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## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

### 7 CFR Part 1205

[CN-91-007]

### Amendment to the Cotton Research and Promotion Regulations for Cotton Board Membership

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

**ACTION:** Final rule.

**SUMMARY:** The Agricultural Marketing Service (AMS) is amending the Cotton Research and Promotion regulations regarding Cotton Board membership. This amendment establishes procedures for determining the appropriate number of importer representatives to serve as members and alternate members on the Cotton Board. The initial number of importer representatives shall be four, as provided by the amendment to the Cotton Research and Promotion Order. This amendment also provides for the participation of importers in nominating importer members.

**EFFECTIVE DATE:** December 20, 1991.

**FOR FURTHER INFORMATION CONTACT:** Craig Shackelford, (202) 720-2259.

**SUPPLEMENTARY INFORMATION:** These amendments to the regulations regarding Cotton Board membership are issued pursuant to the Cotton Research and Promotion Act Amendments of 1990 and the Cotton Research and Promotion Order which has been amended in order to implement the 1990 amendments to the Act. A proposed rule amending the Order was issued by the Department of Agriculture and published in the **Federal Register**, April 10, 1991 (56 FR 14482). Written comments concerning the April 10 proposed rule were discussed in a proposed amendment to the Order published in the **Federal Register**, July 9, 1991 (56 FR 31289). The proposed amendment to the Order, published July 9, was approved by a majority of cotton importers and producers voting in a referendum conducted July 17-26.

This final rule has been reviewed in accordance with Executive Order 12291 and Departmental Regulation 1512-1 and has been determined to be a "non-major" rule under the Executive Order 12291 since it does not meet the criteria for a major regulatory action contained in that Order.

The Administrator, Agricultural Marketing Service (AMS), has considered the economic impact of this action on small entities pursuant to the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). There are an estimated 210,000 domestic cotton producers who are presently subject to the regulations regarding Cotton Board membership. In the proposed rule it was stated that there are 35,000 domestic cotton producers. This number was in error for reasons discussed in the proposed Order amendment dated July 9, 1991 (56 FR 31289). There are also an estimated 10,000 importers that will become subject to the regulations. The majority of these producers and importers would be classified as small businesses under the criteria established by the Small Business Administration. The economic impact of this final rule is not expected to be significant. Also, importers who are selected as members to the Cotton Board will serve without compensation but will be reimbursed for necessary expenses, as approved by the Board, incurred by them in performance of their duties under the Order. Accordingly, the Administrator of AMS has determined that this action will not have a significant economic impact on a substantial number of small entities.

In compliance with Office of Management and Budget (OMB) regulations (5 CFR part 1320) which implement the Paperwork Reduction Act (PRA) of 1980 (44 U.S.C. 3501 *et seq.*), the information collection and recordkeeping requirements for domestic producers and importers contained in this subpart, have been approved and assigned OMB control number 0581-0093. Individual producers and importers nominated to the Cotton Board will also be required to submit a membership background information sheet previously approved by OMB and assigned OMB control number 0505-0001. The combined estimated number of producer and importer respondents is 32 per year. The estimated number of importer respondents is 8 per year. Each respondent will submit one response when nominated, with an estimated average reporting burden of 0.5 hours per response.

The agency received no comments regarding the proposed amendment to the Cotton Research and Promotion Regulations for Cotton Board Membership published in the **Federal Register** on June 27, 1991 (56 FR 29445). The proposal established procedures for determining how many importer representatives would serve on the Cotton Board and the procedures importers would follow in nominating potential Cotton Board members. The volume of Upland cotton imported and the cotton content of imported products in terms for 480-pound bales or the equivalent thereof was proposed to be used to determine how many additional persons above the minimum number of two, as provided by the proposed Order amendments, would represent importers on the Cotton Board. The proposed rule amending the Order published in the April 10, 1991, **Federal Register** (56 FR 14482) provided that importer membership on the Cotton Board would consist of one member for each one million bales or major fraction (more than one-half) thereof of imported cotton subject to assessment during the period specified in the regulations for determining Board membership. In addition, § 1205.322 of the proposed amendment to the Order provided that the number of cotton importers represented on the Cotton board would in no case be less than two and the percentage of importers represented on the Board would in no case be greater than 20 percent. All importer members appointed would serve out their three-year terms even if the volume of imported cotton should decrease.

Section 1205.322 of the proposed amendment to the Order was changed based on public comments. Five written comments received from importers concerning the proposed provisions for establishment and membership of the Cotton Board objected to the 20 percent cap on importer representation, stating that importers would not receive equitable representation under the proposal. Conversely, one commenter suggested that, initially, importers should be limited to two Board members.

The 1990 amendment to the Act provides that when importers are subject to an Order, the Board (in addition to producer representatives) shall be composed of "—an appropriate number of importer representatives on the Cotton Board, as determined by the Secretary, of importers of cotton on which assessments are paid—". In describing producer representation, the Act specifically requires that cotton producers have representation on the Board for each cotton-producing state proportionate to that state's share of total U.S. marketings of cotton. Each cotton-producing state is entitled to at least one representative. The Order provides that producers are entitled to one representative for each one million bales (or major fraction thereof) of cotton produced.

Upon consideration of the concern raised by importers, the agency decided to remove the 20 percent cap, and to establish importer representation on the Board in a manner that would more closely reflect the amount of imported cotton assessed.

For the purpose of the initial implementation of the Order, the agency has determined that importer representation would consist of four members. Upon consideration of the estimated volume of imported cotton that would be subject to assessment, the agency has determined this number to be appropriate. In no case, would importer representation consist of less than two members.

According to statistics prepared by USDA, the total quantity of imported cotton during 1990 was approximately 4.9 million bale equivalents. At this time, our figures indicate that the volume of imported cotton in bale equivalents will be less in 1991.

Total bale equivalents of imported cotton do not accurately reflect the amount of imported cotton on which assessments will be paid because a certain amount of imported cotton will not be subject to assessment. Imported cotton not subject to assessment will include de minimis amounts of cotton as defined in the rules and regulations implementing the Order, U.S. produced cotton reentering the U.S., cotton contained in industrial products, and other product categories which would not be included in the Harmonized Tariff Schedule classification numbers listed in rules and regulations that would implement the Order. It is the agency's view that the volume of cotton not subject to assessment would be one million bale equivalents or more. Therefore, four importer representatives on the Board will result in approximately one representative for each one million bales or bale equivalents of cotton imported and assessed. This closely parallels the formula used for producer representation.

The agency will have better information as to the volume of imported cotton assessed after assessments have been collected for at least one year. To make allowance for fluctuations in the volume of imported cotton subject to assessment, the Order provision enables the Secretary to reduce or expand importer representation on the Board after consultation with organizations representing importers in a manner provided by the rules and regulations implementing the Order.

This rule establishes that in no case, will importers be represented by less than two members. Additional importer members could be added to the Cotton Board after consultation by the Secretary with importer organizations, and after consideration of the average annual volume of imported cotton that would be subject to assessment for five preceding years. To conform with the provisions of the Order, the agency has revised § 1205.402 of the proposed rule which based importer representation on the average annual imports of cotton and cotton-containing products. Representation shall now be based on the average annual imports of cotton and cotton-containing products which are assessed.

Initially, the agency has determined to establish importer representation at four members on the Cotton Board.

Each year in approximately July, the Director of the Cotton Division will contact certified importer organizations, notifying each of the number of importer vacancies to be filled on the Cotton Board.

The Director will work with the certified importer organizations to determine a time and place for all such importer organizations to caucus for nominating importers to serve on the Cotton Board. Each organization will be entitled to have one representative attend the nomination caucus. The representatives of the importer organizations will jointly nominate two qualified persons for each vacant member and alternate member position. These procedures parallel procedures already established for cotton producer nominations. This rule also contains several non-substantive changes for the purpose of clarity and organization as well as additional language in § 1205.402(b) so that it conforms with Order provisions.

Pursuant to the provisions of 5 U.S.C. 553, it is found and determined that good cause exists for not postponing the effective date of this amendment until 30 days after publication in the **Federal Register** because: (1) Cotton producers and importers voting in a referendum have approved the amendment to the Cotton Research and Promotion Order which the provisions of this regulation, in part, implement; and (2) in accordance with the Act, the amendment should be published as soon as possible.

**List of Subjects in 7 CFR Part 1205**

Advertising, Agricultural research, Cotton, Marketing agreements, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 1205 is amended as follows:

## PART 1205—COTTON RESEARCH AND PROMOTION

1. The authority citation for part 1205 continues to read as follows:

**Authority:** 7 U.S.C. 2101–2118.

2. Section 1205.402 is revised to read as follows:

### § 1205.402 Determination of Cotton Board membership.

(a) In determining whether any cotton-producing state is entitled to be represented by more than one member of the Cotton Board as provided in § 1205.322, average annual production of Upland cotton in terms of 480-pound net weight bales for the five most recent marketing years will be used as the criteria for determination of such additional members.

(b) In determining whether importers of cotton and cotton-containing products are entitled to be represented by more than a minimum of two members on the Cotton Board as provided in § 1205.322, the average annual volume of imported cotton and the cotton content of imported products on which assessments have been collected will be used as the criteria for determination of such additional members. This volume of cotton will be expressed in terms of 480-pound net weight bales for the five most recent calendar years. The initial importer representation on the Board shall consist of four importer representatives.

(c) All members appointed from a state will be entitled to serve a full three-year term even though it is determined in a subsequent year that a state should have fewer additional members by using the average production of the five most recent marketing years as specified in paragraph (a) of this section.

(d) All members appointed to represent importers will be entitled to serve a full three-year term even though it is determined in a subsequent year that importers should be represented by fewer additional members by using the average volume of imports of cotton and the cotton content of products on which assessments have been collected as specified in paragraph (b) of this section.

(e) Each year the Director shall:

(1) Based on the average annual production of Upland cotton in terms of 480-pound net weight bales for the five most recent marketing years, notify all certified cotton producer organizations in each cotton-producing state of the number of vacancies to be filled by cotton producers on the Cotton Board; and

(2) Based on the average annual volume of imports of cotton and the cotton content of cotton-containing products on which assessments as provided for in § 1205.335 have been collected in terms of 480-pound net weight bales for the five most recent calendar years, notify all certified cotton importer organizations of the number of vacancies to be filled by cotton importers on the Cotton Board.

3. Section 1205.403 is revised to read as follows:

**§ 1205.403 Nomination procedure.**

(a) The Director shall notify all certified producer organizations within each cotton-producing state and all certified importer organizations of the location, date, and time of the caucus for nominating producer and importer representatives for the Cotton Board as specified in § 1205.324. The Director will designate a representative from the Cotton Division to attend the caucus meeting of cotton producer organizations in each state, and of cotton importer organizations. Each eligible cotton producer organization within each cotton-producing state and each importer organization will be entitled to only one representative at the caucus for the purpose of nominating two qualified persons for each member and for each alternate member to be selected. The representative of a cotton producer organization shall be a cotton producer and resident of such state, an officer or member of the Board of Directors of such organization, and duly and unqualifiedly authorized in writing by such organization to make nominations on its behalf. The representative of an importer organization shall be an importer of cotton and/or products containing cotton, an officer or member of the Board of Directors of such organization, and duly and unqualifiedly authorized in writing by such organization to make nominations on its behalf. The representative of the Director designated to attend the caucus meeting of cotton producer organizations in each state and of cotton importer organizations will ascertain the qualifications and eligibility of each representative of a cotton producer organization or cotton importer organization to participate in said meeting and to make nominations.

(b) Each caucus will be conducted as follows:

(1) The representative from the Cotton Division will act as temporary chairperson and will explain the procedure for nominations and the duties of the Cotton Board;

(2) The representatives in attendance from the certified organizations will then select a chairperson and secretary;

(3) At each caucus there will be presented for nomination and there will be nominated not less than the number of nominees required under the provisions of §§ 1205.322, 1205.324, and 1205.402.

Dated: December 16, 1991.

**Daniel Haley,**

*Administrator.*

[FR Doc. 91-30445 Filed 12-19-91; 8:45 am]

BILLING CODE 3410-02-M

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## Farmers Home Administration

## 7 CFR Part 1944

## Multi-Family Housing; Corrections

**AGENCY:** Farmers Home Administration, USDA.

**ACTION:** Final Rule; correction.

**SUMMARY:** The Farmers Home Administration (FmHA) is correcting errors in the final rule published on January 22, 1991 (56 FR 2198) concerning Multi-Family Housing.

**EFFECTIVE DATE:** October 31, 1991.

**FOR FURTHER INFORMATION CONTACT:** David J.Villano, Chief, Rural Rental Housing Branch, Multi-Family Housing Processing Division, Farmers Home Administration, USDA, room 5349—South Agriculture Building, Washington, DC 20250, telephone (202) 720-1608.

Accordingly, the final rule published on January 22, 1991, (56 FR 2198) is corrected as follows:

1. The amendatory language and amendatory text in Amendment No. 43 on pages 2236-2238 is corrected to read as follows:

43. Section 1944.215 is revised to read as follows:

**§ 1944.215 Special conditions.**

(a) *Cost containment.* To help assure low affordable rental and occupancy rates, projects must be economical in construction and not of elaborate design or materials. Cost containment is not to be interpreted as accepting poor design or cheap construction. Projects must provide the features and amenities necessary for the lifestyles of the tenants and members. Consideration must be given to the cost/benefit ratio when evaluating, recommending or requiring specific design features or construction techniques. The following guidelines should be followed when developing projects:

(1) Each State architect/engineer (A/E) should compile and maintain data or spreadsheets on cost/sq. ft., cost/unit, and cost/acre, A/E fees, etc., which are reasonable and customary for the State. Any proposal that exceeds these costs should be carefully evaluated for possible cost reductions. Final determinations must be realistic, interrelated to maintenance and operation costs, and based upon local conditions and common sense. The Building Cost Tracking System may prove helpful.

(2) The elimination or reduction of unnecessary delays in application processing can contribute to cost containment through lower interest and other business expenses on land, inventory, tests, design studies, etc. When reasonable processing timeframes are established, known and followed, appropriate time can be planned for preparing quality application and construction documents. This can result in better instructions to the builder, fewer errors and lower construction costs.

(3) Most materials and systems are available in a range of qualities and prices. The construction documents should be carefully reviewed for specifications that require qualities or grades higher than necessary. These specifications should be accepted only if fully justified and no reasonable alternatives are available.

(4) Designs which encourage standard building material dimensions and reduce waste will be used as much as possible.

(5) State Directors should encourage the use of sites that require a minimum amount of site development. State Directors should also encourage projects with a minimum of 14 units per acre unless the applicant provides documentation supporting a change,