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DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

7 CFR Part 301

[Docket No. 96-016-5]

Karnal Bunt

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Interim rule and request for comments.

SUMMARY: We are amending the Karnal bunt regulations by adding Imperial County, CA, and a portion of Riverside County, CA, to the list of areas quarantined because of infestations of Karnal bunt. We are also adding *Tilletia indica* (Mitra) Mundkur, the organism that causes Karnal bunt, to the list of restricted articles. This action is necessary on an emergency basis to prevent the artificial spread of Karnal bunt, a serious fungal disease of wheat, durum wheat, and triticale, into noninfected areas of the United States.

DATES: Interim rule effective April 19, 1996. Consideration will be given only to comments received on or before June 24, 1996.

ADDRESSES: Please send an original and three copies of your comments to Docket No. 96-016-5, Regulatory Analysis and Development, PPD, APHIS, suite 3C03, 4700 River Road Unit 118, Riverdale MD 20737-1238. Please state that your comments refer to Docket No. 96-016-5. Comments received may be inspected at USDA, room 1141, South Building, 14th Street and Independence Avenue SW., Washington, DC, between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays. Persons wishing to inspect comments are requested to call ahead on (202) 690-2817 to facilitate entry into the comment reading room.

FOR FURTHER INFORMATION CONTACT:

Mr. Stephen Poe, Operations Officer, Domestic and Emergency Operations, PPQ, APHIS, 4700 River Road, Unit 134, Riverdale, MD 20732, (301) 734-8247.

SUPPLEMENTARY INFORMATION:

Background

Karnal bunt is a serious fungal disease of wheat (*Triticum aestivum*), durum wheat (*Triticum durum*), and triticale (*Triticum aestivum* X *Seale cereals*), a hybrid of wheat and rye. The disease is caused by the smut fungus *Tilletia indica* (Mitra) Mundkur and is spread by spores. Karnal bunt is a serious disease that affects both yield and grain quality. It adversely affects the color, odor, and palatability of flour and other foodstuffs made from affected grain. Grain containing any amount of bunted kernels is reduced in quality. Karnal bunt does not present a risk to human health.

On March 20, 1996, the Secretary of Agriculture signed a "Declaration of Extraordinary Emergency" authorizing the Secretary to take emergency action under 7 U.S.C. 150dd with regard to Karnal bunt within the States of Arizona, New Mexico, and Texas. The "Declaration of Extraordinary Emergency" was published in the Federal Register on March 25, 1996 (61 FR 12058, Docket No. 96-016-1). On March 26, 1996, the Secretary of Agriculture signed a "Declaration of Emergency" authorizing the transfer and use of funds within the Department for a program to control Karnal bunt wherever it may be found in the United States. The "Declaration of Emergency" was published in the Federal Register on March 29, 1996 (61 FR 14046, Docket No. 96-016-2).

In an interim rule effective March 25, 1996, and published in the Federal Register March 28, 1996 (61 FR 13649-13655, Docket No. 93-016-3), we established the Karnal bunt regulations (7 CFR 301.89-1 through 301.89-11) and quarantined the State of Arizona and a total of six counties in the States of New Mexico and Texas. The regulations impose restrictions on the interstate movement of regulated articles from quarantined areas in order to prevent the artificial spread of Karnal bunt to noninfested areas of the United States.

Additions to Quarantined Areas

Recently, Karnal bunt was detected in lots of seed that were either planted or stored in California. On April 12, 1996, the Secretary of Agriculture signed a "Declaration of Extraordinary Emergency" authorizing the Secretary to take emergency action under 7 U.S.C. 150dd with regard to Karnal bunt within California.

The regulations in § 301.89-3 provide that the Administrator of APHIS will quarantine each State, or portion of a State, that is infected with Karnal bunt or that the Administrator considers necessary to regulate due to its proximity to an infestation or its inseparability from an infected locality for quarantine purposes.

In accordance with these criteria and the recent detection of Karnal bunt in California, we are amending § 301.89-3(e) by adding all of Imperial County and a portion of Riverside County, CA, to the list of quarantined areas.

The quarantined area in Riverside County, CA, is that portion of the county in the Blythe and Ripley areas bounded by a line drawn as follows: Beginning at the intersection of State Highway 62 and the Riverside-San Bernardino County line, then east along the Riverside-San Bernardino County line to its intersection with the California-Arizona State line; then south along the California-Arizona State line to its intersection with the Riverside-Imperial County line; then west along the Riverside-Imperial County line to its intersection with Graham Pass Road; then northeast along Graham Pass Road to its intersection with Chuckwalla Valley Road; then west and northwest along Chuckwalla Valley Road to its intersection with Interstate Highway 10; then west along Interstate Highway 10 to its intersection with State Highway 177; then northeast and north along State Highway 177 to its intersection with State Highway 62; then northeast along State Highway 62 to the point of beginning.

Addition of Regulated Article

Section 301.89-2 of the regulations lists articles whose movement from quarantined areas is restricted due to the risk of spreading Karnal bunt. In this interim rule, we are adding to the list of regulated articles "*Tilletia indica* (Mitra) Mundkur," the organism that causes Karnal bunt.

Emergency Action

The Administrator of the Animal and Plant Health Inspection Service has determined that an emergency exists that warrants publication of this interim rule without prior opportunity for public comment. Immediate action is necessary to prevent the artificial spread of Karnal bunt to noninfected areas of the United States.

Because prior notice and other public procedures with respect to this action are impracticable and contrary to the public interest under these conditions, we find good cause under 5 U.S.C. 553 to make it effective upon signature. We will consider comments that are received within 60 days of publication of this rule in the Federal Register. After the comment period closes, we will publish another document in the Federal Register. It will include a discussion of any comments we receive and any amendments we are making to the rule as a result of the comments.

Executive Order 12866 and Regulatory Flexibility Act

This rule has been reviewed under Executive Order 12866. For this action, the Office of Management and Budget has waived its review process required by Executive Order 12866.

This action quarantines one entire county and a portion of another county in California because of Karnal bunt and restricts the interstate movement of regulated articles from those quarantined areas. This action also adds *Tilletia indica* (Mitra) Mundkur to the list of regulated articles. This emergency situation makes compliance with section 603 and timely compliance with section 604 of the Regulatory Flexibility Act (5 U.S.C. 603 and 604) impracticable. This rule may have a significant economic impact on a substantial number of small entities. If we determine this is so, then we will discuss the issues raised by section 604 of the Regulatory Flexibility Act in our Final Regulatory Flexibility Act Analysis.

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to Executive Order 12372, which required intergovernmental consultation with State and local officials. (See 7 CFR part 3015, subpart V.)

Executive Order 12778

This rule has been reviewed under Executive Order 12778, Civil Justice Reform. This rule: (1) Preempts all State and local laws and regulations that are inconsistent with this rule; (2) has no

retroactive effect; and (3) only requires administrative proceedings before parties may file suit in court challenging this rule upon the cancellation of a certificate, limited permit, or compliance agreement.

National Environmental Policy Act

An environmental assessment and finding of no significant impact have been prepared for this rule. The assessment provides a basis for the conclusion that the treatment of regulated articles, under the conditions specified in this rule, will not have a significant impact on the quality of the human environment. Based on the finding of no significant impact, the Administrator of the Animal and Plant Health Inspection Service has determined that an environmental impact statement need not be prepared.

The environmental assessment and finding of no significant impact were prepared in accordance with: (1) The National Environmental Policy Act of 1969 (NEPA) (42 U.S.C 4321 *et seq.*), (2) Regulations on the Council on Environmental Quality for implementing the procedural provisions of NEPA (40 CFR parts 1500–1508), (3) USDA regulations implementing NEPA (7 CFR part 1b), and (4) APHIS' NEPA Implementing Procedures (7 CFR part 372).

Copies of the environmental assessment and finding of no significant impact are available for public inspection at USDA, room 1141, South Building, 14th Street and Independence Avenue SW., Washington, DC, between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays. Persons wishing to inspect copies are requested to call ahead on (202) 690–2817 to facilitate entry into the reading room. In addition, copies may be obtained by writing to the individual listed under **FOR FURTHER INFORMATION CONTACT.**

Paperwork Reduction Act

In accordance with section 3507(j) of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the information collection and recordkeeping requirements included in this interim rule have been submitted for emergency approval to the Office of Management and Budget (OMB). OMB has assigned control number 0579–0121 to the information collection and recordkeeping requirements. Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with a collection of information, subject to the requirements of the Paperwork Reduction Act, unless that collection of

information displays a currently valid OMB Control Number. Please send written comments to the Office of Information and Regulatory Affairs, OMB, Attention: Desk Officer for APHIS, Washington, DC 20503. Please state that your comments refer to Docket No. 96–016–5. Please send a copy of your comments to: (1) Docket No. 96–016–5, Regulatory Analysis and Development, PPD, APHIS, suite 3C03, 4700 River Road Unit 118, Riverdale, MD 20737–1238, and (2) Clearance Officer, OIRM, USDA, room 404–W, 14th Street and Independence Avenue SW., Washington, DC 20250.

The paperwork associated with the Karnal bunt program will include the completion of compliance agreements, certificates, and limited permits. There will also be requests for inspections. We are soliciting comments from the public (as well as affected agencies) concerning our proposed information collection and recordkeeping requirements. We need this outside input to help us accomplish the following:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of our agency's functions, including whether the information will have practical utility;

(2) Evaluate the accuracy of our estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the information collection on those who are to respond (such as through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission responses).

Estimate of burden: Public reporting burden for this collection of information is estimated to average 20 minutes per response.

Respondents: State plant regulatory officials, shippers, growers, and representatives of the plant industry.

Estimated number of respondents: 1,915.

Estimated number of responses per respondent: 3.824.

Estimated total annual burden on respondents: 2,410 hours.

Copies of this information collection can be obtained from: Clearance Officer, OIRM, USDA, room 404–W, 14th Street and Independence Avenue SW., Washington, DC 20250.

List of Subjects in 7 CFR Part 301

Agricultural commodities, Plant diseases and pests, Quarantine, Reporting and recordkeeping requirements, Transportation.

PART 301—DOMESTIC QUARANTINE NOTICES

Accordingly, 7 CFR part 301 is amended as follows:

1. The authority citation for part 301 continues to read as follows:

Authority: 7 U.S.C. 150bb, 150dd, 150ee, 150ff, 161, 162, and 164–167; 7 CFR 2.22, 2.80, and 371.2(c).

2. In § 301.89–2, paragraphs (e) through (n) are redesignated as paragraphs (f) through (o), respectively, and a new paragraph (e) is added, as follows:

§ 301.89–2 Regulated articles.

* * * * *

(e) *Tilletia indica* (Mitra) Mundkur;

* * * * *

3. In § 301.89–3, paragraph (e), the designation of quarantined areas is amended by adding, in alphabetical order, entries for Imperial County and Riverside County in California, as follows:

§ 301.89–3 Quarantined areas.

* * * * *

(e) * * *

* * * * *

California

Imperial County. The entire county.
Riverside County. That portion of Riverside County in the Blythe and Ripley areas bounded by a line drawn as follows: Beginning at the intersection of State Highway 62 and the Riverside-San Bernardino County line, then east along the Riverside-San Bernardino County line to its intersection with the California-Arizona State line; then south along the California-Arizona State line to its intersection with the Riverside-Imperial County line; then west along the Riverside-Imperial County line to its intersection with Graham Pass Road; then northeast along Graham Pass Road to its intersection with Chuckwalla Valley Road; then west and northwest along Chuckwalla Valley Road to its intersection with Interstate Highway 10; then west along Interstate Highway 10 to its intersection with State Highway 177; then northeast and north along State Highway 177 to its intersection with State Highway 62; then northeast along State Highway 62 to the point of beginning.

Done in Washington, DC, this 19th day of April, 1996.

Terry L. Medley,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 96–10260 Filed 4–24–96; 8:45 am]

BILLING CODE 3410–34-P

FARM CREDIT ADMINISTRATION**12 CFR Part 621**

RIN 3052–AB54

Accounting and Reporting Requirements

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: The Farm Credit Administration (FCA or Agency), by the Farm Credit Administration Board (Board), adopts as final without change an interim rule amending its regulations on high-risk assets. The interim rule was adopted on November 17, 1994 (59 FR 60886, Nov. 29, 1994). The interim rule reflected recent changes in generally accepted accounting principles (GAAP) that supported retention of existing regulatory guidance for Farm Credit System (System) institutions. Although the need for immediate regulatory action did not permit a public comment period before the interim rule took effect, the FCA requested post-promulgation public comment on the interim rule. This final rule addresses the comments received.

EFFECTIVE DATE: December 15, 1994.

FOR FURTHER INFORMATION CONTACT:

Linda C. Sherman, Policy Analyst, Regulation Development, Office of Examination, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4498, TDD (703) 883–4444,

or

William L. Larsen, Senior Attorney, Regulatory Operations Division, Office of General Counsel, Farm Credit Administration, McLean, VA 22102–5090, (703) 883–4020, TDD (703) 883–4444.

SUPPLEMENTARY INFORMATION:**I. Background**

Substantial amendments to the FCA's regulations on Accounting and Reporting Requirements at 12 CFR part 621 became effective on December 31, 1993. See 58 FR 48780, September 20, 1993. These regulations include requirements and standards for institutions to use in accounting for high-risk assets and disclosing loan performance characteristics. The amendments promoted consistency with industry practices in accounting and reporting and ensured that FCA regulatory requirements and standards remained consistent with GAAP.

Subpart C of part 621 provides System institutions and FCA examiners with clear guidance on how to categorize, account for, report, and disclose the

performance of high-risk assets. In particular, the regulations provide specific criteria for placing loans in nonaccrual status, for using cash basis versus cost recovery accounting practices, for upgrading loans from nonaccrual to accrual status, and for aggregating nonaccrual loans. The amended regulations promote consistent financial reporting among System institutions and Systemwide financial statements that are comparable to those of other federally regulated financial institutions.

Subpart C was subject to a “sunset” provision when originally adopted, because the FCA expected that aspects of subpart C guidance might conflict with the provisions of Statement of Financial Accounting Standards (SFAS) No. 114 when they were later implemented by System institutions.¹ However, in October 1994, the Financial Accounting Standards Board (FASB) amended SFAS No. 114 by adopting SFAS No. 118.² SFAS No. 118 removed those elements of SFAS No. 114 that would have conflicted with subpart C. As a result, the FCA decided to retain subpart C. To ensure the elimination of the sunset provision before it automatically rescinded subpart C at year-end 1994, the FCA issued an interim rule with a request for public comment (59 FR 60886, Nov. 29, 1994).

II. Analysis of Public Comments

The FCA received one comment letter on the interim rule. The letter was submitted by the Farm Credit Council (FCC) on behalf of its membership, together with the Farm Credit System's Accounting Standards Work Group under the direction of the Federal Farm Credit Banks Funding Corporation.

The FCC recognizes the FCA's efforts to promote accounting and financial reporting requirements consistent with the current practices of commercial banks. However, reiterating arguments from their July 14, 1993 comment letter on the proposed rule, the FCC continues to express concern about adopting specific accounting and financial reporting rules rather than general guidelines. The FCC believes the regulations should be broad enough to allow for evolutionary changes in GAAP and notes that other regulators do not

¹ Statement of Financial Accounting Standards No. 114, “Accounting by Creditors for Impairment of a Loan,” an amendment of SFAS Statement Nos. 5 and 15, dated May 1993, was subject to mandatory implementation by institutions for fiscal years beginning after December 15, 1994.

² Statement of Financial Accounting Standards No. 118, “Accounting by Creditors for Impairment of a Loan—Income Recognition and Disclosures,” an amendment of FASB Statement No. 114, dated October 1994.