

participate, cotton gins must complete an application form including: (1) Applicant name, address, and a contact person and phone; (2) bank account information for payees electing to have payments made by direct account deposit; (3) the gin 5-digit identifying code; (4) the number of bales of cotton ginned from the 2002 cotton crop; and, (5) the weight (in pounds) of cotton lint of the reported bales for which payment is requested. CCC must receive the application within the announced application period.

Upon receipt of all payment applications from gins, CCC will estimate the national total quantity of cottonseed for payment based on the number of bales and the weight of cotton lint for which payment is requested. The payment rate per ton of cottonseed will be determined by dividing the available \$50 million by the total quantity of cottonseed for payment. With the available funding, the resulting payments to individual cotton gins are not subject to any payment limitation.

CCC plans to provide all 2002-crop cottonseed payments to cotton gins and to require gins to share such payments with cotton producers to the extent that the effect of low cottonseed prices for the 2002 crop were borne by producers or to the extent that such sharing is consistent with the arrangements between the producer and the gins. This is as it was in previous cottonseed programs which appeared to work well. Presumably, Congress expected the old program to serve as the model for the program provided for in the new legislation as no dissatisfaction was expressed. Based on their contractual or marketing agreements, ginners and producers are best suited to know how to most equitably distribute the funds. A producer's recourse, for an unfavorable distribution, will be against the "first handler" or ginner that receives the payments. Other program provisions also remain as before except that changes have been made for clarity and to allow for greater program efficiency.

List of Subjects in 7 CFR Part 1427

Agriculture, Cottonseeds.

■ For the reasons set out in the preamble, 7 CFR part 1427 is amended as set forth below.

PART 1427—COTTON

■ 1. The authority citation for 7 CFR part 1427 is revised to read as follows:

Authority: 7 U.S.C. 7213–7237; 15 U.S.C. 714b, 714c; Pub. L. 108–7.

■ 2. Add subpart F to read as follows:

Subpart F—2002-Crop Cottonseed Payment Program

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Subpart F—2002-Crop Cottonseed Payment Program

§ 1427.1100 Applicability.

(a) This subpart sets forth the terms and conditions under which the Commodity Credit Corporation (CCC) shall provide payments under the cottonseed payment program for the 2002 crop of cottonseed. Additional terms and conditions may be set forth in the application or other forms which must be executed to participate in the cottonseed payment program.

(b) Payments shall be available only for cottonseed produced and ginned in the United States.

§ 1427.1101 Administration.

(a) The cottonseed payment program shall be administered by the Executive Vice President, CCC, or a designee and carried out by employees of the Farm Service Agency (FSA).

(b) Representatives and employees of FSA have no authority to modify or waive any of the provisions of the regulations of this subpart.

(c) The Executive Vice President, CCC, or a designee, may determine any question arising under the program or reverse or modify any determination made by any FSA official or employee.

(d) The Deputy Administrator for Farm Programs, FSA, may specify, waive or modify deadlines and other program requirements where lateness or failure to meet such other requirements do not affect adversely the operation of the cottonseed payment program.

(e) A representative of CCC may execute cottonseed payment program applications and related documents only under the terms and conditions determined and announced by CCC.

(f) Payment applications and related documents not executed in accordance with the terms and conditions determined and announced by CCC, including any purported execution outside of the dates authorized by CCC, shall be null and void except as otherwise provided in this part.

§ 1427.1102 Definitions.

The definitions in this section shall apply to the cottonseed payment program provided for in this subpart. The terms defined in § 1427.3 of this part shall also be applicable to this subpart.

Application period means a period, as announced by CCC, during which applications for payments under the Cottonseed Payment Program must be received to be considered for payment.

Cottonseed means the seed from any varieties of upland cotton and extra long staple (ELS) cotton produced and ginned in the United States.

Gin means a person (*i.e.*, an individual, partnership, association, corporation, cooperative marketing association, estate, trust, State or political subdivision or agency thereof, or other legal entity) that removes cotton seed from cotton lint in commercial quantities.

Lint means cotton lint as contained in bales of cotton ordinarily marketed as cotton and excludes any linters, raw motes, re-ginned motes, cleaned motes, and any other gin waste or byproduct not traditionally defined as cotton lint.

Number of ginned cotton bales means the number of ginned running bales of cotton based on individual bale weights unadjusted to a uniform bale weight.

Running bale means a bale of cotton lint that has a minimum weight of 425 pounds and is not a bale of motes, linters, gin waste, or other gin byproduct.

Ton means a unit of weight equal to 2,000 pounds avoirdupois (907.18 kilograms).

§ 1427.1103 Eligible cottonseed.

To be eligible for payments under this subpart, cottonseed must:

(a) Have been grown in the United States during the 2002-crop production period.

(b) Have been ginned by the applicant from 2002-crop cotton.

(c) Not have been destroyed or damaged by fire, flood, or other events such that its loss or damage was compensated by other local, State, or Federal government or private or public insurance or disaster relief payments.

§ 1427.1104 Eligible first handlers.

(a) For the purpose of this subpart, an eligible first handler of cottonseed shall be a gin that ginned 2002-crop cotton.

(b) Applicants must comply with the terms and conditions set forth in this subpart and instructions issued by CCC, and sign and submit an accurate, legible and complete Cottonseed Payment Program Application and Certification.

(c) Applicants signing the cottonseed payment application or receiving