEDING CATTLE

- Sec.
- A. Additional definition.
- B. Submission of requests for sale registrations.
- C. Additional documents required after delivery.
- D. Miscellaneous (identification, quality, certification).
- E. Dual purpose breeds (standards applicable).

EXHIBIT I—Females (general breed and health requirements). Appendix to Exhibit I.

EXHIBIT II—Bulls (general breed and health requirements). Appendix to Exhibit II.

A. ADDITIONAL DEFINITIONS

1. "Port value" means the net amount of the exporter's sales price for dairy breeding cattle to be exported under the financing agreement, basis f.a.s. or f.o.b. export carrier at U.S. ports, at U.S. border points of exit, or at U.S. airports if shipped by air. The point of exportation for animals shall be designated by the Animal and Plant Health Inspection Service, U.S. Department of Agriculture. The port value shall not include the ocean freight for c. & f. sale or ocean freight and marine and war risk insurance for a c.i.f. sale, and shall also not include any animal care or servicing cost incurred after such animals are loaded aboard the export carrier. The net amount of the exporter's sales price means the contract price for the animals less any payments made by the importer and less any discounts, credits, or allowances to the importer. Such net amount shall not exceed (a) \$4,500 each for registered bulls which have an Acceptable performance index as set out in paragraph D.1., Exhibit II to this supplement, or, with prior approval of the Assistant Sales Manager for Commercial Export Programs, \$7,500 if such animal has a Superior performance index as set out in paragraph D.2. of Exhibit II; (b) \$1,500 each

for registered females which have an Acceptable performance index as set out in paragraph D.1., Exhibit I to this supplement, or with prior approval of the Assistant Sales Manager for Commercial Export Programs, \$3,000 if such animal has a Superior performance index as set out in paragraph D.2. of Exhibit I; (c) with prior approval of the Assistant Sales Manager for Commercial Export Programs, \$5,000 each for registered mature cows which have a Superior performance index as set out in paragraph D.3. of Exhibit I; (d) with prior approval of the Assistant Sales Manager for Commercial Export Programs, \$1,500 each for nonregistered mature cows which have a Superior performance index as set out in paragraph D.3. of Exhibit I; or (e) \$1,200 average for the sale of nonregistered females, other than mature cows with a Superior performance index, if each such animal has an Acceptable performance index as set out in paragraph D.1. of Exhibit I. The difference, if any, between the maximum net amount specified in (a), (b), (c), (d), or (e) of this paragraph A.1. and the contract price for individual registered animals or nonregistered mature cows with a Superior performance index, or the average contract price for nonregistered females, other than mature cows with a Superior performance index, shall not be included as a part of the port value.

2. "Producer" means the person holding legal title to the animal at time of birth and who has had continuous ownership of such animal until sold for export under an approved financing agreement.

3. "Bred female" means either a bred heifer or bred cow as set forth in Exhibit I, Option B, which has been certified to as pregnant at the time of inspection.

4. "Breeder" means the person holding legal title to the female animal at the time she was served to qualify such animal hereunder as a bred female.

5. "Eligible animal" means an animal which meets all the following requirements: (a) The animal must be the progeny of a nationally recognized dairy cattle breed (Exhibits I and II);

(b) The animal must have been owned by a person who had continuous title to such animal for a period of at least 90 days immediately before acquisition by the exporter, unless the exporter is the producer of the animal;

(c) The animal must, at the time of export, be individually identified by an ear-tag, a legible ear tattoo symbol, or a firebrand and ranch holding brand symbol acceptable to USDA testing authority as an authentic identification symbol for such animal. The term "identification number(s)" as used herein shall also include ear tattoo symbol and firebrand and ranch holding brand symbol.

(d) The animal must qualify under the specifications of Exhibit I for females and Exhibit II for bulls.

5. "Registered animal" means an eligible animal which the appropriate national breed association has officially registered or otherwise classified as a purebred animal of that breed. Such animal must be marked with a legible tattoo or brand which corresponds with the number shown in the certificate of registration or other official document issued by the appropriate national breed association.

7. "Nonregistered animal" means an eligible animal, whether or not purebred, which is predominately of the color characteristics and body conformation of the dairy breed stated in the contract between the exporter and the importer. (See Exhibits I and II).

B. SUBMISSION OF REQUESTS FOR SALE REGISTRATIONS FOR FINANCING

1. In addition to the information required by § 1488.4(c) (1) through (11), the request for a sale registration for financing export credit sales of dairy breeding cattle shall include the following:

(a) A general description by breed of the animals to be exported, separately describing the animals under the following classes:

- (1) Registered bulls;
- (2) Registered bred females;
- (3) Registered unbred females;
- (4) Nonregistered bred females; and
- (5) Nonregistered unbred females.

(b) A statement that such animals will conform to the general specification requirements set forth in Exhibits I or II, as applicable to the class of animals to be exported.

2. In addition to the considerations specified in § 1488.3 a financing period in excess of 12 months but not in excess of 36 months for dairy breeding cattle may be justified when it will result in the use by the importer, or by purchasers from the importer, of the animals in the destination country under conditions which will promote expanded demand for additional breeding animals or feed stuffs from the United States.

C. ADDITIONAL DOCUMENTS REQUIRED AFTER DELIVERY

In addition to the documents specified in § 1488.3 (b) through (e), the exporter shall submit the following documents to the Treasurer, Commodity Credit Corporation:

1. Separate identification lists for each group of animals described in paragraphs A.1. (a), (b), (c), (d), and (e) of this supplement, containing the following information:

(a) Identification number;

(b) For each registered animal or nonregistered mature cow with a Superior performance index, shown separately opposite the identification number, the sales price as specified in the sales invoice;

(c) For nonregistered females other than mature cows with a Superior performance index, shown for each lot group by identification list, the average sales price per animal based on the sales invoice for such nonregistered animals.

2. Production Performance Index records as follows: (a) For registered bulls the applicable Acceptable or Superior performance index records of Sire and Dam as described in paragraph D. 1. or D. 2. of Exhibit II;

(b) For registered females if applicable, the Superior performance index records of Sire and Dam as described in paragraph D. 2. of Exhibit I;

(c) For registered or nonregistered mature cows if applicable, the Superior performance index records of Sire and Dam as described in paragraph D. 3. of Exhibit I.

3. A certification by the exporter that animals of the description in the exporter's sales contract have been delivered and that the exporter knows of no defenses to the account receivable assigned to CCC.

4. A certification by the exporter that the documents specified in paragraph D of this Supplement have been furnished to the importer.

D. MISCELLANEOUS

The following documents or certifications, as applicable, shall be furnished to the importer by the exporter.

1. The certificates issued by an agent of the Agricultural Marketing Service, U.S. Department of Agriculture, as to official registration of the animal(s) and listing the identification number(s) and corresponding

¹ Adapted from Service and Regulatory Announcement AMS 183, issued March 1965. A copy of this publication and charts picturing the grades of feeder cattle may be obtained upon request from the Livestock Division, AMS, USDA, Washington, D.C. 20250.

registration certificate number(s) for each registered animal showing that such numbers have been verified as legible and accurate for such animal, and that the person holding legal title to the animal at the time of export sale has appropriately executed such certificate for transfer to the party designated by the importer. (See Exhibit I or II.)

2. A certification by the breeder of females sold as "bred females" showing the identification number and stating that the service bull was a registered bull of the same dairy cattle breed as the female to which bred. (See Exhibit I.)

3. The certificates issued or endorsed by Veterinary Service, Animal and Plant Health Inspection Service, listing the identification number(s) and showing that such animal has been inspected for compliance with "Health" requirements. (See Exhibit I or II.)

4. The certificates issued by the Agricultural Marketing Service listing the identification number(s) for each animal showing for such animal compliance with breed, age, weight, and conformation specifications, for the class, as shown in Exhibit I or II, as applicable.

5. Certificates issued by a veterinarian accredited by Animal and Plant Health Inspection Service, showing that bred females, sold as such, were examined and found to be with calf at time of inspection.

6. A semen certification by a veterinarian accredited by Animal and Plant Health Inspection Service, for bulls over one year of age.

E. DUAL PURPOSE BREEDS

When dual purpose breeds¹ are eligible for financing under the provisions of both Supplement I and Supplement II to GSM-5, as revised, the exporter has the option of qualifying such animals under the provisions of either supplement. Such option must be stated in the request for a sale registration filed pursuant to Section 1488.4. In the event such dual purpose breeds are approved for export hereunder, the provisions of this supplement shall apply with the exception that the Assistant Sales Manager for Commercial Export Programs is authorized, at the request of the applicant, to establish a minimum weight schedule and DHIR Milk Production Breed Average.

EXHIBIT I TO SUPPLEMENT II

USDA Approved Dairy Cattle Export Specifications—Females, Option A (to be specified by purchaser):

1. Registered:¹

BREED

- Ayrshire.
- Brown Swiss.
- Guernsey.
- Holstein.
- Jersey.
- Milking Shorthorn.²
- Red Poll.³

2. Nonregistered:³

PREDOMINANT BREED

Specify from above.

Option B (to be specified by purchaser):

AGE⁴

- Calf—(6 to 12 months)
- Yearling Open—(12 to 18 months)

¹ Milking Shorthorn and Red Poll.

² Animals must be officially registered with the appropriate National Breed Association and be so certified by AMS agent.

³ Dual purpose breeds (See paragraph E, Supplement I or II).

⁴ Nonregistered animals will be certified for breed by AMS agent.

⁵ Certification by AMS agent.

- Heifer Open—(18 to 30 months)
- Bred Heifer—(18 to 30 months)
- Mature Cow—(24 to 48 months)

General Requirements:

A. Health⁵

1. Tested negative for tuberculosis within 30 days of loading export carrier.

2. Tested negative for brucellosis within 30 days of loading aboard export carrier, or is an official vaccinee under 24 months of age.

3. Certified that the United States is a country where foot-and-mouth disease has not existed since 1929, contagious bovine pleuropneumonia has not existed since 1892, and rinderpest has never occurred.

4. Animals come from farms that have not been under State or Federal quarantine for any communicable disease during the past year.

5. Animals have been inspected and found sound (including freedom from blindness, structural defects, etc.), free of evidence of communicable disease and exposure thereto, and free of mites, ticks and ringworm or freed from the same.

6. Mature cows must be physically examined at time of inspection for the presence of mastitis by manipulating and stripping the udder and found not to have evidence of such infection. The exporter, at his option, may require the person from whom he purchases a mature cow to supply additional evidence of non-mastitis infection as he sees fit.

B. Minimum Weights.⁶

1. Registered Animals.

Age ¹ (in months)	Holstein and Brown Swiss	Guernsey and Ayrshire	Jersey
a. 6.....	360	295	260
b. 8.....	470	385	340
c. 10.....	565	455	410
d. 12.....	640	525	470
e. 14.....	710	585	520
f. 16.....	775	635	555
g. 18.....	835	685	600
h. 20.....	900	745	645
i. 22.....	970	790	695
j. 24.....	1,015	845	735
k. 26.....	1,045	870	760
l. 28.....	1,070	895	780
m. 30.....	1,090	910	790
n. 36 and over..	1,180	990	865

¹ Minimum weights for ages between the ages shown shall be determined proportionately.

2. Non-registered Animals

Class	Holstein and Brown Swiss	Guernsey and Ayrshire	Jersey
a. Calf.....	360	295	260
b. Yearling Open..	640	525	470
c. Heifer Open.....	835	685	600
d. Heifer Bred.....	835	685	600
e. Mature Cow.....	1,015	845	735

C. Minimum Conformation.⁶

All animals must meet the minimum body conformation specifications as described in Appendix to this Exhibit I.

D. Production Performance Index.⁷

1. Acceptable. An acceptable performance index for Registered or Nonregistered Females will be considered to exist if such animals meet the minimum conformation of Item C above.

⁶ Certification or endorsement furnished by Veterinary Service, Animal and Plant Health Inspection Service, USDA.

⁷ Certification or endorsement furnished by Livestock Division, AMS, USDA. Conformation specifications to be based on standards as set out in Appendix to Exhibit I attached. Weights may be determined by weighing or by estimates using a girth measurement tape.

2. Superior. A Superior performance index for a Registered Female will be considered to exist if:

(a) Sire has a Plus (+) USDA Predicted Difference⁸ equal to two percent of DHI breed average as shown in Item E below, or in the event the Sire does not have a summary, his Sire has a predicted difference (+500 pounds)⁹ and

(b) Dam has a DHI or DHIR record⁸ equal to 10 percent above the DHI breed average as shown in Item E below.

3. Superior. A superior performance index for a Registered or Nonregistered Mature Cow will be considered to exist if such animal has a DHI production record⁸ 15 percent above the DHI breed average as shown in Item E below.

E. DHI Milk Production Breed Average (Mature Equivalent)

The following breed averages are applicable to these specifications.

Breed	Breed average	2 pct of breed average	10 pct of breed average	15 pct of breed average
	(Pounds)	(Pounds)	(Pounds)	(Pounds)
Ayrshire.....	11,112	222	1,111	1,666
Brown Swiss....	12,203	244	1,220	1,830
Guernsey.....	9,632	192	963	1,444
Holstein.....	13,943	278	1,394	2,091
Jersey.....	8,853	177	885	1,328

F. STATEMENT OF SERVICE

1. Bred females must have been bred to a registered bull of the same breed.¹⁰

2. Bred females must be at least two months pregnant but no more than six months pregnant at time of inspection when being shipped by vessel. If shipped by air, bred females must be at least two months pregnant but may be up to eight months pregnant with veterinarian approval.¹¹

APPENDIX TO EXHIBIT I—MINIMUM BODY CONFORMATION SPECIFICATION FOR FEMALES

In addition to meeting the minimum weight for the breed as specified in Exhibit I, the animal shall possess femininity, normal breed conformation, quality and body capacity. She shall have the general appearance of thrift and vitality with eyes bright and ears alert. The feet and legs shall be well formed with the legs straight, strong and well set. The mammary system, if sufficiently developed, shall be strongly attached, well balanced and of fine texture. The teats shall be of acceptable size. There shall be no evidence of lameness or other serious body defects. She shall possess normal dairy character by showing a lack of obvious excess fatty condition for the age class. Females officially classified by the respective breed association as "Good Plus" (or equivalent) or higher shall be acceptable if found at time of inspection not to have developed a physical defect in conflict with the above-stated conditions.

EXHIBIT II

USDA Approved Dairy Cattle Export Specifications—Bulls, Option A (to be specified by purchaser):

¹ DHI or DHIR milk production records mature equivalent based on 305-day, two times day milking.

² Source: USDA-DHI Sire Summary Records—Animal and Plant Health Inspection Service.

³ Source: Breed Association, or Dairy Records Processing Center Serving the DHI Association where tested.

⁴ Must be certified to by the breeder of the female at time of sale to exporter.

⁵ The certification of pregnancy shall be by an accredited veterinarian.

BREED¹

- Ayrshire.
- Brown Swiss.
- Guernsey.
- Holstein.
- Jersey.
- Milking Shorthorn.²
- Red Poll.³

Option B (to be specified by purchaser):

AGE²

- Calf—(6 to 12 months).
- Yearling—(12 to 18 months).
- Young Bull—(18 to 24 months).
- Mature Bull—(24 to 48 months).

General Requirements:

A. Health.⁴

1. Tested negative for tuberculosis and brucellosis within 30 days of loading aboard export carrier.

2. Animals come from farms that have not been under quarantine for any communicable disease during the past year.

3. Certified that the United States is a country where foot-and-mouth disease has not existed since 1929, contagious bovine pleuropneumonia has not existed since 1892, and rinderpest has never occurred.

4. Animals have been inspected and found sound (including freedom from blindness, structural defects, etc.), free of evidence of communicable disease and exposure thereto and free of mites, ticks and ringworm or freed from the same.

B. Minimum Weight.⁵

Age ¹ (in months)	Holstein and Brown Swiss	Guernsey and Ayrshire	Jersey
a. 6.....	450	370	315
b. 8.....	585	480	410
c. 10.....	710	555	490
d. 12.....	820	655	565
e. 14.....	930	755	645
f. 16.....	1,040	840	745
g. 18.....	1,155	920	815
h. 21.....	1,320	1,065	950
i. 24.....	1,455	1,210	1,050
j. 27.....	1,570	1,310	1,140
k. 30.....	1,670	1,395	1,215
l. 36 and over..	1,840	1,545	1,350

¹ Minimum weights for ages between the ages shown shall be determined proportionately.

C. Minimum Conformation.⁶

All animals must meet the minimum body conformation as described in Appendix to Exhibit II.

D. Production performance Index.⁷

1. Acceptable. An Acceptable performance index for a Registered Bull will be considered to exist if:

¹ All animals for delivery under these specifications must be officially registered with the appropriate National Breed Association and be so certified by AMS agent.

² Dual purpose breeds (See paragraph E, Supplement I or II).

³ Certified by AMS agent.

⁴ Certification or endorsement furnished by Veterinary Services, Animal and Plant Health Inspection Service, USDA.

⁵ Certification or endorsement furnished by Livestock Division, AMS, USDA. Conformation specifications to be based on standards as set out in Appendix to Exhibit II attached. Weights may be determined by weighing or by estimates using a girth measurement tape.

⁶ Certification or endorsement furnished by Livestock Division, AMS, USDA. Conformation specifications to be based on standards as set out in Appendix to Exhibit II attached. Weights may be determined by weighing or by estimates using a girth measurement tape.

⁷ DHI or DHIR milk production records. Mature equivalent based on 305-day, two times day milking.

(a) Sire has a Plus (+) USDA Predicted Difference⁷, and

(b) Dam has a DHI or DHIR record⁸ 10 percent above the DHIR breed average as shown in item E below.

2. Superior. A Superior performance index for a Registered Bull will be considered to exist if:

(a) Sire has a Plus (+) USDA Predicted Difference⁷ equal to two percent of DHIR breed average as shown in item E below, and

(b) Dam has a DHI or DHIR record⁸ 20 percent above the DHIR breed average as shown in item E below.

E. DHIR Milk Production Breed Averages (Mature Equivalent).

The following breed averages are applicable to these specifications:

Breed	Breed average	2 pct of breed average	10 pct of breed average	20 pct of breed average
	(Pounds)	(Pounds)	(Pounds)	(Pounds)
Ayrshire.....	12,556	251	1,255	2,511
Brown Swiss....	13,187	264	1,318	2,637
Guernsey.....	10,483	210	1,048	2,096
Holstein.....	15,204	304	1,520	3,040
Jersey.....	9,465	189	946	1,893

F. A semen check indicating at least 60 percent sperm motility must be supplied for bulls over one year of age.⁹

APPENDIX TO EXHIBIT II—MINIMUM BODY CONFORMATION SPECIFICATIONS FOR BULLS

In addition to meeting the minimum weight for the breed as specified in Exhibit II, the animal shall possess masculinity, normal breed conformation, quality, and body capacity. He shall have the general appearance of thrift and vitality with eyes bright and ears alert. The feet and legs shall be well formed with legs straight, strong, and well set. There shall be no evidence of lameness or other serious body defects. He shall possess normal dairy character by showing a lack of obvious excess fatty condition for the age class. Bulls officially classified by the respective breed association as "Good Plus" (or equivalent) or higher shall be acceptable if found at time of inspection not to have developed a physical defect in conflict with the above-stated conditions.

SUPPLEMENT III—BREEDING SWINE

Section

A. Additional definitions.

B. Submission of requests for sale registrations.

C. Additional documents required after delivery.

D. Miscellaneous.

Exhibit I—Females.

Exhibit II—Boars.

Appendix I—Health Requirements.

Appendix II—Specifications for Official U.S. Standards for Grades.

A. ADDITIONAL DEFINITIONS

1. "Port value" means the net amount of the exporters sales price for breeding swine to be exported under the financing agreement, basis f.a.s. or f.o.b. export carrier at U.S. ports, at U.S. border points of exit, or at U.S. points of flight if transported by air freight.

The point of exportation for animals shall be designated by the Animal and Plant Health

¹ Source: USDA-DHI Sire Summary Records, Animals and Plant Health Inspection Service.

² Source: Breed Association or Dairy Records Processing Center Serving the DHI Association where tested.

³ Certification must be issued by an accredited veterinarian.

Inspection Service, U.S. Department of Agriculture. The port value shall not include the ocean freight for c.&f. sale or ocean freight and marine and war risk insurance for a c.i.f. sale, and shall also not include any animal care or servicing cost incurred after such animals are loaded aboard the export carrier. The net amount of the exporter's sales price means the contract price for the animals less any payments made by the importer and less any discounts, credits, or allowances to the importer. Such net amount shall not exceed (a) for boars, \$750 each; (b) for bred females, \$500 each; and (c) for unbred females \$400 each, unless approved by the Assistant Sales Manager for Commercial Export Programs. The difference, if any, between the maximum net amount specified in (a) (b), or (c) of this paragraph A. 1. and the contract price for the individual animal shall not be included as part of the port value.

2. "Producer" means the person holding legal title to the animal at time of birth and who has had continuous ownership of such animal until sold for export under an approved financing agreement.

3. "Bred female" means a bred gilt as set forth in Exhibit I, Option B, and must be accompanied by a breeding certificate provided by the breeder.

4. "Breeder" means the person holding legal title to the female animal at the time she was served to qualify such animal hereunder as a bred female.

5. "Registered animal" means an eligible animal which the appropriate national breed association has officially registered, declared eligible for registry or otherwise classified as a purebred animal of that breed.

6. "Eligible animal" means a registered animal which meets all of the following requirements:

(a) The animal must have been owned by a person who had continuous title to such animal for a period of at least 60 days immediately before acquisition by the exporter, unless the exporter is the producer of the animal;

(b) The animal must, at the time of export, have two ear tags acceptable to USDA as an authentic identifying symbol for such animal and must be marked with a legible ear notch which corresponds with the number shown in the certificate of registration or other official document issued by the appropriate national breed association;

(c) The animal must qualify under the specifications of Exhibit I for females and Exhibit II for boars.

B. SUBMISSION OF REQUESTS FOR SALE REGISTRATIONS

1. In addition to the information required by § 1488.4(c) (1) through (11), the request for a sale registration for financing export credit sales of breeding swine shall include the following:

(a) A list of the animals to be exported including the identification number, breed, and price under the following classes:

- Boars.
- Bred females.
- Unbred females.

(b) If applicable, a statement of justification for prices over the maximum limits specified in A.I.(a), (b), or (c).

(c) A statement that such animals will conform to the general specification requirements set forth in Exhibit I or II, as applicable to the class of animals to be exported.

2. In addition to the consideration specified in § 1488.3, a financing period in excess of 12 months but not in excess of 36 months for breeding swine may be justified when it will result in the use by the importer, or by purchasers from the importer, of the animals in the destination country under conditions which will promote expanded demand for ad-

ditional breeding animals or feed stuffs from the United States.

C. ADDITIONAL DOCUMENTS REQUIRED AFTER DELIVERY.

In addition to the documents specified in § 1488.8 (b) through (e), the exporter shall submit the following documents to the Treasurer, Commodity Credit Corporation:

1. An animal identification list containing the following information:
 - (a) Identification number.
 - (b) For each animal, shown separately opposite the identification number, the sales price as specified in the sales invoice.
2. A certification by the exporter that animals of the description in the exporter's sales contract have been delivered, and that the exporter knows of no defenses to the account receivable assigned to CCC.

D. MISCELLANEOUS

The following documents or certifications, as applicable, shall be furnished to the importer by the exporter:

1. The certificates issued by an agent of the Agricultural Marketing Service, U.S. Department of Agriculture, as to official registration of the animal(s) and listing the identification number(s) and corresponding registration certificate number(s) for each animal showing that such numbers have been verified as legible and accurate for such animal, and that the person holding legal title to the animal at the time of export sale has appropriately executed such certificate for transfer to the party designated by the importer. (See Exhibit I or II.)

2. A certification by the breeder of females sold as "bred females" showing the identification number of both the female and boar and stating that the service boar was a registered boar of the same breed. In addition the breeder will certify that the bred females have missed at least one heat period since last service. It will also be certified by the breeder that the bred females will not be more than three months pregnant at time of departure from point of exit.

3. The certificates issued or endorsed by Veterinary Services, Animal and Plant Health Inspection Service, listing the identification number and showing that such animal has been inspected for compliance with "Health" requirements. (See Appendix I to Exhibits I and II.)

4. The certificates issued by the Agricultural Marketing Service listing the identification number for each animal and showing for such animal compliance with breed registration, number of teats, and USDA grade, for the class, as shown in Exhibit I or II, as applicable.

5. The certificates signed by the breeder listing, for each animal, the individual identification number, breed, and age and a statement that the animal was from a litter of at least seven pigs.

EXHIBIT I TO SUPPLEMENT III

USDA Approved Breeding Swine Export Specifications—Females, Option A (to be specified by purchaser):

1. Registered.¹

BREED

- a. Poland China.
- b. Chester White.
- c. Yorkshire.
- d. Hampshire.

¹ All animals for delivery under these specifications must be certified by AMS agent as officially registered with the appropriate National Breed Association.

- e. Berkshire.
- f. Duroc.
- g. Tamworth.
- h. Landrace.
- i. Hereford.
- j. Spotted Swine.

Option B (to be specified by purchaser):

AGE¹

1. Unbred female—10 weeks-7 months.²
 2. Bred female—7-14 months.
- General Requirements:
- A. Health. (See Appendix I)
 - B. Minimum USDA Grade—U.S. No. 2.³
 - C. Eligible females must be out of a litter of at least seven pigs.⁴ Also, they must have at least six functional teats on each side of the underline with no inverted nipples.⁴
 - D. Statement of Service or Other Requirements.

Bred females must have been bred to a registered boar of the same breed. In addition, bred females shall have missed at least one heat period since last service and be not more than three months pregnant at time of departure from point of exit.⁵

EXHIBIT II TO SUPPLEMENT III

USDA Approved Breeding Swine Export Specifications—Boars, Option A (to be specified by purchaser):

BREED¹

- (a) Poland China.
- (b) Chester White.
- (c) Yorkshire.
- (d) Hampshire.
- (e) Berkshire.
- (f) Duroc.
- (g) Tamworth.
- (h) Landrace.
- (i) Hereford.
- (j) Spotted Swine.

Option B (to be specified by purchaser)

AGE²

1. Boar pigs—10-16 weeks.³
 2. Boars—4-8 months.
 3. Boars—8-12 months.
- General Requirements:
- A. Health. (See Appendix I).
 - B. Minimum USDA grade—U.S. No. 1.⁴
 - C. Eligible boars must be from a litter of at least seven pigs.⁵

APPENDIX I TO EXHIBITS I AND II

HEALTH REQUIREMENTS¹

Swine financed for export under the CCC Export Credit Sales Program shall be certified

- ¹ Certification by breeder.
- ² Female pigs in this class must weigh at least 60 pounds. Certification furnished by Livestock Division, AMS, USDA.
- ³ Certification furnished by Livestock Division, AMS, USDA, Grade to be based on the official U.S. standards for grades of feeder pigs. (See Appendix II.)
- ⁴ Certification by Livestock Division, AMS, USDA.

⁵ All animals for delivery under these specifications must be certified by AMS agent as officially registered with the appropriate National breeder.

² Certification by Breeder.

³ Boar pigs must weigh at least 60 pounds. Certification furnished by Livestock Division, AMS, USDA.

⁴ Certification furnished by Livestock Division, AMS, USDA Grade to be based on the official U.S. standards for grades of feeder pigs. (See Appendix II.)

⁵ Certification by breeder.

⁶ Certification or endorsement furnished by Veterinary Services, Animal and Plant Health Inspection Service, USDA.

by the appropriate USDA inspectors as follows:

1. U.S. is free of foot-and-mouth disease, African swine fever, Teschen disease and vesicular exanthema.

2. The swine originate from a free area² where hog cholera is not known to exist according to Title 9, Part 76 of the U.S. Department of Agriculture regulations.

3. Animals have been inspected and found sound (including freedom from blindness, structural defects, etc.), free of evidence of communicable disease and exposure thereto, and free of mites, lice, and ticks or freed from the same.

Export inspection and certification requirements of the U.S. Department of Agriculture must be met.

APPENDIX II TO EXHIBITS I AND II

Specifications for Official United States Standards for Grades of Feeder Pigs:

U.S. NO. 1

Feeder pigs in this grade near the borderline of the U.S. No. 2 grade are long and have thick muscling throughout. Thickness of muscling is particularly evident in thick and full hams and shoulders. The hams and shoulders are thicker than the back, which is well-rounded. They usually present a well-balanced appearance.

U.S. NO. 2

Feeder pigs in this grade near the borderline of the U.S. No. 3 grade are moderately long and have moderately thick muscling throughout. Thickness of muscling is particularly evident in moderately thick and full hams and shoulders. The back usually appears slightly full and well-rounded. They usually present a well-balanced appearance.

Note.—The recordkeeping and reporting requirements contained herein have been approved by the Office of Management and Budget in accordance with the Federal Reports Act of 1942.

Signed at Washington, D.C. on January 14, 1977.

JAMES L. HUTCHINSON,
Vice President, Commodity
Credit Corporation and General
Sales Manager, Office of
the General Sales Manager.

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Animal and Plant Health Inspection
Service

[9 CFR Part 92]

FOREIGN EMBARKATION QUARANTINE
STATION FOR LIVESTOCK

Proposed Criteria and Standards for
Establishment

* Purpose. The purpose of these proposed amendments is to provide standards for a foreign embarkation quarantine facility in which livestock proposed for importation into the United States through the Fleming Key Animal Import Center may be assembled and processed for exportation to the United States. *

Statement of considerations. Notice is hereby given in accordance with the administrative procedure provisions in 5 U.S.C. 553, that, pursuant to section 1 of the Act of May 6, 1970 (21 U.S.C. 135),

² Free area means a radius of 5 miles within which no cholera has occurred within 3 months.