

address in the **FOR FURTHER INFORMATION CONTACT** section.

This rule invites comments on the exemption of onions for export from the handling regulations prescribed under the Texas onion marketing order. Any comments received will be considered prior to finalization of this rule.

After consideration of all relevant material presented, including the Committee's recommendation, and other information, it is found that this interim final rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect and that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because: (1) This rule relaxes the order's regulatory requirements by exempting South Texas onions shipped to the export market from the order's handling regulations; (2) onion handlers are aware of this recommendation and need no additional time to comply with the relaxed requirements; (3) the shipping season for South Texas onions started around March 1, thus this rule should be effective as soon as possible to ensure that all handlers can take advantage of the relaxation for as much of the season as possible; and (4) this rule provides a 60-day comment period, and any comments received will be considered prior to finalization of this rule.

#### List of Subjects in 7 CFR Part 959

Onions, Marketing agreements, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, 7 CFR part 959 is amended as follows:

#### PART 959—ONIONS GROWN IN SOUTH TEXAS

■ 1. The authority citation for 7 CFR part 959 continues to read as follows:

**Authority:** 7 U.S.C. 601–674.

■ 2. Section 959.322 is amended by revising paragraph (e)(1) and the introductory sentence of paragraph (f) to read as follows:

\* \* \* \* \*

(e) *Special purpose shipments.* (1) The minimum grade, size, quality, and inspection requirements set forth in paragraphs (a) through (c) of this section shall not be applicable to shipments of onions for charity, relief, export, and

processing if handled in accordance with paragraph (f) of this section.

\* \* \* \* \*

(f) *Safeguards.* Each handler making shipments of onions for charity, relief, export, processing, or experimental purposes shall:

\* \* \* \* \*

Dated: April 4, 2007.

**Lloyd C. Day,**

*Administrator, Agricultural Marketing Service.*

[FR Doc. 07–1749 Filed 4–4–07; 4:27 pm]

**BILLING CODE 3410–02–P**

## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 989

[Docket No. AMS–FV–07–0027; FV07–989–1 IFR]

#### Raisins Produced From Grapes Grown in California; Final Free and Reserve Percentages for 2006–07 Crop Natural (sun-dried) Seedless Raisins

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

**ACTION:** Interim final rule with request for comments.

**SUMMARY:** This rule establishes final volume regulation percentages for 2006–07 crop Natural (sun-dried) Seedless (NS) raisins covered under the Federal marketing order for California raisins (order). The order regulates the handling of raisins produced from grapes grown in California and is locally administered by the Raisin Administrative Committee (Committee). The volume regulation percentages are 90 percent free and 10 percent reserve. The percentages are intended to help stabilize raisin supplies and prices, and strengthen market conditions.

**DATES:** Effective April 10, 2007. The volume regulation percentages apply to acquisitions of NS raisins from the 2006–07 crop until the reserve raisins from that crop are disposed of under the marketing order. Comments received by June 8, 2007, will be considered prior to issuance of a final rule.

**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 *Internet:* <http://www.regulations.gov>. All comments should reference the docket number and

the date and page number of this issue of the **Federal Register** and will be made available for public inspection in the Office of the Docket Clerk during regular business hours, or can be viewed at: <http://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:** Rose M. Aguayo, Marketing Specialist, or Kurt J. Kimmel, Regional Manager, California Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA; Telephone: (559) 487–5901; Fax: (559) 487–5906; or E-mail: [Rose.Aguayo@usda.gov](mailto:Rose.Aguayo@usda.gov) or [Kurt.Kimmel@usda.gov](mailto:Kurt.Kimmel@usda.gov).

Small businesses 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. 989, both as amended (7 CFR part 989), regulating the handling of raisins produced from grapes grown in California, 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. Under the order provisions now in effect, final free and reserve percentages may be established for raisins acquired by handlers during the crop year. This rule establishes final free and reserve percentages for NS raisins for the 2006–07 crop year, which began August 1, 2006, and ends July 31, 2007. This rule will 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 rule establishes final volume regulation percentages for 2006–07 crop NS raisins covered under the order. The volume regulation percentages are 90 percent free and 10 percent reserve. Free tonnage raisins may be sold by handlers to any market. Reserve raisins must be held in a pool for the account of the Committee and are disposed of through various programs authorized under the order. For example, reserve raisins may be sold by the Committee to handlers for free use or to replace part of the free tonnage raisins they exported; used in diversion programs; carried over as a hedge against a short crop; or disposed of in other outlets not competitive with those for free tonnage raisins, such as government purchase, distilleries, or animal feed.

The volume regulation percentages are intended to help stabilize raisin supplies and prices, and strengthen market conditions. The Committee unanimously recommended final percentages for NS raisins on November 21, 2006, and on January 23, 2007.

#### Computation of Trade Demands

Section 989.54 of the order prescribes procedures and time frames to be followed in establishing volume regulation. This includes methodology used to calculate percentages. Pursuant to § 989.54(a) of the order, the Committee met on August 15, 2006, to review shipment and inventory data, and other matters relating to the supplies of raisins of all varietal types. The Committee computed a trade demand for each varietal type for which a free tonnage percentage might be recommended. Trade demand is computed using a formula specified in the order and, for each varietal type, is equal to 90 percent of the prior year's shipments of free tonnage and reserve tonnage raisins sold for free use into all market outlets, adjusted by subtracting the carryin on August 1 of the current crop year, and adding the desirable carryout at the end of that crop year. As specified in § 989.154(a), the desirable carryout for NS raisins shall equal the total shipments of free tonnage during August and September for each of the past 5 crop years, converted to a natural condition basis, dropping the high and low figures, and dividing the remaining sum by three, or 60,000 natural

condition tons, whichever is higher. For all other varietal types, the desirable carryout shall equal the total shipments of free tonnage during August, September and one-half of October for each of the past 5 crop years, converted to a natural condition basis, dropping the high and low figures, and dividing the remaining sum by three. In accordance with these provisions, the Committee computed and announced the 2006–07 trade demand for NS raisins at 219,870 tons as shown below.

#### COMPUTED TRADE DEMANDS [Natural condition tons]

	NS raisins
Prior year's shipments .....	301,460
Multiplied by 90 percent .....	0.90
Equals adjusted base .....	271,314
Minus carryin inventory .....	111,444
Plus desirable carryout .....	60,000
Equals computed NS trade Demand .....	219,870

#### Computation of Preliminary Volume Regulation Percentages

Section 989.54(b) of the order requires that the Committee announce, on or before October 5, preliminary crop estimates and determine whether volume regulation is warranted for the varietal types for which it computed a trade demand. That section allows the Committee to extend the October 5 date up to 5 business days if warranted by a late crop.

The Committee met on September 6, 2006, and announced preliminary percentages for Zante Currant (ZC) raisins. They met again on October 4, 2006, and announced preliminary percentages and a preliminary crop estimate for NS raisins of 259,557 tons, which is about 21 percent lower than the 10-year average of 327,410 tons. NS raisins are the major varietal type of California raisin. Adding the carryin inventory of 111,444 tons to the 259,557-ton crop estimate resulted in a total available supply of 371,001 tons, which was significantly higher (169 percent) than the 219,870-ton trade demand. Thus, the Committee determined that volume regulation for NS raisins was warranted. The Committee announced preliminary free and reserve percentages for NS raisins, which released 85 percent of the computed trade demand since a minimum field price (price paid by handlers to producers for their free tonnage raisins) had been established. The preliminary percentages were 72 percent free and 28 percent reserve.

In addition, preliminary percentages were also announced for Dipped

Seedless, Golden Seedless, and Other Seedless raisins. It was ultimately determined at Committee meetings held on November 21, 2006, and January 23, 2007, that volume regulation was only warranted for NS raisins. As in past seasons, the Committee submitted its marketing policy to USDA for review.

#### Computation of Final Volume Regulation Percentages

Pursuant to § 989.54(c), at its November 21, 2006, meeting, the Committee announced interim percentages for NS raisins to release slightly less than the full trade demand. Based on a revised NS crop estimate of 244,300 tons (down from the October estimate of 259,557 tons), interim percentages for NS raisins were announced at 89.75 percent free and 10.25 percent reserve.

Pursuant to § 989.54(d), the Committee also recommended final percentages at its November 21, 2006, meeting to release the full trade demands for NS raisins. Final percentages were recommended at 90 percent free and 10 percent reserve. The Committee's calculations and determinations to arrive at final percentages for NS raisins are shown in the table below:

#### FINAL VOLUME REGULATION PERCENTAGES [Natural condition tons]

	NS raisins
Trade demand .....	219,870
Divided by crop estimate .....	244,300
Equals the free percentage .....	90.00
100 minus free percentage equals the reserve percentage .....	10.00

By the week ending February 3, 2007, data showed that deliveries of NS raisins exceeded the Committee's crop estimate of 244,300 tons. By that date deliveries totaled 262,477 tons. Thus, deliveries are likely to be at least 18,000 tons higher than estimated by the Committee during the fall. Based on this, the Committee's recommendation will provide handlers 6.2 percent more raisins than would be provided if a 262,477 ton estimate had been used, but the additional tonnage is not expected to result in disorderly marketing conditions.

In addition, USDA's "Guidelines for Fruit, Vegetable, and Specialty Crop Marketing Orders" (Guidelines) specify that 110 percent of recent years' sales should be made available to primary markets each season for marketing orders utilizing reserve pool authority.

This goal will be met for NS raisins by the establishment of final percentages, which release 100 percent of the trade demand and the offer of additional reserve raisins for sale to handlers under the "10 plus 10 offers." As specified in § 989.54(g), the 10 plus 10 offers are two offers of reserve pool raisins which are made available to handlers during each season. For each such offer, a quantity of reserve raisins equal to 10 percent of the prior year's shipments is made available for free use. Handlers may sell their 10 plus 10 raisins to any market.

For NS raisins, the first 10 plus 10 offer was made in February 2007. A total of 30,146 tons was made available to raisin handlers. The second 10 plus 10 offer of 20,923 tons (the balance remaining in the reserve pool) will be made available to handlers by July 31, 2007. Adding the total figure of 51,648 tons of 10 plus 10 raisins to the 219,870 ton trade demand figure, plus the 111,444 tons of 2005–06 carryin NS inventory, equates to 382,962 tons of natural condition raisins, or 360,819 tons of packed raisins, that are available to handlers for free use or primary markets. This is about 127 percent of the quantity of NS raisins shipped during the 2005–06 crop year (301,460 natural condition tons or 284,030 packed tons).

In addition to the 10 plus 10 offers, § 989.67(j) of the order provides authority for sales of reserve raisins to handlers under certain conditions such as a national emergency, crop failure, change in economic or marketing conditions, or if free tonnage shipments in the current crop year exceed shipments during a comparable period of the prior crop year. Such reserve raisins may be sold by handlers to any market. When implemented, the additional offers of reserve raisins make even more raisins available to primary markets, which is consistent with USDA's Guidelines.

#### Initial 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 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 20 handlers of California raisins who are subject to regulation under the order and approximately 4,500 raisin producers in the regulated area. Small agricultural firms are defined by the Small Business Administration (SBA) (13 CFR 121.201) as those having annual receipts of less than \$6,500,000, and small agricultural producers are defined as those having annual receipts of less than \$750,000. Eleven of the 20 handlers subject to regulation have annual sales estimated to be at least \$6,500,000, and the remaining 9 handlers have sales less than \$6,500,000. No more than 9 handlers and a majority of producers of California raisins may be classified as small entities.

Since 1949, the California raisin industry has operated under a Federal marketing order. The order contains authority to, among other things, limit the portion of a given year's crop that can be marketed freely in any outlet by raisin handlers. This volume control mechanism is used to stabilize supplies and prices and strengthen market conditions. If the primary market (the normal domestic market) is oversupplied with raisins, grower prices decline substantially.

Pursuant to § 989.54(d) of the order, this rule establishes final volume regulation percentages for 2006–07 crop NS raisins. The volume regulation percentages are 90 percent free and 10 percent reserve. Free tonnage raisins may be sold by handlers to any market. Reserve raisins must be held in a pool for the account of the Committee and are disposed of through certain programs authorized under the order.

Volume regulation is warranted this season because the revised crop estimate of 244,300 tons combined with the carryin inventory of 111,444 tons results in a total available supply of 355,744 tons, which is about 162 percent higher than the 219,870 ton trade demand.

Handlers provide their best estimate on the amount of tonnage growers will deliver each crop year. By the week ending February 3, 2007, data showed that deliveries of NS raisins exceeded the Committee's crop estimate of 244,300 tons by 18,177 tons. The higher deliveries further warrant volume regulation, as the total available supply is currently expected to be 373,921 tons, which is about 170 percent higher than the 219,870 ton trade demand.

The volume regulation procedures have helped the industry address its marketing problems by keeping supplies in balance with domestic and export

market needs, and strengthening market conditions. The volume regulation procedures fully supply the domestic and export markets, provide for market expansion, and help reduce the burden of oversupplies in the domestic market.

Raisin grapes are a perennial crop, so production in any year is dependent upon plantings made in earlier years. The sun-drying method of producing raisins involves considerable risk because of variable weather patterns.

Even though the product and the industry are viewed as mature, the industry has experienced considerable change over the last several decades. Before the 1975–76 crop year, more than 50 percent of the raisins were packed and sold directly to consumers. Now, about 64 percent of raisins are sold in bulk. This means that raisins are now sold to consumers mostly as an ingredient in another product such as cereal and baked goods. In addition, for a few years in the early 1970's, over 50 percent of the raisin grapes were sold to the wine market for crushing. Since then, the percent of raisin-variety grapes sold to the wine industry has decreased.

California's grapes are classified into three groups—table grapes, wine grapes, and raisin-variety grapes. Raisin-variety grapes are the most versatile of the three types. They can be marketed as fresh grapes, crushed for juice in the production of wine or juice concentrate, or dried into raisins. Annual fluctuations in the fresh grape, wine, and concentrate markets, as well as weather-related factors, cause fluctuations in raisin supply. This type of situation introduces a certain amount of variability into the raisin market. Although the size of the crop for raisin-variety grapes may be known, the amount dried for raisins depends on the demand for crushing. This makes the marketing of raisins a more difficult task. These supply fluctuations can result in producer price instability and disorderly market conditions.

Volume regulation is helpful to the raisin industry because it lessens the impact of such fluctuations and contributes to orderly marketing. For example, producer prices for NS raisins remained fairly steady between the 1993–94 through the 1997–98 seasons, although production varied. As shown in the table below, during those years, production varied from a low of 272,063 tons in 1996–97 to a high of 387,007 tons in 1993–94.

According to Committee data, the total producer return per ton during those years, which includes proceeds from both free tonnage plus reserve pool raisins, has varied from a low of \$904.60 in 1993–94 to a high of \$1,049.20 in

1996–97. Total producer prices for the 1998–99 and 1999–2000 seasons increased significantly due to back-to-back short crops during those years.

Record large crops followed and producer prices dropped dramatically for the 2000–01 through 2003–04 crop years, as inventories grew while

demand stagnated. However, the producer prices were higher for the 2004–05 and the 2005–06 crop years, as noted below:

#### NATURAL SEEDLESS PRODUCER PRICES

Crop year	Deliveries (natural condition tons)	Producer prices (per ton)
2005–06 .....	319,126	<sup>1</sup> \$998.25
2004–05 .....	265,262	<sup>2</sup> 1210.00
2003–04 .....	296,864	<sup>1</sup> 567.00
2002–03 .....	388,010	<sup>1</sup> 491.20
2001–02 .....	377,328	650.94
2000–01 .....	432,616	603.36
1999–2000 .....	299,910	1,211.25
1998–99 .....	240,469	<sup>2</sup> 1,290.00
1997–98 .....	382,448	946.52
1996–97 .....	272,063	1,049.20
1995–96 .....	325,911	1,007.19
1994–95 .....	378,427	928.27
1993–94 .....	387,007	904.60

<sup>1</sup> Return-to-date, reserve pool still open.

<sup>2</sup> No volume regulation.

There are essentially two broad markets for raisins—domestic and export. Domestic shipments have been generally increasing in recent years. Although domestic shipments decreased from a high of 204,805 packed tons during the 1990–91 crop year to a low of 156,325 packed tons in 1999–2000, they increased from 174,117 packed tons during the 2000–01 crop year to 186,358 tons during the 2005–06 crop year. Export shipments ranged from a high of 107,931 packed tons in 1991–92 to a low of 91,599 packed tons in the 1999–2000 crop year. Since that time, export shipments increased to 106,755 tons of raisins during the 2004–05 crop year, but fell to 97,672 tons in 2005–06.

The per capita consumption of raisins has declined from 2.07 pounds in 1988 to 1.44 pounds in 2005. This decrease is consistent with the decrease in the per capita consumption of dried fruits in general, which is due to the increasing availability of most types of fresh fruit throughout the year.

While the overall demand for raisins has increased in two out of the last three years (as reflected in increased commercial shipments), production has been decreasing. Deliveries of NS dried raisins from producers to handlers reached an all-time high of 432,616 tons in the 2000–01 crop year. This large crop was preceded by two short crop years; deliveries were 240,469 tons in 1998–99 and 299,910 tons in 1999–2000. Deliveries for the 2000–01 crop year soared to a record level because of increased bearing acreage and yields. Deliveries for the 2001–02 crop year were at 377,328 tons, 388,010 tons for

the 2002–03 crop year, 296,864 for the 2003–04 crop year, and 265,262 tons for the 2004–05 crop year. After three crop years of high production and a large 2001–02 carryin inventory, the industry diverted raisin production to other uses or removed bearing vines. Diversions/removals totaled 41,000 acres in 2001; 27,000 acres in 2002; and 15,000 acres of vines in 2003. These actions resulted in declining deliveries of 296,864 tons for the 2003–04 crop year and 265,262 tons for the 2004–05 crop year. Although deliveries increased in 2005–06 to 319,126 tons, this may have been because fewer growers opted to contract with wineries, as raisin variety grapes crushed in 2005–06 decreased by 161,000 green tons, the equivalent of over 40,000 tons of raisins.

The order permits the industry to exercise supply control provisions, which allow for the establishment of free and reserve percentages, and establishment of a reserve pool. One of the primary purposes of establishing free and reserve percentages is to equilibrate supply and demand. If raisin markets are over-supplied with product, producer prices will decline.

Raisins are generally marketed at relatively lower price levels in the more elastic export market than in the more inelastic domestic market. This results in a larger volume of raisins being marketed and enhances producer returns. In addition, this system allows the U.S. raisin industry to be more competitive in export markets.

The reserve percentage limits what handlers can market as free tonnage. Data available as of February 7, 2007,

showed that deliveries of NS raisins were at 262,477 tons. The 10 percent reserve would limit the total free tonnage to 236,229 natural condition tons (.90 × the 262,477 ton crop). Adding the 236,229 ton figure with the carryin of 111,444 tons, plus the 51,648 tons of reserve raisins that are available for purchase and release to handlers during the 2006–07 crop year under the 10 plus 10 offers, would make the total free supply equal to 399,321 natural condition tons.

To assess the impact that volume control has on the prices producers receive for their product, a price dependent econometric model was estimated. This model is used to estimate producer prices both with and without the use of volume control. The volume control used by the raisin industry would result in decreased shipments to primary markets. Without volume control the primary market (domestic) could be over-supplied resulting in lower producer prices and the build-up of unwanted inventories.

With volume controls, producer prices are estimated to be approximately \$65 per ton higher than without volume controls. This price increase is beneficial to all producers regardless of size and enhances producers' total revenues in comparison to no volume control. Establishing a reserve allows the industry to help stabilize supplies in both domestic and export markets, while improving returns to producers.

Free and reserve percentages are established by varietal type, and usually in years when the supply exceeds the trade demand by a large enough margin

that the Committee believes volume regulation is necessary to maintain market stability. Accordingly, in assessing whether to apply volume regulation or, as an alternative, not to apply such regulation, it was determined that volume regulation is warranted this season for only one of the nine raisin varietal types defined under the order.

The free and reserve percentages established by this rule release the full trade demand and apply uniformly to all handlers in the industry, regardless of size. For NS raisins, with the exception of the 1998–99 and 2004–05 crop years, small and large raisin producers and handlers have been operating under volume regulation percentages every year since 1983–84. There are no known additional costs incurred by small handlers that are not incurred by large handlers. While the level of benefits of this rulemaking are difficult to quantify, the stabilizing effects of the volume regulations impact small and large handlers positively by helping them maintain and expand markets even though raisin supplies fluctuate widely from season to season. Likewise, price stability positively impacts small and large producers by allowing them to better anticipate the revenues their raisins will generate.

There are some reporting, recordkeeping and other compliance requirements under the order. The reporting and recordkeeping burdens are necessary for compliance purposes and for developing statistical data for maintenance of the program. The requirements are the same as those applied in past seasons. Thus, this action imposes no additional reporting or recordkeeping requirements on either small or large raisin handlers. The forms require information which is readily available from handler records and which can be provided without data processing equipment or trained statistical staff. The information collection and recordkeeping requirements have been previously approved by the Office of Management and Budget (OMB) under OMB Control No. 0581–0178. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and

duplication by industry and public sector agencies.

The AMS is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

In addition, USDA has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

Further, the Committee's meetings were widely publicized throughout the raisin industry and all interested persons were invited to attend the meetings and participate in the Committee's deliberations. Like all Committee meetings, the August 15, 2006, September 6, 2006, October 4, 2006, November 21, 2006, and January 23, 2007, meetings were public meetings and all entities, both large and small, were able to express their views on this issue.

Also, the Committee has a number of appointed subcommittees to review certain issues and make recommendations to the Committee. The Committee's Reserve Sales and Marketing Subcommittee met on August 15, 2006, September 6, 2006, October 4, 2006, November 21, 2006, and January 23, 2007, and discussed these issues in detail. Those meetings were also public meetings and both large and small entities were able to participate and express their views. 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.ams.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.

This rule invites comments on the establishment of final volume regulation percentages for 2006–07 crop NS raisins covered under the order. Any comments received will be considered prior to finalization of this rule.

After consideration of all relevant material presented, including the information and recommendation

submitted by the Committee and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect, and that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because: (1) The relevant provisions of this part require that the percentages designated herein for the 2006–07 crop year apply to all NS raisins acquired from the beginning of that crop year; (2) handlers are currently marketing their 2006–07 crop NS raisins and this action should be taken promptly to achieve the intended purpose of making the full trade demand available to handlers; (3) handlers are aware of this action, which was unanimously recommended at a public meeting, and need no additional time to comply with these percentages; and (4) this interim final rule provides a 60-day comment period, and all comments timely received will be considered prior to finalization of this rule.

#### List of Subjects in 7 CFR Part 989

Grapes, Marketing agreements, Raisins, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, 7 CFR part 989 is amended as follows:

#### PART 989—RAISINS PRODUCED FROM GRAPES GROWN IN CALIFORNIA

■ 1. The authority citation for 7 CFR part 989 continues to read as follows:

**Authority:** 7 U.S.C. 601–674.

■ 2. Section 989.257 is revised to read as follows:

#### § 989.257 Final free and reserve percentages.

(a) The final percentages for the respective varietal type(s) of raisins acquired by handlers during the crop year beginning August 1, which shall be free tonnage and reserve tonnage, respectively, are designated as follows:

Crop year	Varietal type	Free percentage	Reserve percentage
2003–2004 .....	Natural (sun-dried) Seedless .....	70	30
2005–2006 .....	Natural (sun-dried) Seedless .....	82.50	17.50
2006–2007 .....	Natural (sun-dried) Seedless .....	90	10

(b) The volume regulation percentages apply to acquisitions of the varietal type of raisins for the applicable crop year until the reserve raisins for that crop are disposed of under the marketing order.

Dated: April 3, 2007.

Lloyd C. Day,

Administrator, Agricultural Marketing Service.

[FR Doc. E7-6530 Filed 4-6-07; 8:45 am]

BILLING CODE 3410-02-P

## SMALL BUSINESS ADMINISTRATION

### 13 CFR Part 102

RIN 3245-AF20

#### Record Disclosure and Privacy

**AGENCY:** U.S. Small Business Administration (SBA).

**ACTION:** Direct Final Rule.

**SUMMARY:** This rule updates the U.S. Small Business Administration's (SBA) regulations implementing the Privacy Act of 1974. This rule ensures the security and confidentiality of personally identifiable records and protects against hazards to their integrity. Specifically, Subpart B of the Privacy Act regulations is revised to include SBA's procedures for maintaining appropriate administrative, technical and physical safeguards to ensure the security of the records. Also included are Privacy Act standards of conduct for Agency employees; training and reporting requirements pursuant to Privacy Act guidelines and the Office of Management and Budget (OMB) guidance; and the Privacy Act responsibilities of the Chief, Freedom of Information/Privacy Acts (FOI/PA) Office.

**DATES:** This rule is effective June 8, 2007 without further action, unless significant adverse comment is received by May 9, 2007. If significant adverse comment is received, the SBA will publish a timely withdrawal of the rule in the **Federal Register**.

**ADDRESSES:** You may submit comments, identified by RIN 3245-AF20, by any of the following methods: (1) Federal rulemaking portal at <http://www.regulations.gov>; (2) e-mail: [lisa.babcock@sba.gov](mailto:lisa.babcock@sba.gov), include RIN number 3245-AF20 in the subject line of the message; (3) mail to: Delorice P. Ford, Agency Chief FOIA Officer, 409 3rd Street, SW., Mail Code: 2441, Washington, DC 20416; and (4) Hand Delivery/Courier: 409 3rd Street, SW., Washington, DC 20416.

**FOR FURTHER INFORMATION CONTACT:** Delorice P. Ford, Agency Chief FOIA Officer, (202) 401-8203.

**SUPPLEMENTARY INFORMATION:** SBA is revising Subpart B of Part 102 to include more in-depth information about Privacy Act (PA) responsibilities, and to further ensure the security and confidentiality of the Agency's personally identifiable records, including the standards for disclosure of information under computer matching programs. This rule will further assist the SBA in focusing on the four basic policy objectives of the Privacy Act. Those objectives are: the restriction of disclosure of personally identifiable information; individuals' increased right of access to records maintained on them; individuals' right to seek amendment of records maintained on them; and the establishment of fair information practices. SBA is substantially revising this rule to present it in a statement and narrative format rather than question and answer, which conforms to the current writing style of Subpart A. As a result, the headings and section numbers are different than current SBA rule 13 CFR part 102, Subpart B.

SBA is publishing this rule as a direct final rule because it believes the rule is non-controversial since it merely enforces the basic policy objectives of the Privacy Act and does not present novel or unusual policies or practices. Because the rule follows routine, standard government-wide Privacy Act practices, SBA believes that this direct final rule will not elicit any significant adverse comments. However, if such comments are received, SBA will publish a timely notice of withdrawal in the **Federal Register**.

#### Section-by-Section Analysis

*General provisions, § 102.20*, provides an overview of the scope of regulations contained in Subpart B as well as definitions for terms that are not previously defined in Part 102.

New *§ 102.21 Agency officials responsible for the Privacy Act*, describes the various Agency personnel responsible for the PA and a listing of their duties. Some of this information is currently included in SBA PA rules at 13 CFR 102.29 and 102.32.

*Section 102.22 Requirements relating to systems of records*, this section expands current SBA PA rules at §§ 102.24 and 102.25 and establishes parameters for the type of information that SBA may collect from an individual, including the prohibition on maintaining records concerning First Amendment rights in certain circumstances. Section 102.22 also

addresses how to ensure the accurate and secure maintenance of records on individuals, and how to report new systems of records.

*Section 102.23—Publication in the Federal Register* Notices of systems of records explains that SBA will publish notice of new or modified systems of records and routine uses in the **Federal Register**. This section is not currently included in SBA rules.

*Section 102.24—Requests for access to records* describes procedures for individuals on how and where to make requests for access to records under the PA. This section is similar to current SBA rule at 13 CFR 102.34.

*Section 102.25—Responsibility for responding to requests for access to records* provides a description of responsibilities for Agency respondents to requests for access to records, while *§ 102.26—Responses to requests for access to record* describes what to include in those responses. Current SBA rule at 13 CFR 102.36 provides similar information.

New *§ 102.27—Appeals from denials of requests for access to records* provides procedures for individuals on how and where to make appeals from denials of requests for access to records.

*Section 102.28—Requests for amendment or correction of records*, provides a description of how and where to make requests and appeals for amendment or correction of records, including how to file Statements of Disagreement if appeals under this section are denied in whole or part.

*Section 102.29—Requests for an accounting of record disclosures* describes procedures for individuals to make requests and appeals for an accounting of records disclosures.

*Section 102.30—Preservation of records* this section describes how SBA will implement the record retention requirements of Title 44 of the United States Code or the National Archives and Records Administration's General Records Schedule 14.

*Section 102.31—Fees* this section states that for PA matters, SBA charges only for duplication of records and all fees under \$25 are waived.

*Section 102.32—Notice of court-ordered and emergency disclosures* this section explains SBA's compliance with court-ordered and emergency disclosures. SBA will notify individuals by mailing a notice to their last known address.

*Section 102.33—Security of systems of records* this section requires SBA offices that maintain PA records to establish controls to protect records on individuals and ensure that record access is limited to only those