Grain Inspection, Packers and Stockyards Administration

Pilot Programs Allowing More Than One Official Agency To Provide Official Services Within A Single Geographic Area

AGENCY: Grain Inspection, Packers and Stockyards Administration (GIPSA). **ACTION:** Notice With Comment Period.

SUMMARY: Amendments in 1993 changed the United States Grain Standards Act, as amended (Act). One of these changes provides that GIPSA may conduct pilot programs allowing more than one official agency to provide official services within a single geographic area. GIPSA is requesting comments on the two proposed pilot programs described below.

DATES: Comments must be postmarked, or sent by telecopier (FAX) or electronic mail by May 5, 1995.

ADDRESSES: Comments must be submitted in writing to Neil E. Porter, Director, Compliance Division, GIPSA, USDA, Room 1647 South Building, P.O. Box 96454, Washington, DC 20090-6454. SprintMail users may respond to [A:ATTMAIL,O:USDA,ID:A36CPDIR]. ATTMAIL and FTS2000MAIL users may respond to !A36CPDIR. Telecopier (FAX) users may send comments to the automatic telecopier machine at 202-720-1015, attention: Neil E. Porter. All comments received will be made available for public inspection during regular business hours at the above address located at 1400 Independence Avenue, S.W.

FOR FURTHER INFORMATION CONTACT: Neil E. Porter, telephone 202–720–8262.

SUPPLEMENTARY INFORMATION:

Sections 7(f) and 7A of the Act were amended by the U.S. Grain Standards Act Amendments of 1993 (Public Law 103–156) on November 24, 1993, to authorize GIPSA's Administrator to conduct pilot programs allowing more than one official agency to provide official services within a single geographic area without undermining the declared policy of the Act. The purpose of the pilot programs is to evaluate the impact of allowing more than one official agency to provide official services within a single geographic area.

Comments were requested on five possible pilot programs in the March 14, 1994, **Federal Register** (59 FR 11759). Comments were due by April 22, 1994. Forty-one comments were received on these possible pilot programs: fifteen official agencies and two licensed inspectors opposed pilot programs; six official agencies supported pilot programs, and two official agencies were neutral; five trade associations, ten grain firms, and one laboratory supported pilot programs.

The comments submitted by official agencies expressed their concern over being pressured to grade more leniently or risk losing customers, the possible issuance of multiple original grades on a single lot of grain, losing major customers to competing official agencies, being forced to give preferential treatment to large customers over small customers, maintaining a relatively uniform inspection volume sufficient to preserve their personnel base, and minimizing their management and supervision problems.

Comments from the grain trade noted difficulty in getting services when needed to avoid additional charges and the possibility of better service and/or lower cost if they could choose the official agency to provide such services. They also indicated a desire for pilot programs encompassing all services, a more specific proposal to comment on, and a concern that the structure of a pilot program could determine its success or failure.

After considering these comments and other information, GIPSA has developed and is asking for comments on two proposed pilot programs, one of which was proposed in the March 14, 1994, notice. The remaining four proposed pilot programs; barges on selected rivers or portions of rivers; exceptions; commercial inspections, and submitted samples were determined to be too narrow in scope to conduct an appropriate pilot program. Comments are requested on the following two proposed pilot programs.

1. Timely Service. This pilot program would allow official agencies to provide official services outside their assigned geographic area when these official services can not be provided in a timely manner by the official agency designated to serve that area. A timely manner would be considered to be:

- 6 hours - When a service request is received between 6 a.m., and noon Monday through Friday by the official agency designated to provide service;

- 12 hours - When a service request is received any other time by the official agency designated to provide service.

Customers unable to obtain service within these time limits may request such services from another official agency. Customers using this provision to request official services from an official agency not designated to serve them must maintain sufficient information to establish that they could not receive timely service from the agency designated to serve them. Customers must submit requests for service under this pilot program by FAX. This includes both the initial request for service that could not be provided in a timely manner and any subsequent request for the same service to an official agency not designated to serve them. Official agencies must handle customer requests for service in the order received where practicable. Official agencies and customers using this pilot program must maintain sufficient records to verify eligibility to use this option.

The definition of timeliness in this pilot program supersedes the definition currently stated in section 800.46(b)(5) of the regulations (7 CFR 800.46(b)(5). This section states that official personnel may not be available to provide requested services if the request is not received by 2 p.m., the preceding business day.

2. Open Season. This pilot program would allow official agencies an open season during which they may attempt to sell their services to customers outside their assigned geographic area where no official sample-lot or official weighing services have been provided in the previous 6 months. Official agencies would submit their plans to provide official services to customers outside their assigned geographic area to Compliance Division for review in consultation with the field office supervising the agency. Upon approval, official agencies would be permitted to provide such official services.

Official agencies participating in these pilot programs would be allowed to provide, during the test period, any official services for which they are designated. Official agencies participating in pilot programs must arrange for any equipment (including laboratories and access to D/Ts) that may be needed to provide official services at each site outside the area they are currently designated to serve.

These pilot programs will be for a maximum of 1 year. If, after this time period, GIPSA determines that these programs strengthen the official system, GIPSA will consider extending the time period or recommending other appropriate action.

GIPSA will monitor these pilot programs. If, at any time, GIPSA determines that a pilot program is having a negative impact on the official system, the pilot program will be discontinued.

Commenters are encouraged to submit reasons and pertinent data for support or objection to the pilot programs described above. All comments and suggestions must be submitted to the