

in the United States. Instead, we used data on Ya pears to estimate an inverse import demand curve for Ya pears and, under the assumption that U.S. import demand for Ya and fragrant pears would be similar, estimated benefits using the import demand curve for Ya pears. We used time-series data on Ya pear imports and prices and total domestic expenditures on fruit during 1998–2001 to estimate a linear relationship between import price, a constant, and import

quantity. Prices and expenditures were converted to 2001 dollars using a fresh fruit consumer price index. The constant, real expenditures on fruit, and a time index were used as instruments. Both the constant and the coefficient estimate on U.S. Ya pear imports from China are statistically significant, and the coefficient estimate on imports has the appropriate sign (table 3). Assuming import demand for Ya and fragrant pears have a similar structure, and

assuming Chinese export supply is perfectly inelastic at 256.88 metric tons for the first shipping season, then expected gross revenues less payments to Chinese exporters accruing to U.S. small pear importers for the first marketing season are \$5,014 in 2001 dollars.⁴ (This figure does not include additional costs associated with unloading, storing, and transporting fragrant pears to market.)

TABLE 3.—INSTRUMENTAL VARIABLES ESTIMATION RESULTS FOR INVERSE DOMESTIC YA PEAR IMPORT DEMAND *

Variable	Coefficient estimate	Standard error	T-statistic	P-value
Constant	1.55	0.02	69.17	0.000
Ya pear imports	– 1.52e–07	5.12e–09	– 29.65	0.000

Dependent variable: Ya pear import price.

Instruments: Constant, fruit expenditures, time index.

Observations: 4 [1998–2001].

Standard error of the regression: 0.03.

Coefficient of determination: 1.00.

F-Stat (over-identifying restrictions): 1.99 [0.29].

* Sources for the 1996–2001 data are reported in the text (See Benefits and Costs) and in table 1. Estimates were obtained using the TSP statistical analysis software package.

Conclusion

We expect that allowing the importation of fragrant pears from China would likely not have a significant negative economic impact on a substantial number of small entities in the short run. If imports of fragrant pears increase over time, as has been the case for U.S. Ya pear imports and Canadian Ya and fragrant pear imports, it is possible that fragrant pears could compete with some varieties of domestically produced pears, leading to profit losses for small pear producers in the United States. However, under these circumstances, profit losses for small pear producers would be offset by profit gains for small pear importers. That is, even if fragrant pear imports compete with domestic pears in the long run, the proposed rule may have positive net welfare impacts on small entities in the United States.

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

Executive Order 12988

This proposed rule would allow fragrant pears to be imported into the United States from the Korla region of Xinjiang Province in China. If this proposed rule is adopted, State and local laws and regulations regarding

fragrant pears imported under this rule would be preempted while the fruit is in foreign commerce. Fresh fruits are generally imported for immediate distribution and sale to the consuming public and would remain in foreign commerce until sold to the ultimate consumer. The question of when foreign commerce ceases in other cases must be addressed on a case-by-case basis. If this proposed rule is adopted, no retroactive effect will be given to this rule, and this rule will not require administrative proceedings before parties may file suit in court challenging this rule.

Paperwork Reduction Act

In accordance with section 3507(d) of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the information collection or recordkeeping requirements included in this proposed rule have been submitted for approval to the Office of Management and Budget (OMB). Please send written comments to the Office of Information and Regulatory Affairs, OMB, Attention: Desk Officer for APHIS, Washington, DC 20503. Please state that your comments refer to Docket No. 02–049–1. Please send a copy of your comments to: (1) Docket No. 02–049–1, Regulatory Analysis and Development, PPD, APHIS, Station 3C71, 4700 River Road Unit 118, Riverdale, MD 20737–1238, and (2) Clearance Officer, OCIO, USDA, room 404-W, 14th Street and Independence Avenue SW.,

Washington, DC 20250. A comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication of this proposed rule.

This proposed rule would allow the importation of fragrant pears from China under certain conditions. As a condition of entry, fragrant pears from China would have to be grown in the Korla region of Xinjiang Province in a production site that is registered with the national plant protection organization of China. The fragrant pears would be subject to inspection. In addition, the pears would have to be packed in insect-proof containers that are labeled in accordance with the regulations and safeguarded from pest infestation during transport to the United States. Finally, fragrant pears could only be imported under a permit issued by APHIS and each shipment of pears would have to be accompanied by a phytosanitary certificate issued by the national plant protection organization of China stating that the conditions of the regulations have been met and that the shipment has been inspected and found free of quarantine pests.

We are soliciting comments from the public (as well as affected agencies) concerning our proposed information collection and recordkeeping requirements. These comments will help us:

(1) Evaluate whether the proposed information collection is necessary for the proper performance of our agency's

⁴ This figure is an estimate based on information provided by Chinese officials.