Regulatory Planning and Review. These amendments have not been reviewed by the Office of Management and Budget under that Executive order, since they are not deemed ''significant'' thereunder.

Executive Order 12988

As Deputy Director of the Office of Government Ethics, I have reviewed this final amendatory regulation in light of section 3 of Executive Order 12988, Civil Justice Reform, and certify that it meets the applicable standards provided therein.

Regulatory Flexibility Act

As Deputy Director of the Office of Government Ethics, I certify under the Regulatory Flexibility Act (5 U.S.C. chapter 6) that this rulemaking will not have a significant economic impact on a substantial number of small entities because it primarily affects Federal executive branch departments and agencies and certain of their employees who file SF 278 reports.

Paperwork Reduction Act

The Paperwork Reduction Act (44 U.S.C. chapter 35) does not apply, because this rulemaking does not contain information collection requirements that require the approval of the Office of Management and Budget.

List of Subjects in 5 CFR Part 2634

Certificates of divestiture, Conflict of interests, Government employees, Penalties, Reporting and recordkeeping requirements, Trusts and trustees.

Approved: September 9, 1999.

F. Gary Davis,

Deputy Director, Office of Government Ethics.

Accordingly, for the reasons set forth in the preamble, the Office of Government Ethics is amending 5 CFR part 2634 as follows:

PART 2634—EXECUTIVE BRANCH FINANCIAL DISCLOSURE, QUALIFIED TRUSTS, AND CERTIFICATES OF DIVESTITURE

1. The authority citation for part 2634 continues to read as follows:

Authority: 5 U.S.C. App. (Ethics in Government Act of 1978); 26 U.S.C. 1043; Pub. L. 101–410, 104 Stat. 890, 28 U.S.C. 2461 note (Federal Civil Penalties Inflation Adjustment Act of 1990), as amended by Sec. 31001, Pub. L. 104–134, 110 Stat. 1321 (Debt Collection Improvement Act of 1996); E.O. 12674, 54 FR 15159, 3 CFR, 1989 Comp., p. 215, as modified by E.O. 12731, 55 FR 42547, 3 CFR, 1990 Comp., p. 306.

2. Section 2634.304 is amended by:

a. Revising the introductory text of paragraph (f)(1);

b. Revising paragraph (f)(1)(i);

c. Adding an Example after paragraph (f)(1)(ii);

d. Revising paragraph (f)(2); and

e. Revising paragraph (f)(3).

The revisions and addition read as follows:

§ 2634.304 Gifts and reimbursements.

* * * * *

(f) * * * (1) *In general.* In unusual cases, the value of a gift as defined in § 2634.105(h) need not be aggregated for reporting threshold purposes under this section by public filers, and therefore the gift need not be reported on an SF 278, if the Director of OGE receives a written request for and issues a waiver, after determining that:

(i) Both the basis of the relationship between the grantor and the grantee and the motivation behind the gift are personal; and

(ii) * * *

Example to paragraph (f)(1). i. The Secretary of Education and her spouse receive the following two wedding gifts:

A. Gift 1—A crystal decanter valued at $285 from the Secretary's former college roommate and lifelong friend, who is a real estate broker in Wyoming.

B. Gift 2—A gift of a print valued at $300 from a business partner of the spouse, who owns a catering company.

ii. Under these circumstances, the Director of OGE may grant a request for a waiver of the requirement to aggregate and report on an SF 278 each of these gifts.

(2) *Public disclosure of waiver request.* If approved in whole or in part, the cover letter requesting the waiver shall be subject to the public disclosure requirements in § 2634.603 of this part.

(3) *Procedure.* (i) A public filer seeking a waiver under this paragraph (f) shall submit a request to the Office of Government Ethics, through his agency. The request shall be made by a cover letter which identifies the filer and his position and which states that a waiver is requested under this section.

(ii) On an enclosure to the cover letter, the filer shall set forth:

(A) The identity and occupation of the donor;

(B) A statement that the relationship between the donor and the filer is personal in nature;

(C) A statement that neither the donor nor any person or organization who employs the donor or whom the donor represents, conducts or seeks business with, engages in activities regulated by, or is directly affected by action taken by, the agency employing the filer. If the preceding statement cannot be made without qualification, the filer shall indicate those qualifications, along with a statement demonstrating that he plays no role in any official action which might directly affect the donor or any organization for which the donor works or serves as a representative; and

(D) A brief description of the gift and the value of the gift.

(iii) With respect to the information required in paragraph (f)(3)(ii) of this section, if a gift has more than one donor, the filer shall provide the necessary information for each donor.

[FR Doc. 99–23930 Filed 9–13–99; 8:45 am]

BILLING CODE 6345–01–P

DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

9 CFR Part 381

[Docket No. 97–006F]

RIN 0583–AC33

Addition of Mexico to the List of Countries Eligible to Export Poultry Products into the United States

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: The Food Safety and Inspection Service (FSIS) is adding Mexico to the list of countries eligible to export poultry products to the United States. Reviews of Mexico's laws, regulations, and other materials show that the requirements of its poultry processing system are equivalent to relevant provisions in the Poultry Products Inspection Act (PPIA) and its implementing regulations.

Only products processed from poultry slaughtered in federally inspected establishments in the United States or in establishments in other countries eligible to export poultry from certified slaughter establishments to the United States may be imported into the United States after processing in certified Mexican establishments. FSIS inspectors will reinspect poultry products exported from Mexico to the United States at U.S. ports of entry. This action enables certified poultry processing establishments in Mexico to export processed poultry products to the United States.

EFFECTIVE DATE: October 14, 1999.

FOR FURTHER INFORMATION CONTACT: Mr. Mark Manis, Director, International Policy Development Division, Office of Policy, Program Development and Evaluation; (202) 720–6400.

SUPPLEMENTARY INFORMATION:

Background

On November 28, 1997, FSIS published a proposal in the **Federal Register** (62 FR 63284) to add Mexico to the list of countries eligible to export poultry products to the United States. In the proposal, FSIS reported that Mexico had met the certification requirements imposed in the U.S.' poultry products inspection regulations, that its poultry processing inspection system is equivalent to that of the United States, and that its official residue control laboratory is fully capable of testing poultry products. Therefore, FSIS proposed to permit Mexico to export processed poultry products to the United States, provided the poultry processed in Mexican establishments approved for export to the United States is slaughtered in the United States under USDA inspection or in establishments certified by countries that are eligible to export slaughtered poultry and poultry products to the United States.

Comments

FSIS received six comments on the proposed rule. Three were from American poultry products companies, two from Mexican poultry products companies, and one from a trade association. Five commenters fully supported finalizing the rule as proposed; one commenter supported the proposed rule provided FSIS ensures that the Mexican poultry processing system is equivalent to the U.S. poultry processing system before any Mexican establishments are certified to export processed poultry products to the United States.

All commenters support free and open trade between Mexico and the United States. Many noted that the proposal would help both countries compete in the global economy. According to three commenters, allowing Mexico to export processed poultry products to the United States would support the North American Free Trade Agreement. A fourth commenter noted that allowing such imports is consistent with U.S. obligations under the Agreement on the Application of Sanitary and Phytosanitary Measures.

Three commenters mentioned that both the Mexican and U.S. poultry industries will benefit if the proposed rule is finalized. One commenter, a Mexican corporation, said that besides the increased sales to be reaped by U.S. poultry producers, U.S. producers of other products will benefit as well, including producers of packaging materials, brokers, and distributors. The commenter went on to say that there is little or no possibility of Mexican poultry-based processed foods displacing sales by U.S. processed food suppliers, at least by the corporation's poultry-based products, because those products consist primarily of distinctive Mexican foods that will not compete directly with the products marketed by U.S. suppliers.

The second commenter of these three commenters pointed out that not only will the proposed rule benefit the economy of Mexico, in that more jobs will be created for Mexican citizens, but that the U.S. economy will also benefit because of the increase in poultry exports. This commenter also pointed out that consumers will benefit from the proposed rule because they will have additional choices as to the processed poultry products they buy and possibly lower prices for those products. Another commenter echoed this idea by stating that the proposal would keep jobs in the United States, since Mexican establishments will only be able to process poultry that has been slaughtered in establishments certified by countries that are eligible to export to the U.S.

One commenter supported the proposal, provided certain conditions are met. First, FSIS must ensure that the Mexican system continues to comply with the requirements of 9 CFR 381.196, specifically, that the foreign system is equivalent to the U.S. system. The commenter indicated that its support is conditioned upon FSIS review and determination that the Mexican establishments certified to export processed poultry products to the United States meet equivalent requirements for Sanitation Standard Operating procedures (SSOPs) and the Hazard Analysis and Critical Control Points System (HACCP). Second, the commenter continued, FSIS should issue a schedule of the on-site reviews of the Mexican establishments, in operation, at the time any final rule is published. Finally, the commenter stated that Mexico must develop a program to ensure that the limitations on the approval to export poultry products to the United States are followed, and that FSIS must find the program satisfactory, before a final rule is issued.

To ensure that all foreign establishments certified to export to the U.S. comply with all relevant FSIS laws and regulations, including SSOPs and HACCP, FSIS conducts periodic on-site audits of each eligible foreign country's inspection system to verify that its regulatory authority is implementing the system as described in the country's application to export poultry to the U.S. No Mexican establishment may begin exporting processed poultry products to the United States until Mexico has certified that (1) the establishment is eligible to export processed poultry products to the United States, (2) establishments randomly selected for review during the on-site audit by FSIS operate in a way that shows FSIS that the country's inspection system is working as described, *and* (3) the country has been added to the poultry products inspection regulations as a country eligible to export poultry products to the United States.

Since publication of the proposed rule, FSIS has conducted an on-site audit of Mexico's inspection system. As part of that audit, FSIS has verified that Mexico will enforce the Pathogen Reduction/HACCP final rule in establishments that will be certified to export to the U.S. by the required date (January 1999 for establishments with less than 500 employees), including the SSOPs, and *Salmonella* testing requirements. At the same time, FSIS also reviewed the program Mexico has developed to ensure that only poultry from eligible countries and establishments is used in poultry products processed in Mexico destined for the United States. FSIS is satisfied that the program does so and that it has been satisfactorily implemented.

After reviewing all of the documents submitted by Mexico and evaluating the findings of the on-site audits and subsequent written assurances of government officials, FSIS has determined that the government of Mexico will enforce the Pathogen Reduction/HACCP rule in establishments it has certified as eligible to prepare processed poultry products for export to the United States, and that reliance can be placed upon the certificates from the authorities of Mexico that are required under the PPIA.

Accordingly, FSIS is amending § 381.196 of the poultry products inspection regulations to add Mexico as a country eligible to export processed poultry products to the United States. As a country eligible to export such products to the United States, the government of Mexico will certify to FSIS which establishments are operating in accordance with U.S. requirements. FSIS retains the right to verify that establishments certified by the Mexican government are meeting U.S. requirements.

Although a foreign country may be listed as eligible to export processed poultry products, those processed products must also comply with other U.S. requirements, including restrictions under Title 9, Part 94 of the Animal and Plant Health Inspection Service's regulations (9 CFR Part 94) relating to the importation of processed poultry products from foreign countries into the United States.

Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This final rule: (1) Preempts all state and local laws and regulations that are inconsistent with this rule; (2) has no retroactive effect; and (3) does not require administrative proceedings before parties may file suit in court challenging this rule.

Executive Order 12866

This final rule has been determined to be significant and, therefore, has been reviewed by the Office of Management and Budget under Executive Order 12866. This Order requires FSIS to identify, and if possible, quantify and monetize potential incremental benefits and costs associated with this rule. This section provides such an analysis.

In 1995, Mexico requested a determination of eligibility to export poultry and poultry products to the United States. From October 1995 to June 1996, FSIS conducted a study to evaluate the equivalence of the Mexican poultry inspection system with that of the United States. After completing that study, FSIS concluded that the Mexican poultry processing system is equivalent to that of the United States and therefore began developing this rule.

This rule will allow U.S. poultry establishments to export slaughtered birds to Mexico, have the birds processed in Mexico, import the processed poultry products back into the U.S., and then sell those products to U.S. consumers.

To determine Mexico's potential exports of poultry products, FSIS requested the Office of Agricultural Affairs of the U.S. Embassy in Mexico to collect information from Mexican exporters. FSIS has learned that, at this time, there are only two plants that plan to export processed poultry products to the U.S. These establishments intend to export cut-up chicken, cooked chicken, and chicken products. The total quantity of these exports is estimated to be 6 million pounds or 2,727 metric tons (MT). The most likely initial volume of exports to the U.S., therefore, will be no more than 3,000 MT.

Because only two Mexican establishments have expressed an interest in exporting processed poultry products to the U.S., and because their anticipated export volume is less than 3,000 MT, FSIS does not believe that the volume of processed poultry products exported to the U.S. will exceed 5,000 MT in the near future. Mexico has not had yearly world exports of poultry meat and poultry products in excess of this number in over 30 years. FSIS does believe, however, that the potential growth of Mexican exports of processed poultry products to the U.S. is significant. Unfortunately, FSIS has no way of assessing the future interest of Mexican establishments in processing U.S. poultry for export back to the U.S.

Between 1993 and 1997, U.S. exports of cut-up broilers to Mexico increased almost 40 percent, from 77,909 MT in 1993 to 108,364 MT in 1997. The value of U.S. exports of cut-up broilers increased 32.6 percent during this period. At the same time, U.S. exports of whole broilers fell almost 62 percent, from 7,765 MT in 1993 to 2,995 MT in 1997, while the corresponding value of whole broilers fell by 60.5 percent. However, the estimated price of cut-up broilers fell by nearly 5 percent, while the estimated price of whole broilers rose 3.5 percent (*See* Table 1).

TABLE 1.—TRENDS IN U.S. EXPORTS OF BROILERS TO MEXICO, 1993–1997

Calendar year	Cut-up			Whole		
	Quantity metric tons	Value $000	Average price $/mt	Quantity metric tons	Value $000	Average price $/mt
1993	77,909	63,384	810	7,765	8,911	1,150
1994	93,963	74,404	790	6,252	7,672	1,230
1995	87,208	70,999	810	5,519	4,618	890
1996	96,622	87,483	900	2,353	2,764	1,170
1997	108,364	84,060	770	2,995	3,521	1,190
Average	92,813	76,066	816	4,977	5,497	1,126
Change (97 minus 93)	30,455	20,676	−40	4,770	−5,390	40
Percent Change	39.09	32.62	−4.93	−61.43	−60.49	3.48

Source: U.S. Department of Agriculture, Foreign Agricultural Service
Note: 1 Metric Ton = 2,204 pounds

Table 2 shows U.S. exports of turkey to Mexico, classified into cut-up and whole products, over the last five calendar years. Similar to exports of cut-up broilers, the quantity and value of cut-up turkey exported between 1993 and 1997 rose 28.6 percent and 27.4 percent, respectively. Also, the quantity of whole turkeys exported to Mexico increased 3.6 percent. However, the value of whole turkeys exported to Mexico during that period decreased 4.9 percent. The price for both cut-up and whole turkeys fell: the price for cut-up turkey fell by 1.4 percent, while the price for whole turkeys fell more than 8 percent.

TABLE 2.—TRENDS IN U.S. EXPORTS OF TURKEY TO MEXICO, 1993–1997

Calendar year	Cut-up			Whole		
	Quanity metric tons	Value $000	Average price $/MT	Quantity metric tons	Value $000	Average price $/MT
1993	63,205	89,926	1,420	1,803	3,059	1,690
1994	62,829	97,292	1,550	3,903	6,445	1,650
1995	54,543	69,618	1,270	689	1,165	1,690
1996	67,880	93,782	1,380	2,583	4,223	1,630
1997	81,271	114,579	1,400	1,868	2,910	1,550

TABLE 2.—TRENDS IN U.S. EXPORTS OF TURKEY TO MEXICO, 1993–1997—Continued

Calendar year	Cut-up			Whole		
	Quanity metric tons	Value $000	Average price $/MT	Quantity metric tons	Value $000	Average price $/MT
Average	65,945	93,039	1,404	2,169	3,560	1,642
Change (97 minus 93)	18,066	24,653	−20	65	−149	−140
Percent Change	28.58	27.41	−1.41	3.61	−4.87	−8.28

Source: U.S. Department of Agriculture, Foreign Agricultural Service
Note: 1 Metric Ton = 2,204 pounds

Adoption of this rule will stimulate increased exports of whole and partial birds from the U.S. to Mexico for processing for various reasons. Poultry processing is labor intensive. Therefore, the U.S. poultry industry will most likely attempt to reduce its processing costs by shifting that activity to Mexico, where labor is relatively less costly. U.S. companies will be able to import the products that have been processed in Mexico and still save money over the cost of doing the processing in the U.S. This will result in employment increases in the poultry processing industry in Mexico and earnings increases in U.S. poultry slaughter establishments.

Poultry exports to Mexico from the U.S. will also increase because Mexican establishments will, for the first time, be able to export processed poultry products to the U.S. At the present time, poultry processed in Mexico may not be exported to the U.S., even if the birds were produced and slaughtered in the U.S. The fact that Mexican establishments will be able to process only birds that have been slaughtered in the U.S. (or in countries eligible to export poultry to the U.S.) will also limit the market from which Mexican establishments can obtain birds to process. (Realistically, the great majority, if not all of the carcasses, will come from the U.S.)

The expected lower prices of poultry products processed in Mexico will increase the quantity demanded in the U.S., but the change should be insignificant. This is because the U.S. demand for poultry and poultry products is relatively inelastic, i.e., insensitive to price. Price elasticity of demand is the percent change in demand associated with a 1 percent change in price. A review of 11 economic studies of the demand for poultry shows that the elasticity ranges from (−0.1) to (−0.94). In other words, a decrease in the price of poultry by 1 percent would be associated with an increase in demand of 0.1 to 0.94 percent (see Table 3). Table 3 also shows that the estimated elasticities vary with the time periods for which the data were analyzed and the types of models employed by the analysts.

Since the estimated elasticities are pure numbers, FSIS calculated an average elasticity. It is (−0.46). Therefore, an average decrease in price of poultry by 1 percent would be associated with an increase in demand of poultry by approximately only −0.5 percent. As a result, any decrease in price due to imports from Mexico is unlikely to increase demand for poultry significantly in the U.S. Therefore, U.S. processors of poultry products are unlikely to lose their market shares as a result of imports from Mexico, and employment decreases will be small.

TABLE 3.—PRICE ELASTICITY OF DEMAND FOR POULTRY

[A Review of Economic Studies]

Study No.	Author(s)	Price elasticity	Time period	Model
1	Alston & Chalfont (1993)	−0.94	1967–1988 Quarterly	Rotterdam.
2	Brester & Wohlgenant (1991)	−0.296	1962–1989 Annual	Interrelated demand.
3	Capps et al. (1994)	−0.893	January 1986 to June 1987 Weekly	Retail Demand Functions.
4	Eales, J. (1994)	−0.63	1966–1992 Quarterly	Inverse Lewbel Demands.
5	Eales & Unnevehr (1993)	−0.233	1966–1988 Quarterly	Simultaneity & Structural Change.
6	Gao & Shankwiler (1993)	−0.47	1956–1987 Annual	Taste Change.
7	Hahn, W. (1994)	−0.299	1981–1992 Monthly	Random Coefficient.
8	Hahn, W. (1988)	−0.14	1960–1987 Quarterly	Income Differences.
9	Moschini & Meilke (1989)	−0.10	1967–1987 Quarterly	Structural Change.
10	Thurman (1987)	−0.64	1955–1981 Annual	Demand Stability.
11	Wohlgenant (1989)	−0.42	1956–1983 Annual	Complete System.

Regulatory Flexibility Analysis

The Administrator has determined that this rule will not have a significant economic impact on a substantial number of small entities. Data from the 1994 Survey of Industries suggest that the poultry slaughtering and processing industry in the U.S. is highly competitive, with 332 firms owning 567 establishments. The industry consists of relatively large size (employment of 500 or more) establishments. For example, in 1994, almost 51 percent of all establishments were classified as large according to the definition of employment used by the U.S. Small Business Administration. In 1994, this industry employed 207,875 workers, with a payroll of $3.5 billion. The estimated revenue of this industry amounted to $27.1 billion in 1994.

The effects of the importation of processed poultry products from Mexico on national, regional and local poultry producers are dependent on many factors, such as where the products would enter U.S. marketing and distribution channels, and where they would ultimately be consumed. Transporting whole birds is relatively costly. Therefore, to save transportation costs, it is likely that export of whole birds to Mexico and import of cut-up products to the U.S. would be by truck and concentrated in border areas of the U.S., including the States of Arizona, California, New Mexico and Texas.

If a local retail chain or wholesaler purchases processed poultry products from Mexico, they are likely to be consumed regionally. If a national wholesaler purchases them, they could be consumed anywhere in the U.S. The effect on small producers would be more pronounced if the imports affect only Arizona, California, New Mexico, and Texas.

Because exports of whole birds and imports of cut-up products are likely to be confined to states bordering Mexico due to transport costs from other states in the U.S. to Mexico, FSIS analyzed data for four border states: Arizona, California, New Mexico, and Texas. The U.S. Bureau of the Census collected these data for the Survey of Industries, 1994. These data do not separate statistics of slaughtering establishments from those of processing establishments. There are no poultry slaughtering/processing establishments in Arizona and only one in New Mexico. There are 37 slaughtering/processing establishments in California and 22 in Texas.

The ''very small'' size establishments are defined, as in FSIS's Pathogen Reduction/HACCP final rule, as having less than 10 employees. The ''small'' and ''large'' size establishments are defined, according to the Small Business Administration's definition of employment, as having 500 or less employees, and more than 500 employees, respectively.

Some of the establishments in California (11 out of 37, or 34 percent) are very small. In Texas, 6 out of 22 (27 percent) establishments are very small. No data were available for New Mexico. In 1997, California's total broiler production was 107,532 MT, while Texas produced 206,443 MT. California also produced 9,528 MT of turkey.

If processed poultry products enter national distribution channels, and, therefore, economic effects are shared by all U.S. producers, there would not be a significant economic impact on small entities no matter the volume (low (100 MT), medium (1,000 MT) or high (5,000 MT)) of imports assumed.[1] Even under a high-volume scenario, where Mexico exports approximately 5,000 MT (2,000 MT more than the most likely amount anticipated) of poultry products to the U.S., to be consumed locally in Arizona, California, New Mexico and Texas, there likely will not be a significant economic impact on small entities in the U.S. Combined, California and Texas produced 323,503 MT of poultry products in 1997. If Mexico exports 5,000 MT of poultry, it will be only .02 percent of California's and Texas' combined annual poultry production. Adding New Mexico's poultry production numbers to the equation (data unavailable) will make this percentage fall even lower.

[1] These volumes (low-100 MT per year, medium-1,000 MT per year and high-5,000 MT per year) were chosen because they reflect the range of Mexican worldwide exports of broilers since 1990. Mexico had yearly world exports of 5,000 MT of poulty and products in 1990, 1991 and 1992. However, in 1993, 1994 and 1995, Mexico exported no poultry and other poultry products, and, since 1996, has exported less than 1,000 MT of poultry and other poultry products annually. *U.S. Department of Agriculture, Production, Supply, and Distribution database.*

Civil Rights Impact Analysis

Pursuant to Departmental Regulation 4300–4, ''Civil Rights Impact Analysis,'' dated September 22, 1993, FSIS has considered the potential civil rights impacts of this final rule on minorities, women, and persons with disabilities.

This final rule will add Mexico to the list of countries eligible to export poultry products to the U.S. Only products processed from poultry slaughtered in federally inspected establishments in the U.S. or in establishments in other countries eligible to export poultry from certified slaughter establishments to the U.S. may be imported into the U.S. after processing in certified Mexican establishments. This action will enable certified poultry processing establishments in Mexico to export processed poultry products to the U.S.

With the possibility of U.S. poultry establishments exporting slaughtered poultry to Mexico for further processing, there is the potential for an adverse impact on minorities, women, and persons with disabilities. One such impact might be the potential loss of employment as a result of the processing work being done in Mexico, rather than the U.S. However, further processing in Mexico may improve the competitiveness of poultry relative to other foods and expand production and consequently employment elsewhere in the poultry industry. While there may be an adverse impact on hiring or loss of jobs, FSIS has no data on poultry processing establishments and their employment rates, nor does FSIS have data on the race, sex, national origin, and disabilities of employees hired by such establishments.

As the rule points out, however, if poultry products further processed in Mexico enter national distribution chains in the U.S., and, therefore, all U.S. producers share economic effects, there will not be a significant negative economic impact on small entities, no matter the volume of imports assumed. If U.S. producers do not suffer a negative economic impact, there should be no adverse impact on hiring or loss of jobs by minorities, women, and persons with disabilities.

Between 1973 and 1991, the poultry dressing and processing industry showed a 3.9 percent increase in productivity gains. This was the largest such gain for a manufacturing industry (with employment in 1992 of more than 100,000) during that time period. Poultry employment had a 4 percent annual growth rate from 1980 to 1992, due to new product innovations and markets, for a total 96 percent increase over the period. While productivity gains slowed after 1992, the poultry dressing and processing industry still showed a 0.1 percent increase in productivity in 1994. (Compare this to meat packing plants, where productivity in 1994 dropped 3.7 percent.)

Poultry production is expected to remain strong in the year 2000. Broiler production is expected to increase between 5 and 6 percent in the year 2000. Stronger production increases might be realized if exports strengthen between now and then. Turkey production is expected to increase about 2 percent in the year 2000. As with broilers, strengthening of the export market should provide a boost for turkey production.

Continued productivity gains in the U.S. poultry dressing and processing industry should result in continued and additional poultry employment through and beyond the year 2000. As a result, FSIS anticipates that there will be no adverse impact on hiring or loss of jobs by minorities, women, and persons with disabilities.

Paperwork Requirements

FSIS has submitted a request for emergency approval for the reinstatement of information collection package 0583–0094, which includes burden associated with any recordkeeping requirements imposed by this rulemaking. On November 19, 1998, FSIS announced, in the **Federal Register**, its request for the Office of Management and Budget (OMB) to extend the approval of this package. The following is the request as published in that notice.

FSIS has been delegated the authority to exercise the functions of the Secretary as provided in the Federal Meat Inspection Act (FMIA) (21 U.S.C. 601 *et* *seq.*) and the Poultry Products Inspection Act (PPIA) (21 U.S.C. 451 *et seq.*). These statutes mandate that FSIS protect the public by ensuring that meat and poultry products are safe, wholesome, unadulterated, and properly labeled and packaged. FSIS is requesting an extension and revision to the information collection package addressing meat and poultry paperwork and recordkeeping requirements regarding exportation, transportation, and importation of meat and poultry products. FSIS requires that meat and poultry establishments exporting product to foreign countries complete an export certificate. Establishments must supply the type, amount, and destination of product being exported. The information required by this form does not duplicate any information required by other Federal agencies. The form is necessary to certify to the importing countries that FSIS inspectors have inspected the product and have found it sound and wholesome. Additionally, FSIS uses the information from the form in its annual Report to Congress as required by sections 301(c)(4) and 20(e) of the FMIA and sections 27 and 5(c)(4) of the PPIA.

Meat and poultry products not marked with the mark of inspection and shipped from one official establishment to another for further processing must be transported under FSIS seal to prevent such unmarked product from entering into commerce. To track products shipped under seal, FSIS requires shipping establishments to complete a form that identifies the type, amount, and weight of the product.

A foreign country exporting meat or poultry products to the U.S. must establish eligibility for importation of product into the U.S. and annually certify that its inspection systems are equivalent to the U.S. inspection system. To maintain eligibility, a representative of the foreign inspection system must prepare a written report for each establishment listed in the certification. Additionally, a health certificate must accompany meat and poultry products intended for import into the U.S. It must be signed by an official of the foreign government and state that certified foreign establishments have produced the products. Establishments or brokers wishing to import product into the United States must complete a form that specifies the type, amount, originating country, and destination of the meat and poultry product. The amount of meat and poultry product imported into the United States is included in FSIS's annual Report to Congress. Additionally, FSIS has established procedures allowing establishments importing product to stamp such product with the inspection legend prior to FSIS inspection, if they receive FSIS prior approval.

Estimate of Burden: The public reporting burden for this collection of information is estimated to average .0773501 hours per response.

Respondents: Meat and poultry establishments.

Estimated Number of Respondents: 7,374

Estimated Number of Responses per Respondent: 295.88866

Estimated Total Annual Burden on Respondents: 168,769 hours

Copies of this information collection assessment and comments can be obtained from Lee Puricelli, Paperwork Specialist, Food Safety and Inspection Service, USDA, 300 12th Street SW, Room 109, Washington, DC 20250–3700, (202) 720–0346. Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of FSIS's functions, including whether the information will have practical utility; (b) the accuracy of FSIS's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including through use of appropriate automated, electronic, mechanical, or other technological collection techniques, or other forms of information technology.

List of Subjects 9 CFR Part 381

Imports, Poultry and Poultry products.

For the reasons set out in the preamble, 9 CFR part 381 is amended as follows:

PART 381—POULTRY PRODUCTS INSPECTION REGULATIONS

1. The authority citation for part 381 continues to read as follows:

Authority: 7 U.S.C. 138f; 7 U.S.C. 450; 21 U.S.C. 451–470; 7 CFR 2.18, 2.53.

2. Section 381.196 is amended by adding ''Mexico [2]'' in alphabetical order to the list of countries in paragraph (b) to read as follows:

§ 381.196 Eligibility of foreign countries for importation of poultry products into the United States.

* * * * *

(b) * * *

Mexico.[2]

Done at Washington, DC, on: September 2, 1999.

Thomas J. Billy,

Administrator.

Appendix 1—References

Note: This appendix will not appear in the Code of Federal Regulations.

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[FR Doc. 99–23794 Filed 9–13–99; 8:45 am]

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[2] May export to the United States only processed poultry products slaughtered under Federal inspection in the United States or in a country eligible to export slaughtered poultry products to the United States.