peanuts by allowing movement of failing quality shelled peanuts, which originated from Segregation 1 peanuts, from one handler to another handler without requiring re-inspection and PLI certification by the receiving handler. Currently, paragraph (g) provides that handlers may acquire from other handlers for remilling, Segregation 1 shelled peanuts that fail to meet the requirements for human consumption. The peanuts must be accompanied by a valid inspection certificate and be positive lot identified. Further, the peanuts must be held and milled separate and apart from other receipts or acquisitions of the receiving handler and the transaction must be reported to the Division by both handlers.

Under the relaxed handling procedure, receiving handlers are not required to hold and remill such peanuts separate from other receipts and acquisitions of the handlers and the received peanuts do not have to be reinspected. Any peanuts so transferred and handled must still meet all the applicable edible quality requirements before being disposed of for human

consumption.

Therefore, paragraph (g) of § 997.20 is revised by removing the second sentence requiring inspection certification and positive lot identification and changing the last sentence to remove reference to received peanuts being held and milled separate and apart from other peanuts.

The second amendment relaxes ownership requirements of paragraph (f) of § 997.30 Outgoing regulations by allowing handlers to transfer peanuts to another handler or to domestic commercial storage facilities. Currently, paragraph (f) applies to transfer of peanuts from one plant to another of a handler's plants or to commercial storage without having the peanuts PLI and certified as meeting quality requirements—provided that ownership is retained by the handler and that the transfer is only to points within the same production area.

The amendment extends the provisions of paragraph (f) to allow the transfer of peanuts from one handler's facility to another handler's facility for further handling. The relaxation allows handlers to make the most efficient use of other handling facilities without having to pay additional costs entailed in obtaining PLI and quality certification of the peanuts. Any peanuts so transferred are still subject to all applicable edible quality requirements before being disposed of for human consumption. Thus, paragraph (f) of § 997.30 is revised to include transfer of peanuts between

facilities of different handlers without quality certification and PLI at the time of transfer.

Similarly, the third amendment revises some PLI and certification requirements of paragraphs (a)(1), (a)(2) and (a)(3) of § 997.40 Reconditioning and disposition of peanuts failing quality requirements. Paragraph (a)(1) currently provides that a handler of failing quality, Segregation 1 shelled peanuts may remill, move under PLI to a custom remiller, sell to another handler, or blanch such peanuts. Paragraph (a)(2) provides that such peanuts moved to blanching, or sold to another handler for blanching, must be moved under PLI. Paragraph (a)(3) requires peanut lots in such transactions to be accompanied by a valid grade certificate and moved under PLI. Peanuts so handled should be kept separate and apart from other peanuts at the remilling, blanching or receiving handler facility.

Under the relaxed handling procedure, the peanuts do not have to be moved under PLI to the remiller, blancher, or receiving handler. Further, to be consistent with the changes in the Agreement regulations, peanuts so moved no longer have to be kept separate and apart from other peanuts at the remilling, blanching or receiving handler facility. Thus, paragraphs (a)(1), (a)(2), and (a)(3) are revised by removing references to PLI and movement accompanied by valid certification. Additionally, provisions are added in the appropriate provisions to provide that the transferred peanuts do not have to be kept separate and apart at the receiving remilling, blanching, or handling facility.

The Committee members, in proposing the changes in the Agreement provisions, believed that the more restrictive level of regulatory control for each peanut lot is no longer needed. The changes in this rule are based on the fact that current shelling, processing, remilling and blanching technologies are generally more efficient than in the past. The rule makes it more economical for handlers to use blanchers' and remillers' facilities which are generally operated more efficiently. These facilities are now located throughout the different production areas which also encourages their use.

The rule is intended to provide handlers more reconditioning flexibility by eliminating some certification requirements and PLI of peanuts and reducing costs incurred during movement to different locations and facilities. The rule should improve handlers' competitive positions. Relaxing the regulations will allow freer

movement of peanuts and more efficient use of facilities. The relaxation of PLI and certification requirements will reduce the number of inspections and result in lower costs to the entire industry. Fewer inspections are not expected to compromise the industry's quality control and lot identification objectives.

This interim final rule also adds and updates addresses and telephone and facsimile numbers, where applicable, of approved aflatoxin testing laboratories. The laboratories perform chemical analyses required by the non-signatory handling regulations. This information is provided in paragraph (c)(5)(i) of § 997.30 Outgoing regulation. Nine of the laboratories are approved by the USDA/AMS Science Division and eight are approved by the Committee. Nonsignatory handlers may send peanut samples to any laboratory on the list, per instructions specified in paragraph (c) of the outgoing regulation. This rule also updates information in paragraph (c)(5)(ii) identifying the contact point of the USDA Science Division headquarter's office.

In accordance with the Paperwork Reduction Act of 1988 (44 U.S.C. Chapter 35), information collection requirements that are contained in this rule have been previously approved by the Office of Management and Budget (OMB) and have been assigned OMB No. 0581-0163.

Based on the above, the Administrator of the AMS has determined that this interim final rule will not have a significant economic impact on a substantial number of small entities. Written comments, timely received, in response to this action, will be considered before any finalization of this rule.

After consideration of all relevant matter presented and other information, it is found that the changes set forth below 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 action until 30 days after publication in the Federal Register because: (1) This rule relaxes several handling restrictions on peanut handlers not subject to the Agreement; (2) the 1995 peanut harvest is expected to begin soon and handlers should be aware of handling regulations prior to harvesting activities; (3) this rule brings the quality requirements under part 997 into conformity with those under the