

transfer of burley tobacco across county lines within certain States, section 319.

Likewise, USDA will collect such information in the form of reports and record-keeping requirements which are necessary to meet the provisions of the 1938 Act which require that the tobacco marketing quota program resists both an excessive supply and the disorderly marketing of tobacco. The purchase information to be collected from receiving stations is to be used to maintain an orderly flow of tobacco by providing a reconcilable audit trail of tobacco allotted, grown, and then sold.

The information to be collected from receiving stations is the same information that dealers, purchasing tobacco directly from farmers outside the auction warehouse venue, are required to submit according to current regulations. Certain reporting modifications are proposed, however, in order to enable receiving stations to capture and transmit tobacco marketing information required by USDA using computer technology. Marketing data collected from receiving station purchases combined with that of dealer purchases and of auction market sales, provides a view of tobacco production throughout the nation. These total figures are available to Congress, and the USDA, Office of Inspector General (OIG), and National Agricultural Statistical Service (NASS).

Any new information collection requirements that result from this rule will be submitted to OMB for approval under the Paperwork Reduction Act (44 U.S.C. 3507 *et seq.*).

*Estimate of Respondent Burden:* The estimated average public reporting burden for the collection of information is as follows:

*Respondents:* Eligible Tobacco Farmers voting in a referendum and receiving station officials.

*Estimated Number of Respondents:* 239,535.

*Estimated Annual Number of Responses:* 246,087.

*Estimated Total Annual Burden Hours on Respondents:* 22,133.

In addition to commenting on the substance of the regulation, the public is invited to comment on the information collection. Proposed topics include the following: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information technology; or (d) ways to minimize the burden of the

information collection on those who are to respond. The information collection package may be obtained from the Tobacco Division, at the address listed below. Comments regarding the information collections may be sent to the Desk Officer for Agriculture, Office of Information and Regulator Affairs, OMB, Washington, DC 20503; and to Tobacco Division, FSA, USDA, STOP 0514, 1400 Independence Avenue, SW., Washington, DC 20250-0514.

### Public Participation

Interested persons are invited to participate in this proposed rule making by submitting written data, views, or arguments. Comments relating to the economic effects that might result from adoption of the proposals in this rule are also invited. All comments received on or before the closing date for comments will be considered before action is taken on this proposed rule. The proposals contained in this rule may be changed in light of comments received from the public. All comments should reference the Regulation Identifier Number (RIN) and the date and page number of this issue of the **Federal Register**. Comments will be made available for public inspection in the Office of the Director during regular business hours.

### Background

The Agricultural Adjustment Act of 1938 (the 1938 Act) requires farmers growing burley and flue-cured tobacco, in states in which marketing quotas for those kinds of tobacco are in effect, to have a marketing allotment, or quota, system. Annually, the Secretary determines and announces the amount of these kinds of tobacco which may be marketed during the marketing year. The total marketing quota for burley and flue-cured tobaccos for 2001 were 880,900,000 pounds (548,900,000 flue-cured and 332,000,000 burley). These national quotas are then apportioned among the States for allocation to the farms on which the quota is produced, thus establishing individual farm marketing quotas. Further, the Secretary requires collection of penalties upon those pounds of tobacco marketed from any farm in excess of that farm's marketing quota. In order to monitor tobacco marketing, certain procedures have been established to collect the following information for each marketing year:

- The amount of tobacco allotted to each farm for sale; and the amount of tobacco actually sold from each farm. The primary methods of collecting and verifying this data are:

- A marketing card issued for each farm which carries on the reverse side the total number of pounds of tobacco which may be sold from that farm without incurring a penalty; and

- A separate sale bill for each market transaction itemizing the number of pounds purchased.

*There are two ways to buy tobacco:*

- A buyer goes to a tobacco auction warehouse and competitively bids for displayed tobacco; or

- A buyer goes to a tobacco farm and buys directly from the grower.

At each of these market venues, notations are made on the marketing card to reflect the amount of tobacco sold or purchased in the transaction, and a sale bill is prepared. At the close of the market season, a reconciliation is done for each farm: the totals on a farm's marketing card are compared to the totals of a farm's sale bills.

At an auction warehouse, a tobacco grower presents a stiff, embossed, plastic marketing card which is put into a machine that is provided and serviced by FSA (similar to those used in early credit card days) which imprints farm-specific information necessary to track tobacco marketings directly onto each sales bill. However, a buyer who purchases directly from a grower does not have access to the imprint machine and must complete all farm-specific information by hand. Historically, 97% of tobacco has been sold at auction; and 3% purchased directly from the growers. The 2001 marketing year almost reversed these proportions and thus put an extreme reporting burden on those who purchase directly from the growers.

### The Current Reporting Rule

This rule proposes to reduce the burden by allowing reports to be submitted electronically. Current rules do not provide for electronic reporting. Customers who buy large quantities of tobacco at receiving stations may submit farm-specific marketing information electronically under this rule. A marketing card with a thermal imprinted bar code will be provided to growers who will deliver tobacco to receiving station(s). The bar code will provide the same farm-specific information necessary to track tobacco marketings that is currently included in the traditional embossed card. These proposed changes will allow each buyer to develop a tobacco purchasing practice tailored to its needs while allowing FSA to track marketed quota. Further, FSA will benefit by obtaining market information within 48 hours, rather than weeks after the close of a market season as is the case with the old