despatch earnings at the load port with the commodity supplier thereby encouraging quicker loading and lower freight rates. Comments suggested that CCC should not share in any despatch since it is not involved in loading and discharge operations. These comments also suggested that the vessel operator should pay despatch to the commodity supplier at loading and to the charterer at discharge, pointing out that such a change would more closely reflect commercial practices and possibly expedite vessel operations.

CCC agrees with these comments. Accordingly, the few rule eliminates CCC's sharing in any despatch earnings. With this change, title I procedures in this regard will follow those of the title III, Public Law 480 program

administered by A.I.D.

Several other changes to the rule follow from this change. There is no longer any need for CCC to delay payment of the final 5 percent of the ocean freight or ocean freight differential pending completion of demurrage/despatch calculations. Therefore, the final rule also provides that 100% of the ocean freight or ocean freight differential is payable when the vessel and cargo arrive at the first port of discharge, and, in the event of a force majeure, 100% of the freight will be payable. Further, the amount of security that CCC will require before it advances payments for ocean freight or ocean freight differential is increased from 95% to 100% to reflect the increased freight payable on arrival. Participants and vessel owners should recognize that, because CCC will not share in despatch, CCC will not be responsible for resolving disputes involving calculation of laytime or payment of demurrage or despatch.

The final rule adopts non-reversible laydays to reflect the fact that different parties will be sharing in despatch at load and discharge. Several comments noted that a change to non-reversible laydays would disadvantage importing countries because these countries may be more likely to owe demurrage if they cannot offset time lost at discharge against time gained at loading. FAS proposed this change in order to reflect commercial practices in the shipping trade that would benefit title I, Public Law 480 by reducing freight rates. Countries which can turn vessels around quickly at the discharge port will benefit by retaining the entire

despatch earned.

Commodity Letters of Credit. The proposed change in § 17.15(h)(1) addressed a specific situation that occurred under the tile I program. Suppliers of ocean transportation under

title I have issued bills of lading containing a provision noting a lien on the cargo if they have loaded commodities before they have been advised that an acceptable freight letter of credit has been opened to their benefit. This has unfairly delayed commodity suppliers from receiving payment from the bank because letters of credit typically contain a documentary requirement for a "clean bill of lading." This practice, if allowed to continue, could have increased program costs by placing an unreasonable burden on commodity suppliers. The final rule adopts the proposal to specifically require that commodity letters of credit allow for payment even if the bill of lading states that the vessel owner has a lien on the cargo. The vessel owner may include such a statement on bills of lading and, of course, may refuse to load and may claim detention if there is no freight letter of credit.

Miscellaneous Change to Supplier Reporting Requirements. The proposed rule also added, as a clarification, a list of specific items that must be reported to CCC pursuant to section 17.12 of the regulations. This section implements section 407(b) of Public Law 480. In reviewing this matter, FAS has determined that it would also be helpful to the trade to specify that suppliers must also report payments to foreign governments or their agencies. While FAS has interpreted the current regulations to require reports of payments to foreign government agencies (because they fall within the class of persons included in the term "representative of the importer or participant"), FAS believes that this interpretation should be reflected in the regulations. Therefore, the final rule amends § 17.12 of the regulations by specifying that suppliers must also report payment of commissions, fees or other compensation to the participant, or any agency of the participant.

Effective Date

The provisions of this rule shall apply to contracts entered into under purchase authorizations issued on or after January 8, 1996 and to USDA acceptance of nominations of shipping agents received after January 8, 1996 covering services provided during U.S. fiscal year 1996 (October 1, 1995-September 30, 1996) and each U.S. fiscal year thereafter.

Paperwork Reduction Act

Most reporting and recordkeeping requirements contained in this final rule have been previously approved by the Office of Management and Budget (OMB) under the Paperwork Reduction

Act of 1980. OMB has assigned control number 0551-0005 to this information collection. Reporting and recordkeeping requirements in this final rule that have not been previously approved by OMB are not effective until approved by OMB.

List of Subjects in 7 CFR Part 17

Agricultural commodities; exports; finance; maritime carriers.

Accordingly, 7 CFR Part 17, Subpart A, is amended as follows:

PART 17—[AMENDED]

1. The authority citation for Part 17 continues to read as follows:

Authority: 7 U.S.C. 1701-1705, 1736a, 1736c, 5676; E.O. 12220, 45 FR 44245.

2. The zip codes "20250–1000" is revised to read "20250-1033" each time it appears in §§ 17.1(f), 17.7(c)(4)(i), 17.10(b)(5), 17.14(c)(2) and paragraphs (B)(6)(a) and (F)(4)(a) in Appendix A.

3. Section 17.2 is amended by removing definitions of "ASCS" and "ASCS offices" in paragraph (a) and adding definitions of "FSA" and "FSA offices" in alphabetical order, and by adding definitions of "expediting services," "ocean transportation brokerage," and "ocean transportationrelated services" in paragraph (c) to read as follows:

§17.2 Definitions of terms. * * *

(a) Terms relating to the United States, its agencies and officials. * * *

"FSA" means the Farm Service Agency, U.S. Department of Agriculture. 'FSA offices' means the FSA offices listed in § 17.21 and any other offices or agencies which may succeed to the functions of these offices.

* * * (c) Other terms.

Expediting services means services provided to the vessel owner at the discharge port in order to facilitate the discharge and sailing of the vessel; this may include assisting with paperwork, obtaining permits and inspections, supervision and consultation.

Ocean transportation brokerage means services provided by shipping agents related to their engagement to arrange ocean transportation and services provided by ships brokers related to their engagement to arrange employment of vessels.

Ocean transportation-related services means furnishing the following services: lightening, stevedoring, and bagging (whether these services are performed at