

Text of the regulation as proposed	Text of the regulation as revised
206.2(h) <i>What do I need to do when a previously submitted example contract is no longer a valid example due to contract changes, expiration, or withdrawal?</i> Packers must submit a new example contract when contract changes result in changes to the criteria specified in paragraph (d) of this section. Packers must notify GIPSA that the new example contract replaces the previously submitted example contract. Packers must notify GIPSA on the day that one of its example contracts no longer represents any existing or offered contracts. This notification must specify the reason, for example, changes to a contract, expiration of an existing contract, or withdrawal of an offered contract.	206.2(h) <i>What do I need to do when a previously submitted example contract is no longer a valid example due to contract changes, expiration, or withdrawal?</i> Each packer must submit a new example contract when contract changes result in changes to any of the four example-contract criteria specified in paragraph (d) of this section and notify GIPSA if the new example contract replaces the previously submitted example contract. Each packer must notify GIPSA when an example contract no longer represents any existing or available contract (expired or withdrawn). Each packer must submit these example contracts and notifications within one business day of the change, expiration, or withdrawal.

Comment: For new available contracts, negotiated contracts, and revised contracts, under which circumstances does a packer need to send the contract to GIPSA as an example contract and when is the example contract due? For contract changes, what is required for compliance? Are packers to report modifications to existing contracts as new contracts? This is especially important for verbal contracts because they tend to be modified several times even after initial agreement is reached.

Response: The packer must submit an example contract when a new available contract, negotiated contract, or revised contract is not the same as any previously submitted example contracts, as determined by any difference in the four example-contract criteria. The example contract must be submitted

within one business day of a negotiated contract, a contract change, or a contract being made available.

After a contract is made available to a producer and reported to GIPSA as an example contract, there may be changes made through negotiations. When the negotiations are complete and the packer has an accepted contract, the packer will determine if the contract is represented by the same example contract as the available contract, if it is represented by another previously submitted example contract, or if it constitutes a new example contract that must be submitted. If the negotiated contract is represented by a previously submitted example contract that has not expired or been withdrawn, then the packer does not need to submit an example contract for the negotiated contract. If the negotiated contract is not

represented by a previously submitted example contract, then the packer needs to submit the negotiated contract as an example contract. The submission will be a new or replacement example contract based on whether or not the previously submitted example contract is still a valid example contract for any available or existing contracts. The packer will report the example contract as required by section 206.2 paragraph (h).

The following chart is designed to help a packer decide if a new available contract, negotiated contract, or revised contract needs to be submitted as an example contract relative to previously submitted example contracts, even those that have expired or been withdrawn. Specific examples, from the comments, follow the chart.

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