

An exporter that is currently qualified to export a specific eligible commodity(ies) under one of these programs would be qualified to export any eligible commodity under such program. However, an exporter that sought to participate in both the EEP and the DEIP would have to qualify separately for each program.

The proposed rule also provides, in the revised § 1494.301(g), that a qualified exporter (*i.e.*, an "eligible exporter") that has not yet demonstrated its ability to participate successfully in the EEP would become eligible to receive a bonus payment(s) only after the eligible commodity specified in an EEP Agreement entered into the eligible country. Such an exporter would have to furnish performance security under "Option B" of the applicable Invitation and follow the procedure specified in § 1494.701(d) to request the payment of the bonus.

A qualified exporter could demonstrate its ability to participate successfully in the EEP by entering or causing to be entered into the eligible country at least 95% of the quantity of the eligible commodity specified in any one EEP Agreement. CCC would consider that an exporter had proven its ability to participate successfully in the EEP as of the date on which CCC paid to the exporter a bonus for entry of a quantity that brought the total entered quantity for any one EEP Agreement to at least 95%. For all EEP Agreements that such exporter entered into with CCC subsequent to that date, the exporter could furnish performance security under "Option A" of the applicable Invitation and be eligible to receive bonus payments upon the submission of export documents, in accordance with § 1494.701(c).

CCC has not permitted exporters to furnish performance security and seek bonus payments under "Option B" in recent EEP and DEIP Invitations. If this proposed rule is adopted, then CCC would again permit exporters to select "Option B." CCC would set the performance security rates for both "Option A" and "Option B" at the same level. (Currently this rate is 10% of the sales price, but the rate applicable to offers made in response to an Invitation will be specified in such Invitation.) Therefore, the only difference between the two options would be in the timing of the bonus payment, *i.e.*, after export for "Option A" or after entry for "Option B."

The revised § 1494.301(g) would also apply to the DEIP, pursuant to 7 CFR § 1494.1200. However, the EEP and the DEIP would continue to be administered separately and the entry of the eligible

commodity into a country under one program would not satisfy the entry requirement to demonstrate successful performance under the other program.

This proposed amendment would permit a new company without specific export experience to demonstrate its ability to participate successfully without foregoing the benefit of the export bonus. At the same time, by paying the bonus to new program participants only after the arrival of the eligible commodity, CCC would protect its interests.

CCC is also proposing to make several other minor changes that would apply to both the EEP and the DEIP. First, the proposed rule would add, in the revised § 1494.301(a)(6), a requirement that exporters interested in qualifying for program participation certify that neither the exporter nor any of its principals has been debarred, suspended, or proposed for debarment from contracting with or participating in programs administered by any U.S. Government agency. This would make the EEP and DEIP regulations consistent with the regulations governing CCC's export credit guarantee programs.

Second, CCC is proposing to delete the second sentence in the paragraph that is currently designated § 1474.301(e) but that has been redesignated as § 1494.301(d) in the proposed rule. This sentence states that persons with a history of unsatisfactory participation in U.S. Government programs or performance of contracts or agreements with the U.S. Government during the past three years will be ineligible to participate in the EEP, unless CCC determines that permitting the interested person to participate would be in the best interests of the program. This sentence is unnecessary, and potentially confusing, because CCC already has the authority and procedures to suspend or debar a person from program participation for these reasons pursuant to its suspension and debarment regulations (7 CFR part 1407).

Third, CCC is proposing to delete the paragraph designated § 1494.301(f)(3) in the current regulations, which provides that a person is ineligible to participate in the EEP if such person employs any individuals debarred or suspended from contracting with or participating in programs administered by any agency of the U.S. Government. This language is overly broad and CCC would be adequately protected by § 1494.301(a)(6) and (e) as revised in the proposed rule.

Fourth, CCC is proposing to rewrite the paragraph that is currently designated § 1474.301(g) but that has been redesignated as § 1494.301(f) in the

proposed rule. The first sentence was rewritten in the proposed rule to inform qualified exporters in a more direct fashion that they have a duty to update the information they have provided to CCC pursuant to § 1494.301(a) to ensure that it is current and accurate. The second sentence was deleted in the proposed rule because it is unnecessary. If CCC receives information indicating that a qualified exporter should no longer be permitted to participate in its programs, it will take action to suspend or debar such exporter pursuant to CCC's suspension and debarment regulations.

The proposed rule contains other minor, non-substantive changes that are intended to make the rule clearer, easier to read, and more consistent with the regulations that apply to some of the other CCC export programs.

List of Subjects in 7 CFR Part 1494

Administrative practice and procedure, Agricultural commodities, Exports, Government contracts, Reporting and recordkeeping requirements.

Accordingly, it is proposed that 7 CFR part 1494 be amended as follows:

PART 1494—EXPORT BONUS PROGRAMS

Subpart B—Export Enhancement Program Operations

1. The authority citation for 7 CFR part 1494, subpart B, continues to read as follows:

Authority: 7 U.S.C. 5602, 5651, 5661, 5662, 5676; 15 U.S.C. 714c.

2. Paragraph (q) of Section 1494.201 is revised to read as follows:

§ 1494.201 Definitions of terms.

* * * * *

(q) *Eligible exporter*—A person that has been notified by CCC that such person is qualified to submit offers in response to Invitations.

* * * * *

3. Section 1494.301 is amended by revising the introductory text and the paragraph (a) introductory text; by removing paragraph (a)(1) and redesignating paragraphs (a)(2) through (a)(6) as paragraphs (a)(1) through (a)(5), respectively; by adding a new paragraph (a)(6); by removing paragraph (b) and redesignating paragraphs (c) through (g) as paragraphs (b) through (f), respectively; by revising newly designated paragraphs (b), (d), (e) and (f); and by adding a new paragraph (g) to read as follows: