Home Administration, Room 6346, South Agriculture Building, Washington, DC 20250.

SUPPLEMENTARY INFORMATION: This final rule has been reviewed under the USDA procedures established in Secretary's Memorandum No. 1955 to implement Executive Order 12044, and has been classified "not significant."

On April 23, 1980, FmHA published a proposal in the **Federal Register** (45 FR 27453) to amend § 1951.33(c)(5) of Subpart A of Part 1951, Chapter XVIII, Title 7, Code of Federal Regulations. One comment was received from the Small Business Administration which inquired about the effect of proposed changes in small businesses. FmHA does not anticipate any significant adverse impacts on small business as a result of this action. This instruction does not directly affect any FmHA programs or projects which are subject to A–95 clearing house review.

Accordingly, as amended, § 1951.33(c)(5) of Subpart A of Part 1951 reads as follows:

§ 1951.33 Deferral, consolidation and rescheduling of OL, EM and EE loans made for Subtitle B purposes.

* * * * *

(c) *Consolidation and rescheduling OL loans.* * * *

(5) The interest rate for consolidated or rescheduled loans will be the current interest rate for OL loans made to regular or limited resource loan borrowers, as appropriate. Limited resource loan interest rates will be stated in increments of whole numbers and may be increased to the current OL rate or decreased to not less than the current limited resource interest rate set out in Exhibit B of FmHA Instruction 440.1 (available from any FmHA office), in accordance with a borrower's repayment ability.

* * * * *

This document has been reviewed in accordance with FmHA Instruction 1901–G, "Environmental Impact Statements. It is the determination of FmHA that the proposed action does not constitute a major Federal action significantly affecting the quality of the environment and in accordance with the National Environmental Policy Act of 1969, Pub. L. 91–190, an Environmental Impact Statement is not required.

(7 U.S.C. 1989; 5 U.S.C. 301; delegation of authority by the Secretary of Agriculture, 7 CFR 2.23; delegation of authority by the Assistant Secretary for Rural Development, 7 CFR 2.70)

Dated: August 11, 1980.

Gordon Cavanaugh,

Administrator, Farmers Home Administration.

[FR Doc. 80–27219 Filed 9–4–80; 8:45 am]

BILLING CODE 3410–07–M

Food Safety and Quality Service

9 CFR Parts 317, 318 and 381

Use of Certain Proteolytic Enzymes in Certain Meat and Poultry Products

AGENCY: Food Safety and Quality Service, USDA.

ACTION: Final rule.

SUMMARY: This rule amends the Federal meat inspection regulations to permit the use of aspergillus oryzae, aspergillus flavus oryzae group, bromelin, ficin, and papain as proteolytic enzymes to tenderize the muscle tissue of all cuts of meat. In addition, this rule amends the Federal poultry products inspection regulations to permit the use of these proteolytic enzymes to tenderize the muscle tissue of mature poultry. Under the current regulations, these proteolytic enzymes are only authorized for use to tenderize the muscle tissue of beef cuts. This rule also limits the weight gain from the application of the solution containing the approved proteolytic enzymes to the untreated meat or mature poultry, to 3 percent above the weight of the untreated meat or mature poultry. This rule also amends the Federal meat and poultry products inspection regulations to provide that meat and poultry muscle tissue that has been tenderized with a proteolytic enzyme shall bear a statement on the label contiguous to the product name indicating the presence of the enzyme. This rule will allow for expanded supplies of meat and poultry products at the retail market.

EFFECTIVE DATE: October 6, 1980.

FOR FURTHER INFORMATION CONTACT: Mr. Robert G. Hibbert, Director, Meat and Poultry Standards and Labeling Division, Compliance Program, Food Safety and Quality Service, U.S. Department of Agriculture, Washington, DC 20250, (202) 447–6042. The Final Impact Statement describing the options considered in developing this final rule and the impact of implementing each option is available on request from the above-named individual.

SUPPLEMENTARY INFORMATION:

Significance

This final rule has been reviewed under USDA procedures established in Secretary's Memorandum 1955 to implement Executive Order 12044, and has been classified "significant."

Background

Approval of Substances for Use in the Preparation of Meat Products

The present Federal meat inspection regulations (9 CFR 318.7) permit the use of aspergillus oryzae, aspergillus flavus oryzae group, bromelin, ficin, and papain as proteolytic enzymes to tenderize the muscle tissue of cuts of beef. These substances currently are considered generally recognized as safe for use in human food by the Food and Drug Administration (FDA). In this connection, FDA has proposed to affirm the generally recognized as safe status of papain as a direct human food ingredient (43 FR 31349, July 21, 1978).

The Department had received requests from the meat industry to permit the use of certain proteolytic enzymes to tenderize pork muscle tissue. In connection with those requests, the Department received data from the industry which showed that meat from larger and older swine is effectively tenderized by the action of these enzymes. The Department also conducted a taste panel which concluded that the enzyme treatment of pork muscle tissue makes the meat from larger and older swine more palatable.

On the basis of the previous findings for beef and the current information available on pork, on June 1, 1979, the Department published a proposal in the **Federal Register** (44 FR 31665–31667) which would permit the use of such proteolytic enzymes for use in pork as well as other meat cuts, subject to inspection under the Federal Meat Inspection Act, such as lamb, mutton, and goat (chevon).

Approval of Substances for Use in Certain Poultry Products

The Department also had been petitioned by Agway, Inc., Syracuse, New York, to amend the Federal poultry products inspection regulations to allow the use of proteolytic enzymes to tenderize mature poultry muscle tissue. Industry proposals claimed that this action would enhance producer marketing prospects for the approximately 250 million mature chickens marketed annually. Approximately 85 percent of these mature chickens are old hens culled from egg-laying flocks because they are no longer economically productive. The remainder are old birds from poultry breeder flocks. The poultry meat from these mature chickens is generally tough, dry, and sinewy. As a result, the market for such poultry meat is limited.

Industry proponents indicated that if proteolytic enzymes were permitted for such poultry meat, the profitability of commercial egg production would significantly improve.

Poultry technologists, in evaluating this situation on behalf of producers, developed a method for tenderizing the tissue derived from the older birds by using a proteolytic enzyme (papain) in a manner similarly used for treating tissue from cattle. The Department has observed the tests conducted by the industry, examined the treated muscle tissue, conducted its own taste panel, and evaluated other available data. The tests show that the use of papain as a proteolytic enzyme softens and tenderizes poultry muscle tissue from fowl. Because of the similarities between papain and the other proteolytic enzymes, the Department believes that aspergillus oryzae, aspergillus flavus oryzae group, bromelin, and ficin would soften and tenderize poultry muscle tissue in the same manner as papain.

Thus, the Department, in the same **Federal Register** publication of June 1, 1979, discussed above, proposed to permit the use of these tenderizing substances in mature poultry, which is defined in section 381.170 of the poultry products inspection regulations (9 CFR 381.170). The proposal did not apply to immature poultry which comprises the overwhelming proportion of poultry processed under Federal inspection, such as broilers, since these birds are by definition tender-meated.

Restrictions on Use

In proposing to permit the use of certain proteolytic enzymes, as discussed above, the Department also proposed to permit the use of these enzymes only under certain conditions:

Amount Limitations

1. *Cooked Product.* The Department proposed a limitation on the weight gain of the finished product if cooked at the official establishment. Meat cuts or poultry can be cooked after enzyme treatment prior to leaving the official establishment. In the expected cooking process, the normal processing effect is that products lose moisture rather than gain moisture during cooking. The proposal specified a limit for the weight of the finished product if cooked. It was proposed that, if the product is cooked, the weight of the finished product shall not be greater than the weight of meat cuts or poultry prior to application of the solution containing the enzyme treatment.

2. *Uncooked Product.* The Department also proposed extending the present 3 percent weight gain limitation on the amount of proteolytic enzymes permitted to be used in uncooked beef cuts to all uncooked meat cuts and mature poultry. Federal meat inspection regulations (9 CFR 318.7) currently provide that solutions containing approved proteolytic enzymes applied or injected into cuts of beef shall not result in a gain of more than 3 percent above the weight of the untreated products. The Department reviewed the 3 percent limitation on the weight gain of the uncooked product and found that the 3 percent limitation was sufficient for the purpose of softening tissue for all of the uncooked product.

Labeling Requirements

In addition to the limitation on the amount of weight gain permitted for cooked and uncooked meat and poultry products to which enzymes are applied or injected, the Department proposed that the labels for such products include a prominent descriptive statement, such as "Dipped in a Solution of [approved enzyme]," appearing on the label contiguous to the product name. This labeling requirement would apply to all products prepared under Federal inspection and to all products treated with the enzymes at the retail establishments, including those establishments exempt from Federal inspection requirements.

The adulteration and misbranding provisions of the Federal Meat Inspection Act and the Poultry Products Inspection Act, other than the requirement of the official inspection legend, apply also to custom operations and other operations exempted from routine inspection under the Acts (see Attorney General's opinion of August 17, 1972, Vol. 42, Op. No. 44; 21 U.S.C. 623(c) and 464(d)). Therefore, it was also proposed that the current labeling requirement contained in § 317.8(b)(25) of the Federal meat inspection regulations (9 CFR 317.8(b)(25)) be deleted. This requirement currently provides that the descriptive statement that a product contains a proteolytic enzyme only appear on the label if a proteolytic enzyme has been used on a product prepared in an official establishment.

Final Action

Based on a review of the comments and the data available to the Department during the development of the proposal, the Department has determined that this proposed rule should become a final regulation. In finalizing this rule, the Department has determined that modifications are necessary in order to avoid misinterpretation and to clarify the rule. The proposal stated that:

"If the product is cooked, the weight of the finished product shall not be greater than the weight of the raw meat (poultry) cuts prior to enzyme treatment."

While considering the comments, departmental officials became concerned that this language in the proposal might be misconstrued. This language could be interpreted to authorize unlimited addition of the solution containing the proteolytic enzyme and water to the raw meat and poultry as long as the cooked product did not exceed the weight of the untreated raw product. This was not the intent of the proposal.

Cooking reduces raw meat and poultry weight as fat and moisture are lost. The current inspection regulations for meat and poultry do not permit moisture to be added to a product to compensate for cooking loss (shrinkage), except as specifically provided, e.g., in cured products. Traditionally, such compensation has been achieved through price mechanisms.

It is the intent of this regulation that the use of the enzyme solution be limited to 3 percent of the raw meat weight. Therefore, both cooked and uncooked meat and poultry products which contain the enzyme solution are treated identically and the weight limitation gain will be based on the untreated product or the raw meat weight. Therefore, the previously discussed language relating to the limitation on use of the enzyme solution in cooked products has been deleted from the final rule.

In addition, the Department in finalizing the rule is requiring a descriptive statement for use on the labels of meat and poultry products to which an enzyme is applied or injected. Numerous comments received by the Department stated that consumers desired specific labeling when a product was tenderized with an enzyme. The Department believes that a statement which would advise of the purpose of the addition of a food additive, such as "Used as s tenderizer," is more descriptive than a statement that advises the process in which the food additive is applied; i.e., dipped or injected. Therefore, the final rule has been modified to require the use of the statement on the label: "Tenderized with [approved enzyme]." For those meat food products which currently have approved labels indicating the usage of phrases other than "tenderized with [approved enzyme]," the Department believes that a reasonable period of time should be granted to

processors and packers to exhaust existing supplies of such approved labels. Accordingly, the Department will allow continued use of such currently approved labels for up to 1 year from the effective date of this regulation.

One final point has been clarified in the final rule concerning the labeling of products in which an approved proteolytic enzyme has been applied or injected. As mentioned previously, the proposal limited the amount of solution to be applied or injected into the product. The proposal stated that "Solutions, consisting of water, salt, monosodium glutamate, and approved proteolytic enzyme" would be limited. This statement was intended solely to be an example of the types of solution that could be utilized on the product and not a requirement that the solution contain water, salt, monosodium glutamate and approved enzymes since the solution used for tenderization actually consists of water and approved enzymes. The final rule clearly states that the solution consists of water and the approved proteolytic enzymes. In order to ensure that consumers will be informed if a solution contains substances other than water and proteolytic enzymes, the final rule also requires that "Any other approved substance which may be used in the solution shall also be included in the descriptive statement" used in the labeling of the products.

Options Considered

Three options were considered by the Department during development of this final rule:

1. Deny the request for expansion of proteolytic enzyme use. This option was rejected because it does not provide equal treatment to producers and processors of pork, sheep, and poultry that compete with beef producers and processors that currently are permitted to use proteolytic tenderization. The efficacy of proteolytic tenderization has been demonstrated for these animals.

2. Permit proteolytic enzyme tenderization of all red meat and poultry. This option was rejected because efficacy could not be demonstrated for young poultry, such as broilers. Immature poultry are by definition tender-meated, and, therefore, do not need to be tenderized.

3. Permit proteolytic enzyme tenderization of all red meat and mature poultry. This option was chosen because it meets the marketing needs of farmers and processors, and provides for expanded wholesome meat and poultry food products to consumers.

Comments to Proposal

The June 1, 1979, **Federal Register** notice announcing the proposal included a solicitation for comments and established a comment period from June 1 through August 1, 1979. In response to requests from interested parties, the comment period was reopened from August 10 through September 10, 1979 (44 FR 47098).

A total of 705 comments were received during the two comment periods, most of which were from individuals. The majority of comments involved concerns of the health consequences resulting from the addition of enzymes or salt to meat and poultry. Over 95 percent of the comments were apparently in response to newspaper articles which did not report the complete text of the proposal; therefore, the commenters were unaware of the labeling provisions provided for in the proposal.

The comments raised concerns expressed along the following lines which will be discussed individually:

1. Allergies on the part of some consumers to enzymes, specifically papain.

2. Too many additives already in foods, and these additives may cause cancer.

3. Tenderization would allow extra water to be added to meat and poultry.

4. Federal government favors industry.

5. Tenderization would allow tough or spoiled meat or poultry to be utilized by industry.

6. Tenderized products should bear informative labeling.

7. Tenderizers create an unusual or bad taste in meat and poultry and also result in a mushy texture to meat and poultry.

8. Consumers should have the right to choose between tenderized and untenderized meat and poultry and be free to add their own tenderizers if they so desire.

9. The proposal would have resulted in more salt being added to meat and poultry, which would be a burden to persons on salt-restricted diets.

10. The safety of many substances on the generally recognized as safe (GRAS) list is questionable, and the enzymes may harm various body organs.

11. Tenderization would increase the cost of treated meat and poultry.

12. The need for the use of enzymes on meat and poultry is questionable.

1. *Potential Allergies to Papain.* Possible allergic reactions to papain present a serious problem to many people. Eighty-six commenters reported that they are allergic to papain and suffered allergic reactions to varying degrees after eating meat tenderized with papain. Additionally, five doctors reported that patients under their care had allergies to tenderizers. Two professors from the University of Minnesota Medical School reported that allergies to tenderizers were fairly common among allergic persons. Those individuals, allergic to papain, expressed a fear that they would no longer be able to purchase meat or poultry without tenderizers.

The Department recognizes that allergies to tenderizing enzymes are well documented. These enzymes are proteins and, therefore, some degree of allergy would be expected as with other proteins. According to the U.S. Department of Health and Human Services (HHS) (formerly the Department of Health, Education and Welfare (HEW)), although experts are not certain how many Americans suffer from symptoms of allergic reactions to food, a conservative estimate indicates that approximately 31,000,000 Americans, or 15 out of every 100, suffer from one or more significant allergies. Of these, nearly 9,000,000 may have allergic reactions to foods, drugs, or bee stings. Some of the more common food allergies are fish and seafood, berries, nuts, eggs, cereals, milk, beef, pork, chocolate, legumes such as beans and peanuts, peaches, cherries, almonds, crabs, lobsters, shrimp, apples, pears, oysters, clams, tomatoes, green peppers, rye, wheat, pumpkin, cucumbers, and cantaloupes (HEW Pub. No. (NIH) 74–533).

It is not the policy of the Department to limit or prohibit the distribution and sale of all these foods because of possible allergic reactions to them. The Federal meat and poultry products inspection Acts require all ingredients of a food to be identified on a label in an ingredient list. Therefore, by reading the list of ingredients on the package label, individuals can avoid the food ingredients to which they are sensitive.

In developing this regulation, the Department recognized the importance of informing the consumer of the presence of the approved enzymes in tenderized meat and mature poultry. The use of such meat and poultry tenderizers is optional, but if used, the presence of the enzymes must be shown by a statement on the label contiguous to the product name which is clearly visible to the consumer.

Enzymes have been widely used for quite some time in the cheese, brewing, dairy, and baking industries. The use of these enzymes in these industries has not created a serious health problem for allergic persons. Meat and poultry products containing certain approved

enzymes will be clearly labeled showing the presence of these enzymes, thereby allowing persons allergic to these substances to avoid them.

2. *Excessive Additives in Foods.* Many individuals stated that meat and poultry already contain too many additives. Several individuals compared enzymes to pesticide residues.

The Department does not authorize the use of substances without a thorough investigation. The FDA requires the proponent of any food additive to furnish data showing the additive is safe. Under the Federal Meat Inspection Act and the Poultry Products Inspection Act, any food additive which is not safe under the Federal Food, Drug, and Cosmetic Act is prohibited as an adulterant in meat and poultry products. The Department also obtains data from the proponent of the use of an additive to determine whether the substance will otherwise adulterate meat or poultry products.

3. *Tenderization Would Allow Extra Water to be Added to Meat and Poultry.* Comments were received from 12 individuals who believe that excessive amounts of water would be added to meat and poultry if the proposal were adopted.

Under the Federal meat inspection regulations, the Department has, for many years, permitted the addition of a solution consisting of water and the approved proteolytic enzymes to beef cuts in the process of tenderizing beef with enzymes, provided it does not result in a gain of more than 3 percent above the weight of the untreated product. Upon review, the Department has retained the 3 percent maximum weight gain level in this final rule.

As it was previously discussed, the proposal also contained a requirement that products cooked after enzymatic treatment shall not be greater than the weight of the meat or poultry product before enzyme treatment. The Department now believes that this statement could be misinterpreted to allow cooked meat or poultry to be treated with enzymes, or to allow excessive amounts of water to be added prior to cooking. For clarity, this reference has been deleted in this final rule. Water limitations for specific cooked products already exist in the meat and poultry inspection regulations. These limitations, in conjunction with the 3 percent weight gain limitation of this rule, will control the amount of water permitted in products.

4. *Federal Government Favors Industry.* Thirty-three comments were received which accused USDA of allowing the industry to recondition products for resale to the public, thereby permitting increased industry profits. These comments were all from private individuals. The Department has required extensive testing to show the effective use of enzymes. Enzyme tests for the use of enzymes on pork products have been in progress for 10 years. The tests on poultry have extended over the last 2 years. Thus, USDA required the proponents to show that they could meet various restrictions before publishing the proposal.

5. *Tenderizers Would Allow Tough or Spoiled Meat or Poultry to be Utilized by Industry.* Several comments stated that spoiled or tough meats would be used. The Federal meat and poultry products inspection Acts prohibit the preparation and distribution of adulterated meat and poultry products. Sections 1(m)(3) and 4(g)(3) of the Federal Meat Inspection Act (21 U.S.C. 601(m)(3)) and the Poultry Products Inspection Act (21 U.S.C. 453(g)(3)) state that meat and poultry products are adulterated if, among other things, they consist in whole or in part of any filthy, putrid, or decomposed substance or are for any other reason unsound, unhealthful, unwholesome, or otherwise unfit for human food. Therefore, the USDA inspectors may not allow spoiled or adulterated meat or poultry to be used as human food.

The intent of this rule is to allow meat and poultry from mature animals to be used in more ways. The acceptance of the tenderized product is and will continue to be defined by consumer decisions in the marketplace. Under current regulations, since the demand for such products is relatively low, the tougher cuts of meat and poultry which are derived from mature animals are generally used only in products where they are subjected to long periods of moist cooking such as in canned soups or stews. These products may also be mechanically tenderized by grinding or chopping. The use of tenderizing enzymes will allow such meat and poultry to be used, like other meat and poultry cuts, in foods that are ready-to-eat and ready-to-cook. There is no question that the tenderizing enzymes are efficacious, i.e., that they accomplish the intended effect of making the product more tender. The Administrator has reviewed the current use of these enzymes to tenderized beef cuts and the information developed during this rulemaking proceeding. Upon review, he has determined that the use of these proteolytic enzymes as a tenderizer with the labeling required by this rule, would not reduce the quality of the products or make the products appear of greater value or otherwise adulterate the products.

6. *Tenderized Products Should Bear Informative Labeling.* Some commenters opposing the proposal stated many times that tenderized products should be labeled to show the enzyme used. This rule requires all products treated with certain enzymes to show, in a phrase immediately following the product name, the enzyme used. This rule also requires all meat tenderized at the retail level to be labeled to show the presence of the specified enzymes. In addition, the rule has been amended to require the use of the phrase "Tenderized with (approved enzyme)" to more fully advise consumers of the purpose of the enzyme.

7. *Tenderizers Create an Unusual or Bad Taste in Meat and Poultry and Also Result in a Mushy Texture.* Some comments were received objecting to the taste and texture of the tenderized meats. Although some individuals may find products treated with proteolytic enzymes unpalatable, such personal preferences do not provide a basis for the Department to limit the use of these substances. Moreover, a product's taste or texture may be affected by many factors other than the addition of proteolytic enzymes. It would be inappropriate to prohibit the use of these tenderizers which may be one of many factors involved in the development of the product's taste or texture.

8. *Consumers Should Have the Right to Choose Between Tenderized and Untenderized Meat and Poultry and Be Free To Add Their Own Tenderizers If They So Desire.* A great many commenters expressed the wish to be able to tenderize meat at home. This rule does not require that all meat be tenderized, nor will it remove untenderized meat from the market. Consumers will still be able to purchase fresh, untenderized meat and prepare it as they desire at home. The Department believes that tenderized meat and poultry will be used predominantly in preparing convenience foods or ready-to-eat items which could not be made from the tough, untenderized meat or poultry.

9. *This Rule Would Result in More Salt Being Added to Meat and Poultry Which Would Be a Burden to Persons on Salt Restricted Diets.* One hundred and forty-seven comments were received stating that too much salt is being used in foods. Seven of these were in favor of the proposal if salt were not required to be used.

These comments were from persons on salt-restricted diets who believed that salt would be added along with the enzymes. This information was gathered

from an analysis of a widely circulated newspaper article reporting on the Department's proposal. The newspaper article quoted an example of the labeling to be required which includes a qualifying phrase such as "tenderized with a solution of water, salt, flavoring and papain." These consumers, therefore, believed that the approval of papain as a tenderizer was also the approval of the use of salt in such products. This rule does not require salt to be added with the enzymes. Salt is already authorized for use in all meat and poultry products and this rule does not affect the use of salt.

10. *The Safety of Many Substances on the GRAS List is Questionable and the Enzymes Would Harm Various Body Organs.* Several commenters stated that they do not believe that GRAS substances are really safe and that the enzymes would harm various parts of the body. Some commenters stated that things declared safe today would not be called safe 5 years from now.

Substances on the GRAS list are currently being studied and reviewed to determine if there is any available evidence to show that they are harmful. Historically, substances on the GRAS list have been permitted in food based on their long history of use. FDA is currently reviewing the GRAS list and reevaluating substances based on available information.

As noted above, FDA has published a proposal to affirm the GRAS status of papain (43 FR 31349). As part of its ongoing review of GRAS substances, FDA has also received and reviewed a report from the American Society of Experimental Biology which concludes that papain is safe for human comsumption. Copies of the report of the Society's Select Committee on GRAS Substances are available from the National Technical Information Service, 5285 Post Royal Road, Springfield, Virginia 22161.

These enzymes occur naturally in plants and have been used for centuries by various people to tenderize meat. There is no evidence that enzymes directly harm any part of the body when use as a tenderizer.

11. *Tenderization Would Increase the Cost of Treated Meat and Poultry.* Fifty commenters expressed concern that the tenderizing procedure would increase the production costs of the meat processor who would pass the increased cost on to the consumer.

The meat and poultry from older animals are not generally sold at the retail level. The public demand for better grades of meat and poultry has limited the utilization of breeding animals and egg-laying poultry as food sources. Consequently, the farmer has a very limited market for these mature animals and poultry.

This situation of a large supply and a small demand has resulted in a very low price for mature animals and poultry. The use of tenderizers would expand the uses of these animals and poultry as food. The lower original cost of the animals and poultry would enable the processor to offer the consumers more products at lower costs, whereas without tenderizing, most of this meat and poultry would not enter the retail market.

This action is not expected to have a significant effect on the retail prices of red meat or poultry products. The proportion of meat and poultry affected by this action is relatively small. The proportions of each class affected are estimated as follows: pork, 6 percent; lamb and mutton, 7 percent; chicken, 5 percent; and turkey, 1 percent. Furthermore, the animal supply suitable for such processing may expand as a result of this action. Consumers are unlikely to experience price changes since these animals comprise such a small proportion of the total supply.

This action could increase the farm income of producers of eggs, sheep, and feeder pigs as a result of higher slaughter prices received from the sale of hens, turkeys, sheep, sows, and boars. The effect on egg producers may result in some reduction of retail egg prices since the increased return for spent hens would generally lower egg production costs.

12. *The Need for the Use of Enzymes on Meat and Poultry Is Questionable.* The last objection to the proposal was based on the need for tenderizing. Many people stated that there is no need for it, that consumers could tenderize the meat and poultry at home, and that tough meat may be preferred because it exercises the teeth and gums.

The meat and poultry from older animals is very tough and not suited for roasting, broiling, or frying. There is no demand for this class of meat or poultry in the retail market; therefore, the utillization of breeding stock and egg-laying poultry as food sources is very limited. The application of a tenderizer to this class of meat and poultry makes it possible to prepare a tender product with the meat and poultry from older animals regardless of the method of cooking.

This rule will not affect the beef presently on the market. Not all beef cuts are tenderized even though the current Federal meat inspection regulations authorize the cuts to be tenderized. Therefore, the Department believes that there will still be untenderized meat available for those desiring tougher cuts after this regulation is promulgated.

On January 16, 1980, the National Advisory Committee on Meat and Poultry Inspection was consulted regarding these regulations. Members of the Committee expressed comments both in support of and in opposition to the proposal. The Committee members did not raise issues outside the scope of the written comments as discussed above, but their views were also considered in the preparation of this final rule. FDA was also consulted during the rulemaking proceeding in order to assure consistency in Federal food standards. No inconsistency was identified.

On the basis of the foregoing, the Federal meat and poultry products inspection regulations are amended as set forth below:

1. Section 317.8(b)(25) of the Federal meat inspection regulations (9 CFR 317.8(b)(25)) is amended to read as follows:

§ 317.8 False or misleading labeling or practices generally; specific prohibitions and requirements for labels and containers.

* * * * *

(b) * * *

(25) When approved proteolytic enzymes as permitted in Part 318 of this subchapter are used on steaks or other raw meat cuts, there shall appear on the label, in a prominent manner, contiguous to the product name, the statement, "Tenderized with [approved enzyme]," to indicate the use of such enzymes. Any other approved substance which may be used in the solution shall also be included in the statement.

* * * * *

§ 318.7 [Amended]

2. The chart listing the substances approved for use in the preparation of products in § 318.7(c)(4) of the Federal meat inspection regulations (9 CFR 318.7(c)(4)) is amended as follows: In connection with the class of substances listed as "Proteolytic enzymes," in the "Products" column, the term "Beef cuts" is amended to read "Raw meat cuts" and the "Amount" column is amended to read "Solutions consisting of water and approved proteolytic enzymes applied or injected into raw meat cuts shall not result in a gain of more than 3 percent above the weight of the untreated product."

§ 381.120 [Amended]

3. Section 381.120 of the Federal poultry products inspection regulations (9 CFR 381.120) is amended by adding a new sentence at the end of this section

to read as follows: "When approved proteolytic enzymes as permitted in § 381.147 of this subchapter are used in mature poultry muscle tissue, there shall appear on the label, in a prominent manner, contiguous to the product name, the statement "Tenderized with [approved enzyme]," to indicate the use of such enzymes. Any other approved substance which may be used in the solution shall also be included in the statement."

§ 381.147 [Amended]

4. The chart listing the restrictions on the use of substances in poultry products in § 381.147(f)(3) of the Federal poultry products inspection regulations (9 CFR 381.147(f)(3)) is amended by inserting a new class of substance, "Proteolytic enzymes," immediately before the class of substance listed as "Synergists (used in combination with antioxidant)" and in the correct columns, the following information about those enzymes:

Class of substance	Substance	Purpose	Products	Amounts
*	*	*	*	*
Proteolytic enzymes	Aspergillus oryzae	To soften tissue	Raw poultry muscle tissue of hen, cock, mature turkey, mature duck, mature goose, and mature guinea.	Solutions consisting of water and approved proteolytic enzyme applied or injected into raw poultry tissue shall not result in a gain of more than 3 percent above the weight of the untreated product.
	Aspergillus flavus oryzae group	do	do	Do.
	Bromelin	do	do	Do.
	Ficin	do	do	Do.
	Papain	do	do	Do.
*	*	*	*	*

(Sec. 7(c), 34 Stat. 1262, as amended, 21 U.S.C. 607; Sec. 8, 71 Stat. 444, as amended, 21 U.S.C. 457; 42 FR 35625, 35626, 35631)

Done at Washington, D.C., on August 28, 1980.

Carol Tucker Foreman,

Assistant Secretary for Food and Consumer Services.

[FR Doc. 80-27098 Filed 9-4-80; 8:45 am]

BILLING CODE 3410-DM-M

FEDERAL ELECTION COMMISSION

11 CFR Parts 100, 106, 110, 140–146, 9001–9007

[Notice 1980-28]

Public Financing of Presidential General Election Campaign; Effective Date Confirmation

AGENCY: Federal Election Commission.

ACTION: Final rule.

SUMMARY: On Friday, June 27, 1980 (45 FR 43378–43387), the Commission published the text of revised regulations to implement the provisions of the Presidential Election Campaign Fund Act (26 U.S.C. 9001, *et seq.*) relating to the public financing of Presidential General Election Campaigns. The Commission announces those regulations are effective as of September 5, 1980. 11 CFR Subchapter D, Parts 140–146 are deleted.

EFFECTIVE DATE: September 5, 1980.

FOR FURTHER INFORMATION CONTACT: Ms. Patricia Ann Fiori, Assistant General Counsel, 1325 K Street, N.W., Washington, D.C. 20463.

SUPPLEMENTARY INFORMATION: 26 U.S.C. 9009(c) requires that any rule or regulation prescribed by the Commission under Chapter 95 of Title 26, United States Code be transmitted to the Speaker of the House of Representatives and the President of the Senate for legislative review prior to final promulgation. If neither House of Congress disapproves the regulations within 30 legislative days after transmittal, the Commission may finally prescribe them.

The regulations being made effective by this notice were transmitted to Congress on June 13, 1980. Thirty legislative days passed as of adjournment August 26, 1980.

Announcement of Effective Date

PARTS 140–146 [DELETED]

The amendments to 11 CFR 100.8, 106.3 and 110.7; and the new 11 CFR Subchapter E, Parts 9001 through 9007, as published at 45 FR 43378–43387, are effective as of September 5, 1980. 11 CFR Subchapter D, Parts 140–146 are deleted.

Dated: September 3, 1980.

Max L. Friedersdorf,

Chairman, Federal Election Commission.

[FR Doc. 80-27512 Filed 9-4-80; 8:45 am]

BILLING CODE 6715-01-M

FEDERAL RESERVE SYSTEM

12 CFR Part 204

[Docket No. R-0306; Regulation D]

Reserves of Member Banks

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: Effective August 28, 1980, the Board has established a reserve requirement ratio of 12 per cent on savings accounts subject to negotiable order of withdrawal (NOW accounts) maintained by member banks located outside of New England, New York, and New Jersey. This is a technical revision to Regulation D—Reserves of Member Banks to implement the Board's revised Regulation D announced on August 15, 1980 (45 FR 56009). Under that action, NOW accounts maintained by all depository institutions outside of New England, New York and New Jersey will not be subject to the reserve requirement phase-in provisions of revised Regulation D—Reserve Requirements of Depository Institutions, which becomes effective on November 13, 1980. This action will have no effect on the level of reserve requirements member banks currently are required to maintain.

EFFECTIVE DATE: August 28, 1980.

FOR FURTHER INFORMATION CONTACT: Gilbert T. Schwartz, Assistant General Counsel (202/452–3625) or Paul S. Pilecki, Attorney (202/452–3281), Legal Division, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SUPPLEMENTARY INFORMATION: Under the Monetary Control Act of 1980 (Title I of Pub. L. 96–221), the Board is authorized to impose Federal reserve requirements on depository institutions that maintain transaction accounts or nonpersonal time deposits. Transaction accounts are subject initially to a reserve requirement ratio of 3 per cent on amounts up to $25 million and 12 per cent on amounts in excess of $25 million. Initially, nonpersonal time deposits are subject to 3 per cent reserve ratio. The Act provides a transitional adjustment period for most nonmember depository institutions of eight years during which time such institutions will phase in to the new reserve requirements. Member banks will phase in over a four-year period from existing reserve requirements to the new, generally lower reserve requirements. Under the Act, however, any category of deposit accounts first authorized under Federal law in any State after April 1, 1980, will not be subject to the phase-in provisions. (See S. Rep. No. 96–640, 96th Cong., 2d Sess. 70 (1980).) This requirement most immediately applies to negotiable order of withdrawal (NOW accounts) that may be offered by depository institutions outside of New England,[1] New York, and New Jersey, beginning December 31, 1980, under section 303 of the Consumer Checking Account Equity Act of 1980 (Title III of Pub. L. 96–221). On August 15, 1980, the Board announced a revised Regulation D—Reserve Requirements of Depository Institutions to implement the Monetary Control Act. Under that action, reserve requirements on negotiable order of withdrawal (NOW accounts) maintained by member banks in the District of Columbia and the 42 States outside of New England, New York and New Jersey will not be subject to the reserve requirement phase-in provisions of the Monetary Control Act in accordance with the intent of the Monetary Control Act. In order to make this action effective, the Board has amended Regulation D, effective August 28, 1980, the beginning of the last reserve computation period prior to the effective date of the Monetary Control Act, to impose a 12 per cent reserve requirement of NOW accounts of member banks located in the District of Columbia and the 42 States outside of New England, New York and New Jersey.

This revision to current Regulation D will not impose any additional reserve requirements on member banks at this time since NOW accounts are not permitted under Federal law outside of New England, New York, and New Jersey until December 31, 1980. NOW accounts maintained at member banks in the eight States where they are currently authorized will continue to be subject to a reserve requirement ratio of 3 per cent until November 13, 1980, when such member banks will commence phasing into the new reserve ratios on transaction accounts of Regulation D (12 CFR Part 204).

This amendment is technical in nature and relates to a regulatory provision that becomes effective November 13, 1980. Public comment on this issue was solicited on this issue on June 4, 1980 (45 FR 38388).

Effective August 28, 1980, pursuant to the Board's authority under section 19 of the Federal Reserve Act (12 U.S.C. 461 *et seq.* § 204.5 of Regulation D (12 CFR 204.5) is amended as follows:

Section 204.5(a) (1)(ii) and (2)(ii) are revised to read as follows:

§ 204.5 Reserve requirements.

(a) * * *

(1) * * *

(ii) 1 per cent of its time deposits outstanding on or issued after October 16, 1975, that have an initial maturity of four years or more; 2½ per cent of its time deposits outstanding on or issued after December 25, 1975, that have an initial maturity of 180 days or more but less than four years; 3 per cent of its time deposits up to $5 million, outstanding on or issued after October 16, 1975, that have an initial maturity of less than 180 days, plus 6 per cent of such deposits in excess of $5 million; for a member bank located outside of the States of Massachusetts, New Hampshire, Connecticut, Maine, New Jersey, New York, Rhode Island, and Vermont, 12 per cent of its savings accounts subject to negotiable orders of withdrawal: *Provided, however,* that in no event shall the reserves required on its aggregate amount of time and savings deposits be less than 3 per cent or more than 10 per cent.

* * * * *

(2) * * *

(ii) 1 per cent of its time deposits outstanding on or issued after October 16, 1975, that have an initial maturity of four years or more; 2½ per cent of its time deposits outstanding on or issued after December 25, 1975, that have an initial maturity of 180 days or more but less than four years; 3 per cent of its time deposits up to $5 million, outstanding on or issued after October 16, 1975, that have an initial maturity of less than 180 days, plus 6 per cent of such deposits in excess of $5 million; for a member bank located outside of the States of Massachusetts, New Hampshire, Connecticut, Maine, New Jersey, New York, Rhode Island, and Vermont, 12 per cent of its savings accounts subject to negotiable orders of withdrawal: *Provided, however,* that in no event shall the reserves required on its aggregate amount of time and savings deposits be less than 3 per cent or more than 10 per cent.

* * * * *

By order of the Board of Governors, August 28, 1980.

Theodore E. Allison,

Secretary of the Board.

[FR Doc. 80-27294 Filed 9-4-80; 8:45 am]

BILLING CODE 6210-01-M

[1] Massachusetts, New Hampshire, Connecticut, Maine, Rhode Island, and Vermont.

CIVIL AERONAUTICS BOARD

14 CFR Part 223

[Regulation ER-1197; Economic Regulations Amendment No. 10 to Part 223]

Free and Reduced-Rate Transportation; Notice of Approval by the General Accounting Office

AGENCY: Civil Aeronautics Board.

ACTION: Final rule.

SUMMARY: This final rule gives notice that the General Accounting Office has approved the reporting requirements and the application requirement contained in Part 223 of the Board's Economic Regulations governing free and reduced-rate transportation. This approval is required under the Federal Reports Act, and was transmitted to the Civil Aeronautics Board by letter dated August 25, 1980.

DATES: Adopted: September 2, 1980. Effective: September 2, 1980.

FOR FURTHER INFORMATION CONTACT: Clifford M. Rand, Chief, Data Requirements Division, Office of Economic Analysis, Civil Aeronautics Board, 1825 Connecticut Avenue, N.W., Washington, D.C. 20428, (202) 673–6042.

Accordingly, the Civil Aeronautics Board amends Part 223 of its Economic Regulations (14 CFR 223) by revising the note at the end of Part 223 to read:

Note.—The reporting requirements contained in sections 223.2(c), 223.6, 223.7 and the application requirement contained in section 223.8 have been approved by the U.S. General Accounting Office under B–180226 (R0069).

This amendment is issued by the undersigned pursuant to delegation of authority from the Board to the Secretary in 14 CFR 385.24(b). (Sec. 204 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743; 49 U.S.C. 1324).