

# Rules and Regulations

Federal Register

Vol. 66, No. 20

Tuesday, January 30, 2001

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 59

[Docket Number LS-99-18]

RIN No. 0581-AB64

#### Livestock and Grain Market News Branch: Livestock Mandatory Reporting

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

**ACTION:** Final rule; postponement of effective date.

**SUMMARY:** This document postpones the effective date of the final rule (65 FR 75464) which establishes a mandatory program of reporting information regarding the marketing of cattle, swine, lambs, and products of such livestock under the "Livestock Mandatory Reporting Act of 1999." The postponement of the effective date is being taken so that adequate time is available for AMS and those entities required to report to test the electronic information collection system being implemented by the program. This action will both ensure that the confidentiality of those required to report information is maintained while market participants are provided with accurate information on pricing, contracting for purchase, and supply and demand conditions for livestock, livestock production, and livestock products, that can be readily understood by producers, packers, and other market participants.

**EFFECTIVE DATE:** The effective date of the final rule amending 7 CFR part 59 published at 65 FR 75464, December 1, 2000, is postponed from January 30, 2001, to April 2, 2001.

**FOR FURTHER INFORMATION CONTACT:** If you have questions about the regulations, please call John E. Van

Dyke, Chief, Livestock and Grain Market News Branch at (202) 720-6231, fax (202) 690-3732, or E-mail us at john.vandyke@usda.gov.

Additional information may also be obtained from the AMS web site: <http://www.ams.usda.gov/lsg/price.htm> as it becomes available.

#### SUPPLEMENTARY INFORMATION:

##### Background

The Livestock Mandatory Reporting Act of 1999 (Act) was enacted into law on October 22, 1999 (Pub. L. 106-78; 113 Stat. 1188; 7 U.S.C. 1635-1636(h)) as an amendment to the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 *et seq.*). The Act provides for the mandatory reporting of market information by federally inspected livestock processing plants which have slaughtered an average number of livestock during the immediately preceding 5 calendar years (125,000 for cattle and 100,000 for swine), including any processing plant that did not slaughter during the immediately preceding 5 calendar years if the Secretary determines that the plant should be considered a packer based on the plant's capacity. For entities that did not slaughter during the immediately preceding 5 calendar years, such as a new plant or existing plant that begins operations, the AMS will project the plant's annual slaughter or production based upon the plant's estimate of annual slaughter capacity to determine which entities meet the definition of a packer as defined in these regulations.

The Act gives the Secretary the latitude to provide for the reporting of lamb information. AMS is requiring the reporting of market information by federally inspected lamb processing plants who have slaughtered an average of 75,000 head of lambs or processed an average of 75,000 lamb carcasses during the immediately preceding 5 calendar years. Additionally, a lamb processing plant that did not slaughter an average of 75,000 lambs or process an average of 75,000 lamb carcasses during the immediately preceding 5 calendar years will be required to report information if the Secretary determines the processing plant should be considered a packer based on its capacity. An importer of lamb that, for any calendar year, imported an average of 5,000 metric tons of lamb meat products per year during the immediately preceding 5

calendar years report such lamb information as specified in these regulations. Additionally, an importer that did not import an average of 5,000 metric tons of lamb meat products during the immediately preceding 5 calendar years will be required to report information if the Secretary determines that the person should be considered an importer based on their volume of lamb imports.

These packers are required to report the details of all transactions involving purchases of livestock (cattle, swine, and lambs), and the details of all transactions involving domestic and export sales of boxed beef cuts, including applicable branded product, sales boxed lamb cuts, including applicable branded product, and sales of lamb carcasses. These importers are required to report the details of all transactions involving the sales of imported boxed lamb cuts. This information will be reported to AMS according to the schedule established by the Act and these regulations with purchases of swine reported three times each day, purchases of cattle and lambs reported twice each day, domestic and export sales of boxed beef cuts including applicable branded boxed beef cuts reported twice each day, sales of lamb carcasses and boxed lamb cuts, including applicable branded boxed lamb cuts, to be reported once daily, and sales of imported lamb cuts once weekly.

AMS developed the electronic information collection system that will receive information from those entities required to report and will convert the information into reports that AMS will publish for market participants to utilize. These published reports will provide market participants with accurate information on pricing, contracting for purchase, and supply and demand conditions for livestock, livestock production, and livestock products, that can be readily understood by producers, packers, and other market participants. The electronic information collection system collects and manages the data received from those entities required to report and was designed in a manner that ensures security of data transmission and storage, and confidentiality of information that is maintained by USDA.

Since publication of the final rule on December 1, 2000, AMS, with the

assistance of technical experts, has initiated testing of the system with those entities required to report. AMS has determined that additional time is required to adequately test the system and ensure that all program requirements and objectives are met. Accordingly, AMS has postponed the effective date of the regulations and the date which those entities required to report would be required to begin transmitting data until April 2, 2001.

**Authority:** 7 U.S.C. 1621 *et seq.*

Dated: January 26, 2001.

**Kenneth C. Clayton,**

*Acting Administrator, Agricultural Marketing Service.*

[FR Doc. 01-2639 Filed 1-26-01; 3:10 pm]

**BILLING CODE 3410-02-P**

## **NATIONAL CREDIT UNION ADMINISTRATION**

### **12 CFR Part 748**

#### **Guidelines for Safeguarding Member Information**

**AGENCY:** National Credit Union Administration (NCUA).

**ACTION:** Final rule.

**SUMMARY:** The NCUA Board is modifying its security program requirements to include security of member information. Further, the NCUA Board is issuing "Guidelines for Safeguarding Member Information" to implement certain provisions of the Gramm-Leach-Bliley Act (the GLB Act or Act).

The GLB Act requires the NCUA Board to establish appropriate standards for federally-insured credit unions relating to administrative, technical, and physical safeguards for member records and information. These safeguards are intended to: Insure the security and confidentiality of member records and information; protect against any anticipated threats or hazards to the security or integrity of such records; and protect against unauthorized access to or use of such records or information that could result in substantial harm or inconvenience to any member.

**DATES:** This rule is effective July 1, 2001.

**ADDRESSES:** National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

**FOR FURTHER INFORMATION CONTACT:** Matthew Biliouris, Information Systems Officer, Office of Examination and Insurance, at the above address or telephone (703) 518-6360.

**SUPPLEMENTARY INFORMATION:** The contents of this preamble are listed in the following outline:

- I. Background
- II. Overview of Comments Received
- III. Section-by-Section Analysis
- IV. Regulatory Procedures
  - A. Paperwork Reduction Act
  - B. Regulatory Flexibility Act
  - C. Executive Order 13132
  - D. Treasury and General Government Appropriations Act, 1999
  - E. Small Business Regulatory Enforcement Fairness Act
- V. Agency Regulatory Goal

#### **I. Background**

On November 12, 1999, President Clinton signed the GLB Act (Pub. L. 106-102) into law. Section 501, entitled Protection of Nonpublic Personal Information, requires the NCUA Board, the federal banking agencies (including the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision), the Securities and Exchange Commission, state insurance authorities, and the Federal Trade Commission (collectively, the "Agencies") to establish appropriate standards for the financial institutions subject to their respective jurisdictions relating to the administrative, technical, and physical safeguards for customer records and information. These safeguards are intended to: (1) Insure the security and confidentiality of customer records and information; (2) protect against any anticipated threats or hazards to the security or integrity of such records; and (3) protect against unauthorized access to or use of such records or information that would result in substantial harm or inconvenience to any customer.

Section 505(b) of the GLB Act provides that these standards are to be implemented by the NCUA and the federal banking agencies in the same manner, to the extent practicable, as standards pursuant to section 39(a) of the Federal Deposit Insurance Act (FDIA). Section 39(a) of the FDIA requires the federal banking agencies to establish operational and managerial standards for insured depository institutions relative to, among other things, internal controls, information systems, and internal audit systems, as well as such other operational and managerial standards as determined to be appropriate. 12 U.S.C. 1831p(a). Section 39 of the FDIA provides for standards to be prescribed by guideline or by rule. 12 U.S.C. 1831p(d)(1). The FDIA also provides that if an institution fails to comply with a standard issued as a rule, the institution must submit a

compliance plan within particular time frames, while if an institution fails to comply with a standard issued as a guideline, the agency has the discretion as to whether to require an institution to submit a compliance plan. 12 U.S.C. 1831p(e)(1).

Section 39 of the FDIA does not apply to the NCUA, and the Federal Credit Union Act does not contain a similar, regulatory framework for the issuance and enforcement of standards. In preparation of NCUA's regulation and appendix with guidelines, NCUA staff worked with an interagency group that included representatives from the federal banking agencies. The NCUA Board's understanding is that the federal banking agencies recently have approved standards by guidelines issued as appendices to their safety and soundness standards.

The NCUA Board has determined that it can best meet the congressional directive to prescribe standards through an amendment to NCUA's existing regulation governing security programs in federally-insured credit unions. The final regulation requires that federally-insured credit unions establish a security program addressing the safeguards required by the GLB Act. The Board is also issuing an appendix to the regulation that sets out guidelines, the text of which is substantively identical to the guidelines approved by the federal banking agencies. The guidelines are intended to outline industry best practices and assist credit unions to develop meaningful and effective security programs to ensure their compliance with the safeguards contained in the regulation.

Currently, NCUA regulations require that federally-insured credit unions have a written security program designed to protect each credit union from robberies, burglaries, embezzlement, and assist in the identification of persons who attempt such crimes. Expanding the environment of protection to include threats or hazards to member information systems is a natural fit within a comprehensive security program. To evaluate compliance, the NCUA will expand its review of credit union security programs and annual certifications. This review will take place during safety and soundness examinations for federal credit unions and within the established oversight procedures for state-chartered, federally-insured credit unions. If a credit union fails to establish a security program meeting the regulatory objectives, the NCUA Board could take a variety of administrative actions. The Board could use its cease and desist authority,