specifically requires to be considered. It would not be appropriate for the Secretary to set prices which responded to constantly fluctuating conditions on one sole (and narrow) measurement when there are a host of other considerations affecting the supply of milk that themselves constantly change. Thus, to set milk prices based on these significant but limited factors rather than on the M–W, which automatically incorporates these aspects of supply, would tend to have the effect of ignoring all of the factors of supply and demand required for compliance with § 608c(18).

Of particular note, the Secretary conducted a subsequent national hearing to address the M–W price in 1992. The Secretary's call for proposals for the hearing (57 FR 26790) explicitly indicated that any proposals that would change the M–W method would have to be justified under the supply and demand pricing standards specified in § 608c(18). Since that hearing, the Secretary has determined that a modified M–W price, adjusted by a product price formula, and now referred to as the Basic Formula Price (BFP), best satisfies the statutory pricing criteria of the AMAA. Accordingly, the Secretary amended all Federal milk orders and producers everywhere affirmed the amended orders. The BFP essentially retains the features of the old M–W. It is a market-determined price, free of government regulation that represents the basic value for milk and used to adjust Class I and Class II prices. It is the basis for establishing the pricing terms-of-trade between dairy farmers and handlers because it continually responds to changing supply and demand factors as prescribed by § 608c(18). The use of a product price formula is a minor refinement that updates a previous month's price to better reflect current marketing conditions. In the final decision for improving the M–W, (60 FR 7290) the Secretary found that the economic rationale stated when the M–W was first adopted remains sound today as it was when it was adopted order-by-order from 1961 until universally adopted in 1975.

Class I Differentials and Class I Prices

As noted above, the M–W price is the key component in the Class I price, representing the many supply and demand factors referenced in § 608c(18). The M–W price does not, however, reflect one factor uniquely relevant to Class I fluid milk pricing: the cost of transporting milk from alternative supply sources. When the Class I differential, which largely reflects transportation costs, is added to the M–W price, the minimum Class I price in each market is set. As marketing orders were consolidated, covering ever increasingly larger geographical areas, there was an increasing need to align Class I prices among the orders. Inter-market alignment of Class I prices is necessary so that the minimum prices do not exceed the cost of obtaining milk from alternative sources of supply. Such pricing constraints address § 608c(5)(A) which requires, among other things, uniform prices to handlers.

The Class I differential serves as that economic incentive to move milk from supply to areas where it is demanded. In reality, some milk is produced just about everywhere. Therefore, the mix of milk produced near where it will be consumed, along with milk needed from more distant locations needs to be only high enough to bring forth that additional supply that will satisfy consumer demands.

It is important to reiterate that dairy farmers are not paid the Class I price for their milk. Class I prices are minimum prices paid by handlers who use milk for fluid purposes. Their alignment both within an order and between orders is critical so that all handlers compete on an equal footing for attracting milk to their location. Dairy farmers, by contrast, receive a blend price for their milk regardless of how it is used. The blend price is neither intended to be aligned by the Secretary, nor is it intended to correlate to geography. The blend price that producers receive represents the sum total of local supply and demand conditions for milk in each marketing order area. Blend price changes (and differences in blend prices among orders) provide the economic signal for producers to make production decisions and for making marketing adjustments.

General Findings

The findings and determinations set forth herein have been issued in response to an opinion and order of the United States District Court, District of Minnesota, Fourth Division, issued on May 16, 1996. The findings and determinations supplement those that were previously set forth in the Final Decision issued on February 5, 1993, and published in the Federal Register on March 5, 1993, and in an Amplified Decision issued on August 10, 1994, and published in the Federal Register on August 17, 1994, with respect to the New England and other Marketing Area orders. No additional regulatory changes are necessary as a result of this second Amplified Decision.

List of Subjects in 7 CFR Parts 1001, 1002, 1004, 1005, 1006, 1007, 1011, 1012, 1013, 1030, 1032, 1033, 1036, 1040, 1044, 1046, 1049, 1050, 1064, 1065, 1068, 1075, 1076, 1079, 1106, 1124, 1126, 1131, 1134, 1135, 1137, 1138, 1139

Milk marketing orders.

Dated: September 10, 1996.

Michael V. Dunn,

Assistant Secretary, Marketing and Regulatory Programs.

[FR Doc. 96–23825 Filed 9–17–96; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

21 CFR Part 1301

RIN 1117–AA40, DEA Number 142N

Guidelines for Providing Controlled Substances to Ocean Vessels

AGENCY: Drug Enforcement Administration (DEA), Justice.

ACTION: Advance Notice of Proposed Rulemaking.

SUMMARY: DEA is considering whether to propose amending the regulations regarding the supply of controlled substances to ocean vessels to provide a means of supply more consistent with current industry practices for other materials. The decision on whether to propose amendments and the extent of any such amendments will be based on the information and comments submitted in response to this advance notice of proposed rulemaking and DEA's experience with the existing procedures and practices for supplying controlled substances to vessels.

DATES: Information and comments should be submitted on or before November 18, 1996.

ADDRESSES: Comments should be submitted in duplicate to the Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration, Washington, D.C. 20537, Attn: Federal Register Representative/CCR.

FOR FURTHER INFORMATION CONTACT: G. Thomas Gitchel, Chief, Liaison and Policy Section, Office of Diversion Control, Drug Enforcement Administration, Washington, D.C. 20537, Telephone (202) 307–7297.

SUPPLEMENTARY INFORMATION: Title 21, Code of Federal Regulations (CFR), Section 1301.28 provides a mechanism for the transfer of controlled substances to ocean vessels for use in emergency

kits. Vessels may obtain controlled substances either through the services of a medical officer who is employed by the owner or operator of the vessel and is registered with DEA as a practitioner, or, in the absence of a medical officer, through the master or first officer of the vessel personally appearing before a distributor registrant and receiving the controlled substances directly.

If a medical officer is ordering the controlled substances, he or she shall submit the order to a distributor or, when allowed pursuant to 21 CFR 1301.28(f), a pharmacy. When filling the order, the distributor or pharmacy must handle the transaction as a normal distribution subject to all of the requirements of the law and regulations regarding the distribution of controlled substances. If Schedule II controlled substances are being ordered, a properly completed and signed DEA Order Form (DEA Form-222) must be received prior to filling the order. Further, all controlled substances must be shipped directly to the medical officer at his or her registered address. The distributor or pharmacy may not ship the controlled substances to another person or address. The medical officer shall transfer the controlled substances to the vessel only at a location within the United States. The shipment of controlled substances to a foreign location can be accomplished only by a registered exporter pursuant to a valid export permit or declaration and authorization of the foreign government; to do so otherwise could be a criminal violation of the Controlled Substances Act (CSA) and U.S. International Treaty obligations.

In the absence of a registered medical officer, the master or first officer of an ocean vessel may obtain controlled substances by appearing personally before a distributor or an authorized pharmacy registrant, and by presenting proper identification and a written requisition for the controlled substances. The requisition must be prepared on the vessel's official stationery or purchase form and must contain the information required by 21 CFR 1301.28(d)(2). The distributor or pharmacy shall record the distribution in the manner required by 21 CFR 1301.28(d)(4). The master or first officer of a vessel must appear personally before the registrant to receive the controlled substances.

Issues regarding practical compliance with the regulations have arisen, including the use of contract practitioners, the shipping of controlled substances to other than a registered location, exporting controlled substances without an exporter registration and export permit or declaration, repacking or relabelling controlled substances in violation of the CSA, and, in the absence of a medical officer, shipping controlled substances to a vessel rather than requiring a personal appearance by the master or first officer.

DEA has also received comments from wholesalers and owners/operators of vessels expressing concerns regarding the regulations and the impact they have on the delivery of controlled substances to the vessels. The primary concern is the requirement that controlled substances ordered by a medical officer must be shipped to the medical officer's registered location by the distributor. The medical officer then must ship the controlled substances to the vessel. The commentors have objected that this requirement delays the delivery of the controlled substances to the vessel and increases the potential for diversion of the substances. Comments have also been received regarding the use of medical officers, the distribution of controlled substances to vessels in foreign ports, and the use of ship's agents to help effect the delivery of controlled substances to the vessels.

In order to better understand the circumstances under which the maritime industry operates and to determine what regulatory adjustments might be possible to allow a more efficient and practical means to provide controlled substances to ocean vessels while maintaining controls against the diversion of controlled substances, DEA is requesting information and comments regarding the following:

1. What industry standards or requirements are there regarding the acquisition, storage, and dispensing of controlled substances aboard ocean vessels? If there are standards or requirements, is there a mechanism for ensuring compliance and sanctioning those that fail to comply? Further, do the standards or requirements apply to all vessels, including foreign flag vessels, or do they apply only to U.S. flag vessels?

2. Are there standardized procedures for delivering materials/supplies to vessels when they are in port? What provisions are there for the safekeeping/security of sensitive materials/supplies prior to the actual delivery to the vessel?

3. What duties do ship/port agents and ship chandlers perform? What legal responsibilities must they satisfy and to whom are they responsible? Are there specific guidelines or requirements that must be adhered to and a mechanism for enforcing compliance?

In addition to developing background information concerning the operations of the maritime industry with respect to providing vessels with controlled substances, DEA is also seeking comments and proposals from interested parties regarding the impact of the current regulatory requirements and possible alternative procedures that might better serve the industry while preserving the necessary safeguards to prevent diversion. Areas of specific interest would include the use of contract medical officers, the shipment of controlled substances from the distributors to the vessels, and whether ship/port agents and chandlers can participate in the process. DEA also welcomes any comments and suggestions on related issues regarding the supply of controlled substances to ocean vessels.

Interested persons may, on or before November 18, 1996, submit to the Deputy Assistant Administrator, Office of Diversion Control, Attn: Federal Register Representative/CCR (address above) two copies of the written information and comments regarding this advance notice of proposed rulemaking.

Dated: August 19, 1996.

Gene R. Haislip,

Deputy Assistant Administrator, Office of Diversion Control.

[FR Doc. 96–23816 Filed 9–17–96; 8:45 am]

BILLING CODE 4410–09–M

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[AZ–030–0006; FRL–5611–8]

Approval and Promulgation of Implementation Plans; Arizona—Phoenix Nonattainment Area; Carbon Monoxide Emission Inventory

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA is proposing to approve, as meeting the requirements of sections 172(c)(3) and 187(a)(1) of the Clean Air Act (CAA) and EPA guidance, the 1990 base year carbon monoxide (CO) emission inventory for the Phoenix CO nonattainment area. This document also discusses EPA's review of the 1995 projected year inventory for the Phoenix area.

DATES: Written comments on this proposal must be received by October 18, 1996.

ADDRESSES: Written comments should be sent to: Wienke Tax, A–2–1, U.S. Environmental Protection Agency,