

development and implementation of the McGovern-Dole International Food for Education and Child Nutrition Program.

The Farm Act of 2002 stipulates that funds may be used to pay for the packaging, enrichment, preservation, and fortification of agricultural commodities under the McGovern-Dole International Food for Education and Child Nutrition Program. This proposed rule contains that information in Section 1599.6 (a) Apportionment of Costs and Advances, in order to emphasize the intent of the Farm Act of 2002 to allow for coverage of these costs.

List of Subjects in 7 CFR Part 1599

Agricultural commodities, Exports, Foreign aid.

Accordingly, the Foreign Agricultural Service proposes that chapter XV of title 7 of the Code of Federal Regulations be amended by adding a new part 1599 to read as follows:

PART 1599—MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM

- 1599.1 What special definitions apply?
- 1599.2 What is the general purpose and scope of the regulations?
- 1599.3 Are there eligibility requirements for Cooperating Sponsors?
- 1599.4 How do I apply?
- 1599.5 When is a usual marketing requirement included?
- 1599.6 How are costs and advances apportioned?
- 1599.7 What procedures apply to procuring ocean transportation?
- 1599.8 Who arranges for entry and handling in the foreign country?
- 1599.9 What are the restrictions on commodity use and distribution?
- 1599.10 Are there special requirements for agreements between Cooperating Sponsor and Recipient Agencies?
- 1599.11 What procedures apply to sales and barter of commodities provided and the use of proceeds?
- 1599.12 What procedures apply to the processing, packaging and labeling of commodities in the foreign country?
- 1599.13 How does the Cooperating Sponsor dispose of commodities unfit for authorized use?
- 1599.14 How is liability established for loss, damage, or improper distribution of commodities?
- 1599.15 Are there special record keeping and reporting requirements?
- 1599.16 What are the Cooperating Sponsor's audit requirements?
- 1599.17 When may FAS suspend a program?
- 1599.18 Are there sample documents and guidelines available for developing proposals and reports?

Authority: 7 U.S.C. 1736–1; Presidential Memorandum, March 11, 2003 (68 FR 12569).

§ 1599.1 What special definitions apply?

Activity—a Cooperating Sponsor's use of agricultural commodities and financial and technical assistance provided under Program Agreements.

Agricultural Counselor or Attache—the United States Foreign Agricultural Service representative stationed abroad, who has been assigned responsibilities with regard to the country into which the commodities provided are imported, or such representative's designee.

Associate Administrator—Associate Administrator, Foreign Agricultural Service.

CCC—the Commodity Credit Corporation.

Commodities—U.S. agricultural commodities or products.

Deputy Administrator—Deputy Administrator for Export Credits, Foreign Agricultural Service, USDA.

Director, CCC-OD—the Director, CCC Operations Division, Foreign Agricultural Service, USDA.

Director, PAD—the Director, Program Administration Division, Foreign Agricultural Service, USDA.

Director, PPDED—the Director, Program Planning, Development & Evaluation Division, Foreign Agricultural Service, USDA.

FAS—Foreign Agricultural Service, USDA.

Force Majeure—damage caused by perils of the sea or other waters; collisions; wrecks; stranding without the fault of the carrier; jettison; fire from any cause; Act of God; public enemies or pirates; arrest or restraint of princes, princesses, rulers of peoples without the fault of the carrier; wars; public disorders; captures; or detention by public authority in the interest of public safety.

KCCO—Kansas City Commodity Office, Farm Services Agency, USDA, P.O. Box 419205, Kansas City, Missouri, 64141–6205.

KCMO/DMD—Debt Management Division, Kansas City Management Office, Farm Services Agency, USDA, P.O. Box 419205, Kansas City, Missouri, 64141–6205.

Ocean freight differential—the amount, as determined by FAS, by which the cost of ocean transportation is higher than would otherwise be the case by reason of the requirement that the commodities be transported on U.S.-flag vessels.

Program Agreement—an agreement entered into by FAS and Cooperating Sponsors to implement the McGovern-Dole International Food for Education and Child Nutrition Program.

Program income—interest on sale proceeds and money received by the Cooperating Sponsor, other than sales proceeds, as a result of carrying out approved activities.

Recipient agency—an entity located in the importing country which receives commodities or commodity sale proceeds from a Cooperating Sponsor for the purpose of implementing activities.

Sale proceeds—money received by a Cooperating Sponsor from the sale of commodities.

USDA—the United States Department of Agriculture.

§ 1599.2 What is the general purpose and scope of the regulations?

(a) This part establishes the general terms and conditions governing the donation of commodities and financial and technical assistance to Cooperating Sponsors under the McGovern-Dole International Food for Education and Child Nutrition Program. This part does not apply to donations to intergovernmental agencies or organizations (such as the World Food Program) unless FAS and such intergovernmental agency or organization enter into an agreement incorporating this part. Cooperating Sponsors should also familiarize themselves with regulations at 7 CFR part 3019—Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations.

(b) In addition to the regulations in this part 1599, grants awarded to non-governmental Cooperating Sponsors by FAS are subject to 7 CFR 3015.205, 7 CFR part 3019 and 7 CFR part 3052.

§ 1599.3 Are there eligibility requirements for Cooperating Sponsors?

A Cooperating Sponsor may be either:

(a) A foreign government;

(b) An entity registered with the Agency for International Development (AID) in accordance with AID regulations; or

(c) An entity that demonstrates to FAS' satisfaction:

(1) Organizational experience and resources available to implement and manage the type of program proposed, *i.e.*, targeted food assistance, activities that improve the food security, health and nutrition of women and children, and economic development activities;

(2) Experience working in the targeted country; and

(3) Experience and knowledge on the part of personnel who will be responsible for implementing and managing the program. FAS may require