

indicator piece could be used in lieu of a TID for ground meat if the indicator piece is of sufficient size for a pink juice test to be performed (*i.e.*, 3.8 centimeters or larger in each dimension after cooking). We are making that provision final in this rule. This change may make it more feasible to import ground meat into the United States. Under these circumstances, we consider it necessary to clarify in the regulations that ground meat imported into the United States from regions where FMD exists after being cooked in plastic may include no cardiac muscle. Research has shown that when cardiac tissue that is virus-positive is cooked according to the provisions of § 94.4, the FMD virus can survive the cooking.

Executive Order 12866 and Regulatory Flexibility Act

This rule has been reviewed under Executive Order 12866. The rule has been determined to be not significant for the purposes of Executive Order 12866 and, therefore, has not been reviewed by the Office of Management and Budget.

In this document, we are amending the regulations regarding meat cooked in processing establishments located in regions where rinderpest or FMD exists to allow for further processing of meat after cooking and before importation.

Although these amendments will apply to both ruminant and swine meat, the primary effect of the changes will be on beef. As described previously in this document, the regulations in § 94.4(b)(5) prior to this final rule provided for the importation of ruminant and swine meat cooked under conditions that are largely similar to those provided under this rule. However, only beef and veal have been imported into the United States under § 94.4(b)(5), primarily from Argentina, Brazil, and Uruguay. This rule will allow for quality improvements in these cubed beef and veal products and, therefore, expand their marketability. However, the potential effect on imports of beef and veal and the overall U.S. supply of beef and veal is expected to be small for several reasons.

The cooked ground meat, cubes of meat, slices of meat, and anatomical cuts of meat that have been imported under § 94.4(b)(5) were used primarily in the production of products such as stews and meat pies. This rule will allow for an improvement in the quality of the meat cubes by making them available in more sizes and in a more consistent size and shape. This will allow the products to have expanded marketability. However, cooked cubed beef and veal constitute a small portion of the U.S. beef and veal industry.

Imports of prepared beef, including beef cooked in tubes, but not cured, pickled, salted, dried, or made into sausages, account for about 7 percent of all U.S. imports of beef and veal, but less than 1 percent of total U.S. supply.

In addition, imports into the United States of fresh beef and veal from Argentina and Uruguay are no longer occurring, due to FMD outbreaks in those countries. Also, although Argentina, Brazil, and Uruguay are large producers of beef and veal, their total exports are small relative to U.S. supply. The production of beef and veal in these three countries in 2001 was about 80 percent of that of the United States, but their exports of these products to all countries, including the United States, equated to considerably less than 1 percent of the U.S. supply of beef and veal. Thus, the effect on price would be negligible even if these countries were willing and able to redirect all of their beef and veal exports to the production of cooked cubed beef and veal for export to the United States.

Because (1) Similar products are already being imported, (2) the rule will alter only the sizes of these products, and (3) other types of beef and veal imports from Argentina, Brazil, and Uruguay have stopped, we do not expect that the adoption of this rule will greatly increase the volume of beef and veal imports. These amendments may result in a change in the character of the imports, but should not greatly increase the volume of those imports.

Imports of these products will potentially offer competition for domestic producers of ground meat, cubes of meat, slices of meat, and anatomical cuts of meat. Producers of these products are meatpacking plants, both those that slaughter animals directly and those that process purchased meats. In addition, these imports will also compete with domestic ruminant farms that sell to meatpacking facilities.

The Small Business Administration's (SBA) definition of a small entity in the production of cattle is one whose total sales are under \$750,000 annually.

According to the most recently published U.S. Department of Agriculture "Census of Agriculture," in 1997, there were 656,181 cattle farms in the United States, of which 99 percent would be considered small entities. However, as was discussed above, we expect that the economic impact on these producers will be minimal.

The SBA's guidelines state that a small producer of beef and veal meat that is in the form of cooked ground meat, cubes, slices, or anatomical cuts is one employing fewer than 500 workers.

According to the most recently published U.S. Department of Commerce "Economic Census," in 1997, 98 percent or 1,297 of the meatpacking establishments processing purchased meats in the United States were small. These small establishments accounted for approximately 78 percent of the total value of shipments of the industry, or approximately \$25 billion. Also in 1997, 95 percent of 1,393 animal slaughtering establishments were considered small. These small establishments accounted for approximately 76 percent of the total value of shipments of the industry, or \$41.6 billion.

Based on the above information, we do not expect that this rule will have a significant effect on the volume of imports of ruminant and swine meat, including ground meat, cubes of meat, slices of meat, and cuts of meat. Given that the volume of imports will be unlikely to increase substantially, we do not expect that the economic effects of this rule on domestic producers of these products, whether small or large, will be significant.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule: (1) Preempts all State and local laws and regulations that are inconsistent with this rule; (2) has no retroactive effect; and (3) does not require administrative proceedings before parties may file suit in court challenging this rule.

Paperwork Reduction Act

This final rule contains no new information collection or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

List of Subjects in 9 CFR Part 94

Animal diseases, Imports, Livestock, Meat and meat products, Milk, Poultry and poultry products, Reporting and recordkeeping requirements.

■ Accordingly, we are amending 9 CFR part 94 as follows: