the Act and in the proposal submitted by the proponents of Proposal I. Therefore, the commenters feel that there is no need to address these plans separately from the Board's other activities and that doing so will result in additional bureaucracy and administration costs. The Act and proposed Order already authorize the Board and the Secretary to approve plans and projects for funding with assessments collected under the authority of this subpart. However, based on the Department's experience with other similar commodity promotion and research programs under the Department's oversight, branded promotion projects involve joint funding with participating private firms and a cooperative agreement. Consequently, the Department believes that such arrangements are more complex than the usual plans and projects and thus require additional review and evaluation to insure that branded promotions are in compliance with the Act and the proposed Order and Departmental policy. Based on the Department's past experience, jointly funded branded advertising projects have been reviewed and approved without added expense or undue delays. Accordingly, §1280.231(d) of the proposed Order is published in this rule with no modifications.

One commenter suggested that §1280.231, Prohibition on Use of Funds, be deleted because it would restrict the sheep industry's ability to defend against detrimental legislation. The Act prohibits funds generated under this program from being used in any manner for the purpose of influencing legislation or government action or policy. Accordingly, we have not adopted this suggestion.

One commenter suggested that §1280.231(b)(2) should be strengthened because no assessments should be used to influence government decisionmaking under the guise of providing information requested by a friendly government official who is actually helping the industry to support or oppose legislation in which it has interest. The Department believes that the language provided in the Act and in the proposed Order addresses this concern. Accordingly, we have not adopted this suggestion.

Additional Comments

One commenter suggested that the Department conduct an economic impact study because of (1) the recordkeeping burden on the industry; (2) the loss of the Wool Act; and (3) the addition of the new program. The Administrator, AMS, previously

determined pursuant to the requirements set forth in the Regulatory Flexibility Act that the economic impact on small entities would not be significant. The Department does not anticipate a significant increase in costs and paperwork burden to those persons subject to the provisions of the Act and Order because most of the records required to be maintained are normally maintained by all businesses in the sheep industry and the calculation of assessments is a one step procedure that uses readily available records. Accordingly, we have not adopted this suggestion.

One commenter asked how the vote on the referendum would be conducted and how seats on the Executive Committee and the Board would be assigned because the Board is heavily weighted toward sheep growers. The Department published proposed referendum rules for public comment on August 8, 1995, in the Federal Register (60 FR 40313). These proposed rules include the registration and voting procedures. Also, the Act establishes the number of seats for the Executive Committee and the Board. We have made no changes in this proposed Order based on these questions.

Several commenters suggested that additional hearings be conducted throughout the country to allow time for the necessary revisions and allow for additional public comment. The Department conducted a public meeting on June 26, 1995, and provided a 45-day comment period so that any person interested in the sheep and wool checkoff program would have the opportunity to present testimony or submit comments by the July 17, 1995, deadline. The Department does not feel it is necessary to hold additional public meetings. Also, there are timeframes set forth in the Act. Further, all costs incurred by the Department in conducting the additional meetings are reimbursable by the sheep industry. Accordingly, we have not adopted this suggestion.

A few commenters suggested that the implementation of the program be delayed to allow sheep on feed inventories to be more manageable and allow producers to be assessed their fair share. The sheep industry has requested that assessments begin as soon as possible so that promotional and other activities can begin. Because of the time frames set forth in the Act, the Department believes that Congress intended for the Department to proceed in an expeditious manner. The Department has determined that no useful purpose would be served in

delaying implementation of this program.

One commenter suggested that the Department ensure that importers are eligible to participate in the referendum. The Act provides that sheep producers, sheep feeders, and importers of sheep and sheep products who, during a representative period established by the Department, were engaged in sheep production, sheep feeding or importation of sheep and sheep products-excluding importers of raw wool-are eligible to vote in the referendum. The Department believes that Congress intended that each person who is subject to the assessment is entitled to vote. Consequently, the Department has proposed and published referendum rules in the Federal Register (60 FR 40313).

List of Subjects in 7 CFR Part 1280

Administrative practice and procedure, Advertising, Agricultural research, Marketing agreements, Sheep and sheep products, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, it is proposed that chapter XI of title 7 of the Code of Federal Regulations be amended as follows:

1. Part 1280 is proposed to be added as follows:

PART 1280—SHEEP PROMOTION. **RESEARCH, AND INFORMATION**

Subpart A-Sheep and Wool Promotion, Research, Education, and Information Order

Definitions

- Sec. 1280.101 Act.
- 1280.102 Board.
- 1280.103 Carbonized wool.
- 1280.104 Certified organization.
- 1280.105
- Collecting person.
- 1280.106 Consumer information.
- 1280.107 Customs Service.
- 1280.108 Degreased wool.
- 1280.109 Department.
- 1280.110 Education.
- 1280.111 Executive Committee.
- 1280.112 Exporter.
- 1280.113 Feeder.
- 1280.114 Greasy wool.
- 1280.115 Handler.
- 1280.116 Importer.
- 1280.117 Industry information.
- 1280.118 National feeder organization.
- 1280.119 Part and subpart.
- 1280.120 Person.
- 1280.121 Processor.
- 1280.122 Producer.
- 1280.123 Producer information.
- 1280.124Promotion.
- 1280.125 Pulled wool.
- 1280.126 Qualified State Sheep Board.
- 1280.127 Raw wool.
- 1280.128 Research.
- 1280.129 Secretary.
- 1280.130 Sheep.