

labeling responsibilities and to make the regulations consistent. The current provisions in 9 CFR 317.14 and 381.141 require the inspector, upon notification of an obsolete label, to return the label that is in the official labeling file to the establishment and to forward the label transmittal to FLD for further data processing. This procedure will become unnecessary because the final rule, as did the proposal, no longer, in general, requires inspection personnel to maintain labeling files. Thus, FSIS is eliminating 9 CFR 317.14 and 381.141 to relieve inspection personnel of the responsibility of handling obsolete labeling records. In addition, the provision in 9 CFR 381.137 states that no inspector shall authorize the use of any labeling or device unless he or she has on file evidence that such labeling or device has been approved in accordance with the appropriate provisions. Because inspection personnel will no longer maintain labeling files, the IIC's responsibility for authorizing the use of labeling will not be required. Thus, FSIS is revising 9 CFR 381.137 to delete the IIC's responsibility for authorizing the use of approved labeling based on evidence maintained in official labeling files. FSIS believes that amending the aforementioned provisions is consistent with the intent of this final rule.

12. Auditing the Accuracy of Generically Approved Labeling

To monitor compliance with the Federal meat and poultry products inspection regulations, FSIS proposed to select samples of generically approved labeling.

In addition to routine compliance and inspection activities, FSIS will develop and implement a sampling plan for the expanded types of labeling under the generic approval category. The sampling plan will be directed from FSIS headquarters in Washington. FSIS inspection personnel will collect all pertinent labeling records corresponding to each selected sample. These samples would be collected and forwarded to FLD for audit. FLD will evaluate the samples to determine if they comply with labeling regulations and policies.

13. Modernization of the Labeling Review System

All of the commenters responding to this issue of modernizing the labeling review system were in support of the Agency's efforts. Such commenters included those who supported sketch only approval, as well as those who supported generic approval. The commenters stated that an electronic

communications system would be cost effective by eliminating unnecessary paperwork and taking advantage of new information, collection, and storage technologies.

FSIS will continue to make incremental improvements in automation as budget constraints allow. Furthermore, FSIS believes that its current efforts to automate its labeling review system are consistent with the President's initiatives for greater efficiency in government services.

Miscellaneous Changes

The proposal stated that products labeled "for export only" in U.S. establishments that do not contain any special claims would be permitted to be labeled with generically approved labeling and thus labeling for such products would not have to be submitted in sketch form to FSIS for approval. However, after further consideration, FSIS has concluded that products designated "for export only" and destined to foreign countries should be reviewed and approved under the same provisions proposed for other products manufactured in U.S. establishments. FSIS acknowledges its responsibility for ensuring the accuracy of all labeling of meat and poultry products manufactured in Federal establishments, regardless of the product's destination. Also, most countries that receive product from the United States do not have label review programs. Therefore, these countries depend on FSIS review and approval as their assurance that imported products are accurately labeled. Thus, FSIS has decided to withdraw this provision of its proposal, and to require, as it did prior to its proposal, that labeling designated "for export only" be submitted to FSIS for approval, except when such labeling comes within the categories of labeling that will be generically approved. As FSIS reforms its prior labeling approval system, more of these labels will be considered for inclusion in the generic approval category. Although FSIS is continuing to provide labeling review services for these exporters, it will explore the possibility of charging user fees in the future for such services.

As stated in the proposal, where sketch labeling is required to be submitted to FLD for review and approval, a parent company for a corporation may submit only one labeling application for a product produced in other establishments, which are owned by the corporation. FSIS has clarified this matter in the Federal meat and poultry products regulations.

On August 8, 1994, FSIS published in the Federal Register a final rule on the placement of nutrition labeling and other mandatory labeling on meat and poultry products (59 FR 40209). That rule included a provision identifying as generically approved, final labeling bearing nutrition labeling information which was approved in sketch form or other version that clearly shows all required features, size, location, and identification of final color, by FSIS (9 CFR 317.5(c) and 381.134(c)). This final rule on prior labeling approval, as did the proposed rule, identifies as generically approved, final labeling, which would include labeling bearing nutrition information, that was submitted for approval and approved by FSIS in sketch form. Therefore, the current provisions in 9 CFR 317.5(c) and 381.134(c) are no longer needed. Accordingly, FSIS is amending the Federal meat and poultry products inspection regulations to eliminate 9 CFR 317.5(c) and 381.134(c).

This final rule, as did the proposal, will eliminate the need for FSIS inspection personnel to maintain labeling records. Consequently, FLD will no longer need labeling applications to be submitted in triplicate form. Accordingly, FSIS is clarifying this requirement in the Federal meat and poultry products inspection regulations 9 CFR 317.4(c) and 381.132(c) to reflect that labeling applications only need to be submitted in duplicate form.

Effective Date

After careful consideration of the changes necessary to implement the revised labeling system, FSIS has decided to make this rule effective 6 months from the date of publication. The Agency believes that a longer implementation period will alleviate unnecessary delays in the labeling review process. This longer implementation period will also minimize burdens related to the transfer of labeling records from the IIC's to the establishments, inspection personnel and industry orientation to new procedures, the auditing of generically approved labels, and various other miscellaneous changes. In addition, the longer implementation period will allow the Agency time to develop and issue to its inspection personnel, official guidelines for implementing this regulation.

Executive Order 12866

The final rule has been reviewed under Executive Order 12866 and has been determined to be significant. FSIS has assessed the impacts of its final rule