Proposed Rules

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

7 CFR Part 6

Dairy Tariff-Rate Import Quota Licensing

AGENCY: Office of the Secretary, USDA. ACTION: Public hearing.

SUMMARY: The Department of Agriculture will hold a public hearing on March 10, 1995, to permit interested persons to present their views and comments on changes to the Import Regulation on dairy products subject to import licensing.

DATES: The hearing will be held on March 10, 1995, at 9:30 a.m. Interested persons wishing to testify at the hearing must make a written request to testify to the address indicated below by noon on March 8, 1995. Following the hearing, persons may submit written rebuttal statements to the address indicated below by noon March 17, 1995. **ADDRESSES:** The hearing will be held in Room 107, Administration Building, the U.S. Department of Agriculture, 14th and Independence Avenue, SW, Washington, D.C.

Address requests to testify to Richard Warsack, Dairy Import Quota Manager, Import Policies and Programs Division, Room 5531–S, Foreign Agricultural Service, U.S. Department of Agriculture, 14th and Independence Avenue, SW, Washington, D.C. 20250 1000. Requests to testify may also to be submitted to Mr. Warsack via FAX, (202) 720–6556.

All written material received in response to this notice will be available for public inspection in Room 5531, South Building, 14th and Independence Avenue, SW, Washington, D.C. between 8:00 a.m. and 4:00 p.m.

FOR FURTHER INFORMATION CONTACT: Diana Wanamaker, Group Leader, Import Programs Group, Import Policies and Programs Division, Room 5531–A, Foreign Agricultural Service, U.S. Department of Agriculture, 14th and Independence Avenue, SW, Washington, DC 20250–1000, or telephone (202) 720–2916. **SUPPLEMENTARY INFORMATION:** In the request to testify, the following information must be provided: name, address, telephone number, and firm or affiliation of each witness. Testimony at the hearing will be limited to 10 minutes. Written rebuttal statements must be in English and should be strictly limited to demonstrating errors of fact or analysis not pointed out in the hearing, and should be as concise as possible.

Certain cheese and non-cheese dairy products may only be imported into the United States by or for the account of a person or firm to whom an import license has been issued by the Department of Agriculture (the Department) and only in accordance with the terms and conditions of a license issued pursuant to Import Regulation 1, Revision 7 (7 CFR 6.20-6.34) (Import Regulation), and the Harmonized Tariff Schedule of the United States (HTS). On June 2, 1994, an Advanced Notice of Proposed Rulemaking (ANPR) was published in the Federal Register that the Department was considering revising the Import Regulation to implement commitments undertaken by the United States under the Uruguay Round of Multilateral Trade Negotiations and to make various changes. The comment period on the ANPR concluded on August 1, 1994. The Department received 44 submissions which provided a wide range of views including methods of allocating licenses for imported dairy products and suggestions on various other changes intended to update and strengthen the Import Regulation. The Department is scheduling a public hearing for the presentation of views and comments by interested persons with respect to the ANPR

As described in the ANPR, the Import Regulation provided for the issuance of licenses to importers of certain dairy products which were subject to import quotas proclaimed by the President pursuant to section 22 of the Agricultural Adjustment Act of 1933, as amended (7 U.S.C. 624) (Section 22). The absolute quotas on dairy products pursuant to Section 22 were converted to tariff-rate quotas under the HTS on January 1, 1995 under Presidential Proclamation 6763 of December 23, 1994 which implemented trade agreements resulting from the Uruguay Federal Register Vol. 60, No. 37 Friday, February 24, 1995

Round of Multilateral Trade Negotiations. That Proclamation also allocated the in-quota quantity of dairy products subject to tariff-rate quotas among supplying countries. The importation of most dairy products subject to the in-quota tariff rates will be administered by the Department through a licensing system in accordance with the Import Regulation. The Department published an Interim Rule in the Federal Register on January 6, 1995, which amended the Import Regulation to make import licensing applicable to the quantities of dairy products subject to in-quota tariff rates as of January 1, 1995 under the HTS including quantities of dairy products that had been subject to quotas under Section 22 and new quantities negotiated in the Uruguay Round for the 1995 quota year. The Interim Rule also established eligibility standards for noncheese dairy products to ensure that licenses are granted to commercial operations importing, exporting, or manufacturing dairy products, and established a rank-order lottery system for non-cheese dairy products. Butter substitutes and butteroil were made subject to licensing in view of the significant increase in the quantities of these products which may enter at the in-quota tariff rate. The Interim Rule amended the Import Regulation to implement the U.S. Uruguay Round commitments, but did not include fundamental changes in the operation of the administration of the import licensing system set forth in the Import Regulation as envisaged in the ANPR.

At this time, the Department is considering the broader fundamental changes to the Import Regulation as envisaged in the ANPR. The Department will conduct a public hearing to permit interested parties to orally present their views, suggestions, and concerns on changes to the provisions of the Import Regulation including modifications, revisions, and updating with respect to: definitions, eligibility requirements, transfer of eligibility, allocation of annual in-quota tariff-rate quantities, issuance of licenses, issuance of exquota permits, sales in-transmit, record and inspection, suspension and revocation procedures, and amendments to the Import Regulations implemented in the Interim Rule. Interested persons are encouraged to present testimony on proposed changes as well as any other