

lien securing the debt owed to the Agency if the debt instrument provides that the Agency may voucher the account to protect its lien or security.

(b) The Agency may pay protective advances only when it determines it to be in the Government's best financial interest.

(c) Protective advances are immediately due and payable.

#### **§ 772.16 Liquidation.**

When the Agency determines that continued servicing will not accomplish the objectives of the loan and the delinquency or financial stress cannot be cured by the options in § 772.13, the borrower will be encouraged to dispose of the Agency security voluntarily through sale or transfer and assumption. If a transfer or voluntary sale is not carried out, the loan will be liquidated according to title 7, part 1955, subpart A of chapter XVIII of the Code of Federal Regulations.

#### **§ 772.17 Equal opportunity and non-discrimination requirements.**

With respect to any aspect of a credit transaction, the Agency will comply with the requirements of the Equal Credit Opportunity Act as implemented in § 1910.2 of title 7, part 1910, subpart A of chapter XVIII of the Code of Federal Regulations, and the Department's civil rights policy in 7 CFR part 15d.

#### **§ 772.18 Exception authority.**

Exceptions to any requirement in this subpart can be approved in individual cases by the Administrator if application of any requirement or failure to take action would adversely affect the Government's interest. Any exception must be consistent with the authorizing statute and other applicable laws.

### **PART 1901—PROGRAM-RELATED INSTRUCTIONS**

#### **Subpart E—Civil Rights Compliance Requirements.**

2. The authority citation for part 1901 is revised to read as follows:

**Authority:** 5 U.S.C. 301; 7 U.S.C. 1989; 40 U.S.C. 442; 42 U.S.C. 1480.

3. Amend § 1901.204 by:

- a. Removing paragraphs (a)(1), (2), (4), and (10);
- b. Redesignating paragraph (a)(3) as paragraph (a)(1);
- c. Redesignating paragraphs (a)(5) through (9) as paragraphs (a)(2) through (6); and
- d. Redesignating paragraphs (a)(11) through (28) as paragraphs (a)(7) through (24).

### **PART 1951—SERVICING AND COLLECTIONS**

#### **Subpart E—Servicing of Community and Direct Business Programs Loans and Grants**

4. The authority citation for part 1951 continues to read as follows:

**Authority:** 5 U.S.C. 301; 7 U.S.C. 1932 note; 7 U.S.C. 1989; 42 U.S.C. 1480.

5. Amend § 1951.201 by removing the words "loans for Grazing and other shift-in-land-use projects;" and "Association Irrigation and Drainage loans;".

#### **§ 1951.221 [Amended]**

6. Amend § 1951.221 in paragraph (b) heading by removing the words "Grazing Association Loans, Irrigation and Drainage and other".

Signed in Washington, DC, on April 2, 2003.

**J.B. Penn,**

*Under Secretary for Farm and Foreign Agricultural Services.*

[FR Doc. 03-8597 Filed 4-8-03; 8:45 am]

**BILLING CODE 3410-05-U**

### **DEPARTMENT OF AGRICULTURE**

#### **Agricultural Marketing Service**

#### **7 CFR Part 956**

**[Docket No. FV03-956-1 PR]**

#### **Sweet Onions Grown in the Walla Walla Valley of Southeast Washington and Northeast Oregon; Fiscal Period Change**

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

**ACTION:** Proposed rule.

**SUMMARY:** This rule invites comments on a proposed change in the fiscal period under the Walla Walla sweet onion marketing order from June 1 through May 31 to January 1 through December 31. This rule was recommended by the Walla Walla Sweet Onion Marketing Committee (Committee), the agency responsible for local administration of the marketing order regulating the handling of sweet onions grown in the Walla Walla Valley of Southeast Washington and Northeast Oregon. The current fiscal period has been in place since the marketing order's inception in 1995. Because of advance planning needed for market promotion, including paid advertising, the Committee now develops its budget of expenditures before June 1, but delays actual expenditures until that date. This has made it more difficult for

the Committee to coordinate the timing of marketing promotion activities with the short harvest and marketing season for Walla Walla sweet onions. The recommended change is expected to help the Committee better coordinate its marketing promotion activities with the marketing season—mid-June into September.

**DATES:** Comments must be received by June 9, 2003.

**ADDRESSES:** Interested persons are invited to submit written comments concerning this rule. Comments must be sent to the Docket Clerk, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue SW., STOP 0237, Washington, DC 20250-0237; Fax: (202) 720-8938; or E-mail:

[moab.docketclerk@usda.gov](mailto:moab.docketclerk@usda.gov). Comments should reference the docket number and the date and page number of this issue of the **Federal Register** and will be available for public inspection in the Office of the Docket Clerk during regular business hours, or can be viewed at: <http://www.ams.usda.gov/fv/moab.html>.

#### **FOR FURTHER INFORMATION CONTACT:**

Robert J. Curry, Northwest Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1220 SW Third Avenue, suite 385, Portland, Oregon 97204-2807; telephone: (503) 326-2724, Fax: (503) 326-2724; or George Kelhart, Technical Advisor, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue SW., STOP 0237, Washington, DC 20250-0237; telephone: (202) 720-2491, Fax: (202) 720-8938.

Small business may request information on complying with this regulation by contacting Jay Guerber, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue SW., STOP 0237, Washington, DC 20250-0237; telephone: (202) 720-2491, Fax: (202) 720-8938, or E-mail: [Jay.Guerber@usda.gov](mailto:Jay.Guerber@usda.gov).

**SUPPLEMENTARY INFORMATION:** This rule is issued under Marketing Agreement and Order No. 956 (7 CFR part 956) regulating the handling of Walla Walla sweet onions grown in Southeast Washington and Northeast Oregon, hereinafter referred to as the "order." The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the "Act."

The Department of Agriculture (USDA) is issuing this rule in conformance with Executive Order 12866.

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is not intended to have retroactive effect. This rule would not preempt any State or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with USDA a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and request a modification of the order or to be exempted therefrom. A handler is afforded the opportunity for a hearing on the petition. After the hearing USDA would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to review USDA's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

This proposed rule would change the fiscal period from June 1 through May 31 to January 1 through December 31. This rule would also make conforming changes to the order's administrative rules and regulations. This change was unanimously recommended by the Committee at its December 17, 2003, meeting.

Section 956.40 of the order provides authority for the Committee to incur expenses that are reasonable and necessary to operate the program. Section 956.42 provides that these expenses be paid by assessments levied on fresh shipments of Walla Walla sweet onions. Further, § 956.41 provides that an annual budget of expenses be prepared by the Committee based on the defined fiscal period. Section 956.13 of the order defines "fiscal period" to mean the period beginning on June 1 and ending on May 31 of each year, or such other period as may be recommended by the Committee and approved by USDA.

Walla Walla sweet onions are traditionally harvested from about mid-June through about mid-August, although in recent years harvest has been extended into September due to an increase in spring planted onions and the use of better storage facilities. Walla Walla sweet onions have a short shelf life and are therefore generally marketed within a relatively short period of time following harvest. During the promulgation of the order in 1995, the proponent industry committee—the

organization responsible for drafting the order and presenting it during the promulgation hearing—was of the opinion that the new order's fiscal period should begin shortly before the marketing season began. Testimony during the hearing supported the position that the start of the fiscal period should be close to the beginning of the season. This was so a minimum of expenses would be incurred prior to the time assessment revenue was received by the Committee following the sweet onion harvest.

Experience gained over the last eight years has shown the Committee that the June 1 through May 31 fiscal period is not conducive to coordinating the timing of its marketing promotion, including paid advertising activities, with the short harvest and marketing season for Walla Walla sweet onions. The crop is harvested and marketed during a four-month period—mid-June into September.

Because of advance planning needed for marketing promotion projects, the Committee now develops its budget of expenditures before June 1, but delays actual expenditures until that date. This has made it more difficult for the Committee to coordinate the timing of its promotion activities with the short harvest and marketing season. The Committee believes that better timing of marketing promotion activities with the harvest and marketing of Walla Walla sweet onions would improve the distribution and consumption of sweet onions. Hence, the Committee recommended that the fiscal period begin January 1 and end December 31 each year.

As previously stated, the Committee's current fiscal period is June 1 through May 31. The Committee plans on formulating a budget for the twelve-month period beginning June 1, 2003, and submitting it to the USDA for approval prior to that date. The Committee could then begin expending funds in early June for its 2003–2004 promotion and research plans, as well as for administration costs. Any final rule issued as a consequence of this proposed rule would be made effective January 1, 2004. Thus, the Committee would meet after this proposed change is issued as a final rule, but prior to January 1, 2004, to reformulate and resubmit a new budget for USDA approval for the new fiscal period beginning January 1, 2004, and ending December 31, 2004.

As conforming changes to the proposed fiscal period change, this rule would also update language in § 956.142, Interest charges, and § 956.180, Reports by removing the

words "of each fiscal period" wherever they appear.

### Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Agricultural Marketing Service (AMS) has considered the economic impact of this action on small entities. Accordingly, AMS has prepared this initial regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 21 handlers of Walla Walla sweet onions subject to regulation under the order and approximately 37 Walla Walla sweet onion producers in the regulated area. Small agricultural service firms are defined by the Small Business Administration (SBA) (13 CFR 121.201) as those having annual receipts of less than \$5,000,000, and small agricultural producers are defined as those having annual receipts of less than \$750,000.

The Committee estimates that in 2002, 611,955 50-pound units of Walla Walla sweet onions were marketed at an average FOB price of about \$9.00 per unit. Thus the total industry value at shipping point was about \$5,507,595. Thus, a majority of handlers and producers of Walla Walla sweet onions may be classified as small entities.

This proposal would change the current fiscal period from June 1 through May 31 to January 1 through December 31. The current fiscal period has been in place since the marketing order's inception in 1995. Because of advance planning needed for marketing promotion projects, including paid advertising, the Committee now develops its budget of expenditures before June 1, but delays actual expenditures until that date. This has made it more difficult for the Committee to coordinate the timing of marketing promotion activities with the short harvest and marketing season for Walla Walla sweet onions—mid-June into September. The Committee believes that better timing of marketing promotion and marketing would result with a January 1 through December 31 fiscal period and improve the distribution and consumption of Walla Walla sweet onions.

Section 956.13 of the order defines "fiscal period" and provides the authority by which this recommended change is being proposed. This rule is a change to Committee operations which would not impose any new requirements or costs on Walla Walla sweet onion handlers or producers. It could, on the other hand, simplify the business operations within the Walla Walla sweet onion industry by putting the order's fiscal period on the same basis as that of normal business recordkeeping practices.

The Committee discussed the alternative of leaving the fiscal period as it presently exists, but unanimously concluded that this change, as recommended, would improve program administration.

This rule would not impose any additional reporting or recordkeeping requirements on either small or large Walla Walla sweet onion handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sectors. In addition, USDA has not identified any relevant Federal rules that duplicate, overlap or conflict with this rule.

The Committee's meeting was widely publicized throughout the Walla Walla sweet onion industry and all interested persons were invited to attend the meeting and participate in Committee deliberations. Like all Committee meetings, the December 17, 2002, meeting was a public meeting and all entities, both large and small, were able to express their views on this issue. Finally, interested persons are invited to submit information on the regulatory and informational impacts of this action on small businesses.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: <http://www.ama.usda.gov/fv/moab.html>. Any questions about the compliance guide should be sent to Jay Guerber at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

A 60-day comment period is provided to allow interested persons to respond to this proposal. All written comments timely received will be considered before a final determination is made on this matter.

#### List of Subjects in 7 CFR Part 956

Marketing agreements, Onions, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 7 CFR part 956 is proposed to be amended as follows:

#### PART 956—SWEET ONIONS GROWN IN THE WALLA WALLA VALLEY OF SOUTHEAST WASHINGTON AND NORTHEAST OREGON

1. The authority citation for 7 CFR part 956 continues to read as follows:

**Authority:** 7 U.S.C. 601–674.

2. A new § 956.113 is added to subpart "Rules and Regulations" to read as follows:

##### § 956.113 Fiscal period.

Pursuant to § 956.13, *fiscal period* shall mean the period beginning January 1 and ending December 31 of each year.

##### § 956.142 [Amended]

3. Section 956.142 is amended by removing the words "of each fiscal period" in the second sentence.

##### § 956.180 [Amended]

4. Section 956.180 is amended by removing the words "of each fiscal period" in the introductory text.

Dated: April 3, 2003.

**A. J. Yates,**

*Administrator, Agricultural Marketing Service.*

[FR Doc. 03–8648 Filed 4–8–03; 8:45 am]

**BILLING CODE 3410–02–P**

#### DEPARTMENT OF AGRICULTURE

#### Animal and Plant Health Inspection Service

#### 9 CFR Parts 105 and 115

[Docket No. 02–107–1]

#### Viruses, Serums, Toxins, and Analogous Products; Suspension, Revocation, or Termination of Biological Licenses or Permits; Inspections

**AGENCY:** Animal and Plant Health Inspection Service, USDA.

**ACTION:** Proposed rule.

**SUMMARY:** We are proposing to amend the Virus-Serum-Toxin Act regulations to specify the actions that would have to be taken by veterinary biologics licensees and permittees upon their receipt of notice from the Animal and Plant Health Inspection Service (APHIS) to stop the preparation, distribution, sale, barter, exchange, shipment, or importation of any worthless, contaminated, dangerous, harmful, or unsatisfactory veterinary biological product. After receiving notice from

APHIS to stop the preparation, distribution, sale, barter, exchange, shipment, or importation of any worthless, contaminated, dangerous, harmful, or unsatisfactory veterinary biological product, licensees and permittees would be required to notify wholesalers, dealers, jobbers, or other persons known to have veterinary biological products in their possession to stop the preparation, distribution, sale, barter, exchange, shipment, or importation of any worthless, contaminated, dangerous, harmful, or unsatisfactory veterinary biological product. In addition, licensees and permittees would be required to submit a complete accounting of the inventory of affected serials or subserials of biological products in the current possession of each person involved in the distribution or sale of the product, and provide written documentation concerning the required notifications as directed by the Administrator of APHIS. These proposed changes are necessary in order to clarify the regulations, provide for the most expeditious means of notification, and to prevent the risk that any worthless, contaminated, dangerous, harmful, or unsatisfactory veterinary biological product may cause harm to animals, the public health, or to the environment.

**DATES:** We will consider all comments that we receive on or before June 9, 2003.

**ADDRESSES:** You may submit comments by postal mail/commercial delivery or by e-mail. If you use postal mail/commercial delivery, please send four copies of your comment (an original and three copies) to: Docket No. 02–107–1, Regulatory Analysis and Development, PPD, APHIS, Station 3C71, 4700 River Road Unit 118, Riverdale, MD 20737–1238. Please state that your comment refers to Docket No. 02–107–1. If you use e-mail, address your comment to [regulations@aphis.usda.gov](mailto:regulations@aphis.usda.gov). Your comment must be contained in the body of your message; do not send attached files. Please include your name and address in your message and "Docket No. 02–107–1" on the subject line.

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

APHIS documents published in the **Federal Register**, and related