producer members. The commenter asked that § 1280.217 be amended to allow the various industry segments to name their own representatives to the Executive Committee. The Department believes that the Board should establish procedures for the nomination and election of Executive Committee members in its policies and procedures, subject to the requirements of the Act, and approval of the Secretary. Thus, we have rejected the request to amend § 1280.217 of the proposed Order, and have published the language as initially proposed without change.

Several commenters recommended that of the three importer members who serve on the Executive Committee, one member should represent importers of sheep meat to ensure that the sheep meat industry has a voice on the Executive Committee. The Act does not specify the consist of the 3 importer members who serve on the Executive Committee. The Act merely provides that the Executive Committee would be elected by the membership of the Board. The Department believes that the Board should have the latitude to allocate the three importer member seats on the Executive Committee among importers of sheep, sheep meat, and wool and wool products. Accordingly, we have not adopted this suggestion.

Section 1280.221 Quorum

We received two comments concerning the establishment of a quorum of the Executive Committee. One commenter suggested that a quorum should be 11 members to ensure the presence of at least one nonproducer member. In addition, another commenter suggested that a quorum should consist of eight members, including the feeder representative and at least one importer representative. The language in the proposed Order mirrors the Act's requirement, which says that a quorum of the Executive Committee shall consist of eight members. The Act does not require a feeder or importer representative to be included. Importer and feeder representation within the 8member quorum could be considered by the Board in developing its policies and procedures. Accordingly this suggestion is not adopted.

Section 1280.222 Vacancies

One commenter suggested that any vacancy on the Executive Committee be filled by the process established pursuant to § 1280.217 in the proposed Order, except that the Executive Committee members would be elected by each industry segment. The Act requires that the Executive Committee

be elected by the Board which includes produces, feeders, and importers. The Department believes that the Board should have the latitude to establish the procedures for filling a vacancy on the **Executive Committee consistent with** the requirements of the Act and subject to the approval of the Secretary. Accordingly, we have not adopted this suggestion.

Assessments

Section 1280.224 Sheep Purchases

Four commenters were concerned about the high assessment rate compared to other commodity checkoff programs, and two of these commenters were concerned that the rate of assessment could increase over time. The Act establishes the initial assessment rate and specifies the manner in which the initial assessment rate may be adjusted. Such adjustments must be recommended by the Board and approved by the Secretary. Accordingly, this section is not amended in the Order.

One commenter suggested that the domestic and import rate of assessment should increase or decrease proportionately when the Board recommends a change in the assessment rate. The Act authorizes increases or decreases in the assessment rate for both domestic and imported sheep and sheep products. The Department believes that Congress intended that any adjustments in the initial assessment rate should be the same for all persons subject to assessment under the Act. Consequently, the Secretary will carefully review any Board recommended assessment adjustments to ensure that such adjustments are applied equally to all persons who are required to pay an assessment. Accordingly, § 1280.224(d), § 1280.225(d) and § 1280.228 (c) and (d) have been revised to reflect the intent of this suggestion.

One commenter felt that the method of collecting money at the various stages in the production chain would not be workable. The Act establishes the method of collecting assessments and identifies those persons responsible for collecting and remitting the assessment. Thus, we have not adopted this suggestion.

Section 1280.228 Imports

One commenter expressed opposition to Customs or any other government agency collecting funds from importers to promote the use of wool and sheep on the grounds that it is improper for the U.S. government to promote U.S. domestic consumption of imported or

domestic products. Customs merely serves as a collecting agent as authorized by the Act. Using Customs as a collecting agent in other similar checkoff programs has proven to be an exceptionally economical way of collecting importer assessments and ensuring compliance.

Several commenters suggested that the Department work with Customs or develop a joint committee to develop and publish the Harmonized Tariff Schedule (HTS) classification numbers, assessment amount, and the conversion factors for the various HTS numbers subject to assessment. Furthermore, these commenters asked for clarification on how the clean wool equivalent would be calculated or determined on the various types of imported wool and wool products. The Department published a proposed rule in the Federal Register (60 FR 51737) that (1) identifies the HTS classification numbers for imported sheep and sheep products subject to assessment; (2) describes how the assessment would be calculated if the proposed Order were approved in referendum; and (3) identifies the conversion factors that would be used to convert sheep meat to a live weight equivalent and wool products to a degreased wool equivalent.

Some commenters expressed concern about multiple assessments being collected on wool or wool products imported into the U.S. after having been previously exported on one or more occasions to other countries for further processing (ie., weaving, cutting and/or assembly) and suggested that a drawback or refund of the assessment should be authorized if multiple assessments are collected. The Department believes that this comment would be more appropriately addressed in the implementing rules and regulations published in the Federal

One commenter suggested that rates set forth in § 1280.228 (c) and (d) in the proposed Order should be reduced yearly by a percentage calculated by dividing the amounts provided to States pursuant to paragraphs (a) and (b) of § 1280.229 in the proposed Order by the total assessments collected by the Board on domestic marketings in the year funding is given to the States. Section 1280.229 of this subpart applies to QSSBs and as required by the Act sets forth the amount of annual assessments collected by the Board that must be returned to each QSSB. Section 1280.229 also specifies the minimum amount QSSBs would receive and requires that procedures be established

to account for the funds. Accordingly,

Register (60 FR 51737).