

otherwise available with respect to the owner's farming operation in order to make a determination as to the owner's eligibility, the owner's payment application, as specified by CCC, shall be denied. The tribal government shall be responsible for notifying the owner of the reason for the denial and shall provide the owner an opportunity to submit additional information as requested.

(f) All payment applications, as specified by CCC, approved by the tribal government will be submitted to a designated FSA office for calculation of payment.

§ 1439.909 Payments.

(a) Provided all other eligibility requirements of this subpart are met and funds are available, all eligible payment applications submitted to the designated FSA office shall have payments issued to the applicant by CCC.

(b) If any term, condition, or requirement of these regulations or contract are not met, payments and benefits previously provided by CCC which were not earned under the provisions of the application shall be refunded.

(c) Each owner's share of the total payment shall be indicated on the application, and each owner shall receive benefits or final payment from CCC according to benefits or payments earned under the provisions of the application.

(d) CCC may reduce the benefits payable to an applicant under this program if CCC has made assistance available to such applicant under any other CCC program with respect to the same natural disaster.

(e) The amount of assistance provided to any owner shall not exceed the smaller of either:

(1) The dollar amount of eligible livestock feed purchased, as documented by acceptable purchase receipts, less the dollar amount of any sale of livestock feed (whether purchased or produced) by the owner during the feeding period; or

(2) 30 percent of the amount computed by multiplying:

(i) The number of animal units determined on the basis of the number of eligible livestock of each type and weight range; by

(ii) The smaller of the number of days the owners provided feed to eligible livestock or the total days in the contract's feeding period; by

(iii) The Animal Unit Day value, as established by the Deputy Administrator for Farm Programs, less the dollar amount of any sale of livestock feed

(whether purchased or produced) by the owner during the feeding period.

(f) Payments issued in conjunction with this program will not be subject to offset for debts incurred through participation in any other program conducted by the Department of Agriculture.

§ 1439.910 Program suspension and termination.

(a) The tribal government that requested the AILFP assistance, may at any time during the operation of a program recommend suspension or termination of the program.

(b) The Deputy Administrator may suspend or terminate the program at any time if:

- (1) The tribal government requests termination or suspension; or
- (2) Funding is exhausted.

§ 1439.11 Appeals.

Any person who is dissatisfied with a CCC determination made with respect to this subpart may make a request for reconsideration or appeal of such determination in accordance with part 780 of this chapter. Any person who is dissatisfied with a determination made by the tribal authority should seek reconsideration of such determination with the tribe. Decisions and determinations made under this subpart not rendered by CCC or FSA are not appealable to the National Appeals Division.

§§ 1439.912 through 1439.915 [Reserved]

Signed at Washington, DC, on November 20, 1998.

Keith Kelly,

Executive Vice President, Commodity Credit Corporation.

[FR Doc. 98-31655 Filed 11-25-98; 8:45 am]

BILLING CODE 3410-05-P

DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

9 CFR Part 331

[Docket No. 98-048F]

Termination of Designation of the State of Minnesota With Respect to the Inspection of Meat and Meat Food Products

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Final rule and termination of designation.

SUMMARY: This final rule amends the Federal meat inspection regulations by terminating the designation of the State of Minnesota under Titles I, II, and IV

of the Federal Meat Inspection Act (FMIA). The State of Minnesota has enacted a State meat inspected program law and regulations that impose inspection requirements that are at least equal to those requirements of the FMIA. The State of Minnesota will remain designated under sections 1-4, 6-11, and 12-22 of the Poultry Products Inspection Act (PPIA).

DATES: The effective date of this final rule is December 28, 1998.

FOR FURTHER INFORMATION CONTACT: Dr. William F. Leese, Director, Federal-State Relations Staff, Food Safety and Inspection Service; telephone (202) 418-8900 or FAX (202) 418-8834.

SUPPLEMENTARY INFORMATION:

Background

Section 301(c) of the FMIA (21 U.S.C. 661(c)) and section 5(c) of the PPIA (21 U.S.C. 454(c)) authorize the Secretary of Agriculture to designate a State as one in which the provisions of Titles I and IV of FMIA shall apply to operations and transactions wholly within the State after the Secretary has determined that requirements at least "equal to" those imposed under the Acts have not been developed and effectively enforced by the State.

On January 2, 1971, and May 16, 1972, the Secretary of Agriculture designated the State of Minnesota under paragraph 5(c) (21 U.S.C. 454(c) of the PPIA and paragraph 301(c) (21 U.S.C. 661(c)) of the FMIA as a State in which the Federal Government is responsible for providing meat and poultry inspection, respectively, at eligible establishments and for otherwise enforcing the applicable provisions of PPIA and FMIA with regard to intrastate activities in the State.

In addition, on January 31, 1975 (40 FR 4646), a document was published in the **Federal Register** announcing that effective on that date, the Federal Government would assume the responsibility of administering the authorities provided for under sections 202, 203, and 204 (21 U.S.C. 642, 643, and 644) of the FMIA and sections 11 (b) and (c) (21 U.S.C. 460 (b) and (c)) of the PPIA regarding certain categories of processors of meat and poultry products.

These designations were undertaken by the Department when it was determined that the State of Minnesota was not in a position to enforce inspection requirements under State laws for products in intrastate commerce that are at least "equal to" the requirements of FMIA and PPIA enforced by the Federal Government.

The Governor of the State of Minnesota has advised FSIS that on December 28, 1998, the State of Minnesota will be in a position to administer a State meat inspection program which includes requirements at least "equal to" those imposed under the Federal meat inspection program for products in interstate commerce. The Governor of the State of Minnesota also has advised FSIS that the State, at this time, will remain designated for poultry products inspection under the PPIA.

Section 301(c)(3) of the FMIA provides that whenever the Secretary of Agriculture determines that any designated State has developed and will enforce State meat inspection requirements at least "equal to" those imposed by the Federal Government under the FMIA, with regard to intrastate operations and transactions within the State, the Secretary will terminate the designation of such State. The Secretary has determined that the State of Minnesota has developed, and will enforce, such a State meat inspection program in accordance with such provisions of the FMIA. In addition, the Secretary has determined that the State of Minnesota also is in a position to enforce effectively the provisions of sections 202, 203, and 204 of the FMIA. Therefore, the designations of the State of Minnesota under Titles I, II, and IV of FMIA are hereby terminated. The designations of Minnesota under sections 1-4, 6-11, and 12-22 of the PPIA, however, at this time, will remain in effect, and are hereby not terminated.

Because it does not appear that public participation in this matter would make additional relevant information available to the Secretary under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that such public procedure is impracticable and unnecessary.

Executive Order 12866

This final rule is issued in conformance with Executive Order 12866 and has been determined not to be a major rule. It will not result in an annual effect on the economy of \$100 million or more; a major increase in costs or prices for consumers, individual industries, Federal, State, or local governments agencies, or geographic regions; or significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of the United States-based enterprises to compete with foreign-based enterprises in domestic or export markets. Terminating the designation of the State of Minnesota will provide for the State

to assume the responsibility, previously limited to the Federal Government, of administering a meat inspection program for intrastate operations and transactions and for ensuring compliance by persons, firms, and corporations engaged in intrastate commerce in specified kinds of businesses. Qualifying businesses will have the option to operate under State inspection as an alternative to Federal inspection. The State of Minnesota will be required to administer the meat inspection program in a manner that is at least "equal to" the inspection program administered by the Federal Government.

Effect on Small Entities

The Administrator of the Food Safety and Inspection Service (FSIS) has determined that this action will not have a significant economic impact on a substantial number of small entities, as defined by the Regulatory Flexibility Act, Pub. L. 96-354 (5 U.S.C. 601). As stated above, the State of Minnesota is assuming a responsibility, previously limited to the Federal Government, of administering the meat inspection program for intrastate meat operations and transactions. The State's poultry products inspection program, at this time, will remain designated. No additional requirements are being imposed on small entities.

List of Subjects in 9 CFR Part 331

Meat inspection.

Part 331 of the Federal meat inspection regulations (9 CFR Part 331) is amended to read as follows:

PART 331—[AMENDED]

1. The authority citation for Part 331 continues to read as follows:

Authority: 21 U.S.C. 601-695; CFR 2.17, 2.55.

§ 331.2 [Amended]

2. The table in § 331.2 of the Federal meat inspection regulations (9 CFR 331.2) is amended by removing the entry for "Minnesota".

§ 331.6 [Amended]

3. Section 331.6 of the Federal meat inspection regulations (9 CFR 331.6) is amended by removing the entry for "Minnesota" in all three places.

Done in Washington, DC, on November 18, 1998.

Thomas J. Billy,
Administrator.

[FR Doc. 98-31441 Filed 11-25-98; 8:45 am]

BILLING CODE 3410-DM-P

FEDERAL RESERVE SYSTEM

12 CFR Part 225

[Regulation Y; Docket No. R-0990]

Appraisal Standards for Federally Related Transactions

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors of the Federal Reserve System has approved an amendment to Subpart G of the Board's Regulation Y, Appraisal Standards for Federally Related Transactions, which exempts from the Board's appraisal requirements transactions involving the underwriting or dealing of mortgage-backed securities. This amendment permits bank holding company subsidiaries engaged in underwriting and dealing in securities (so-called section 20 subsidiaries) to underwrite and deal in mortgage-backed securities without demonstrating that the loans underlying the securities are supported by appraisals that meet the Board's appraisal requirements.

EFFECTIVE DATE: December 28, 1998.

FOR FURTHER INFORMATION CONTACT: Norah M. Barger, Assistant Director (202/452-2402), or Virginia M. Gibbs, Senior Supervisory Financial Analyst, (202/452-2521), Division of Banking Supervision and Regulation; or Mark Van Der Weide, Attorney (202/452-2263), Legal Division; Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

SUPPLEMENTARY INFORMATION:

Background

The Board is adopting an amendment to its appraisal regulation that exempts from the Board's appraisal regulation transactions involving the underwriting or dealing of mortgage-backed securities. The amendment is designed to address the concerns raised by bank holding companies regarding the extent to which the Board's appraisal regulation restricts the ability of section 20 subsidiaries to actively participate in the commercial mortgage-backed securities (CMBS) market.

In 1990, the Board adopted its appraisal regulation pursuant to the requirements of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3331 *et seq.*). Title XI directed the federal banking agencies (the agencies) to publish appraisal rules for federally