

procedures which must be exhausted prior to any judicial challenge to the provisions of this rule.

### Proposed Action

The AMA authorizes official inspection, grading, and certification for processed fruits, vegetables, and processed products made from them. The AMA provides that the Secretary collect reasonable fees from the users of the services to cover, as nearly as practicable, the costs of the services rendered. This rule would amend the schedule for fees for inspection services rendered to the processed fruit and vegetable industry to reflect the costs necessary to operate the program.

AMS regularly reviews its user fee programs to determine if the fees are adequate. While AMS continues to pursue opportunities to reduce its costs, the existing fee schedule will not generate sufficient revenues to cover lot, year round, and less than year round inspection program costs while maintaining an adequate reserve balance.

Based on the Agency's analysis of increasing program costs, AMS is proposing to increase the fees relating to lot, year round, and less than year round inspection services.

AMS projects that program costs will increase to approximately \$14.4 million in FY 2004 and \$14.9 million in FY 2005, primarily from increases in employee salaries and benefits. An estimated 3.4 percent pay increase for employees effective January 2004 and January 2005 will increase program costs approximately \$375,000 in FY 2004 and approximately \$390,000 in FY 2005. Without a fee increase, the FY 2004 and FY 2005 end-of-year reserve balances will decline from \$4.3 million to \$3.6 million (3.0 months reserve), and \$2.4 million (1.9 months reserve), respectively. The required 4 month level would be approximately \$5.0 million. The proposed fee increase ranging from 8 to 11 percent will increase revenue by \$1.3 million per year and will enable AMS to replenish program reserves to a 4 month level, approximately \$5.0 million, for both FYs 2004 and 2005.

For inspection services charged under § 52.42, overtime and holiday work would continue to be charged as provided in that section.

For inspection services charged on a contract basis under § 52.51 overtime work would also continue to be charged as provided in that section. The following fee schedule compares current fees and charges with proposed fees and charges for processed fruit and vegetable inspection as found in 7 CFR §§ 52.42–52.51. Unless otherwise provided for by

regulation or written agreement between the applicant and the Administrator, the charges in the schedule of fees as found in § 52.42 are:

Current: \$47.00/hr.  
Proposed: \$52.00/hr.

Charges for travel and other expenses as found in § 52.50 are:

Current: \$47.00/hr.  
Proposed: \$52.00/hr.

Charges for year-round in-plant inspection services on a contract basis as found in § 52.51 (c) are:

(1) For inspector assigned on a year-round basis:

Current: \$36.00/hr.  
Proposed: \$39.00/hr.

(2) For inspector assigned on less than a year-round basis: Each inspector:

Current: \$48.00/hr.  
Proposed: \$52.00/hr.

Charges for less than year-round in-plant inspection services (four or more consecutive 40 hour weeks) on a contract basis as found in § 52.51 (d) are:

(1) Each inspector:  
Current: \$48.00/hr.  
Proposed: \$52.00/hr.

A thirty day comment period is provided for interested persons to comment on this proposed action. Thirty days is deemed appropriate because it's preferable to have any fee increase, if adopted, to be in place as close as possible to the beginning of the fiscal year, October 1, 2003.

### List of Subjects in 7 CFR Part 52

Food grades and standards, Food labeling, Frozen foods, Fruit juices, Fruits, Reporting and record keeping requirements, and Vegetables.

For the reasons set forth in the preamble, 7 CFR part 52 is proposed to be amended as follows:

### PART 52—[AMENDED]

1. The authority citation for part 52 continues to read as follows:

**Authority:** 7 U.S.C. 1621–1627.

#### § 52.42 [Amended]

2. In § 52.42, the figure “\$47.00” is revised to read “\$52.00”.

#### § 52.50 [Amended]

3. In § 52.50, the figure “\$47.00” is revised to read “\$52.00”.

#### § 52.51 [Amended]

4. In § 52.51, paragraph (c) (1), the figure “\$36.00” is revised to read “\$39.00”, in paragraph (c) (2), the figure “\$48.00” is revised to read “\$52.00”, and in paragraph (d) (1), the figure “\$48.00” is revised to read “\$52.00”.

Dated: July 31, 2003.

**A.J. Yates,**

*Administrator, Agricultural Marketing Service.*

[FR Doc. 03–20008 Filed 8–5–03; 8:45 am]

BILLING CODE 3410–02–P

## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Parts 1124 and 1131

[Docket No. AO–368–A32, AO–271–A37; DA–03–04]

#### Milk in the Pacific Northwest and Arizona-Las Vegas Marketing Areas; Notice of Hearing on Proposed Amendments to Tentative Marketing Agreements and Orders

7 CFR part	Marketing area	AO Nos.
1124 .....	Pacific Northwest.	AO–368–A32
1131 .....	Arizona-Las Vegas.	AO–271–A37

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Proposed rule; Notice of public hearing on proposed rulemaking.

**SUMMARY:** A public hearing is being held to consider proposals to amend the producer-handler provisions of the Arizona-Las Vegas and Pacific Northwest orders. The proposals seek to, among other things, end the regulatory exemption of producer-handlers from the pooling and pricing provisions of these two milk marketing orders if their Class I route distribution exceeds three million pounds of milk per month. Additionally, the hearing will consider a proposal that would prohibit the ability to simultaneously pool the same milk on the Arizona-Las Vegas order and on a State-operated milk order that provides for marketwide pooling.

**DATES:** The hearing will convene at 8:30 a.m. on Tuesday, September 23, 2003.

**ADDRESSES:** The hearing will be held at the Sheraton Airport Hotel, 1600 South 52nd Street, Tempe, AZ 85281, telephone: (480) 967–6600.

**FOR FURTHER INFORMATION CONTACT:** Jack Rower, Marketing Specialist, Order Formulation and Enforcement Branch, USDA/AMS/Dairy Programs, STOP 0231-Room 2971, 1400 Independence Avenue, Washington, DC 20250–0231, (202)–720–2357, e-mail address [jack.rower@usda.gov](mailto:jack.rower@usda.gov).

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