

library will have the capability to submit the required information electronically. The required information will be plant level information and some packers may choose to have the plant submit the information directly to GIPSA. Even though the packer may have the capability to submit information electronically, that capability may not exist at each of the plants. In addition, the option that we developed for the electronic submission of monthly reports is via data entry into an automated form on the Web site on the Internet; the automated form is the same as the hard copy form. We believe that the collection of this information would be most successful by providing a variety of options for submission. Therefore, in developing these regulations, we decided that the reporting objectives could be accomplished by allowing packers to report the required information by facsimile or mail if they choose not to use electronic submission. Although we will encourage packers to utilize electronic data transmission, and we will provide to packers the necessary information on procedures to submit data to GIPSA electronically, we expect that packers will use a variety of methods to provide the data to GIPSA. For electronic data transmission, we will provide a secure system to allow packers to submit data via the Internet through the GIPSA Web site.

In conclusion, as shown above, it is difficult to quantify all of the economic impacts on small entities based on the alternative submission methods that small packers may choose and the anticipated benefits, especially for small producers. Small packers will incur the costs of complying with these regulations; however, only 15 small packers, representing a small percentage of all small packers in the United States, would be required to comply with these regulations because these 15 packers purchase more than 100,000 swine annually and have swine slaughtered at a slaughtering plant that slaughtered an average of more than 100,000 swine per year. We believe that all of the approximately 92,000 small producers will accrue benefits at little or no cost. Therefore, we believe that the balance of the economic impact on small entities will be positive.

#### Executive Order 12988

This rule has been reviewed under E.O. 12988, Civil Justice Reform, and is not intended to have retroactive effect. This rule will not pre-empt State or local laws, regulations, or policies unless they present an irreconcilable conflict with this rule. There are no

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

#### Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520), the information collection or recordkeeping requirements included in this rule have been approved by the Office of Management and Budget (OMB) under OMB control number 0580–0021.

#### GPEA Compliance

GIPSA is committed to compliance with the Government Paperwork Elimination Act, which requires Government agencies to provide the public option of submitting information or transacting business electronically to the maximum extent possible.

#### List of Subjects in 9 CFR Part 206

Swine, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, GIPSA amends 9 CFR Chapter II as follows:

■ 1. Add Part 206 to read as follows:

#### PART 206—SWINE CONTRACT LIBRARY

Sec.

206.1 Definitions.

206.2 Swine contract library.

206.3 Monthly report.

**Authority:** Sec. 941, Pub. L. 106–78, 113 Stat. 1135; 7 CFR 2.22 and 2.81.

##### § 206.1 Definitions.

The definitions in this section apply to the regulations in this part. The definitions in this section do not apply to other regulations issued under the Packers and Stockyards Act (P&S Act) or to the P&S Act as a whole.

**Accrual account.** (Synonymous with “ledger,” as defined in this section.) An account held by a packer on behalf of a producer that accrues a running positive or negative balance as a result of a pricing determination included in a contract that establishes a minimum and/or maximum level of base price paid. Credits and/or debits for amounts beyond these minimum and/or maximum levels are entered into the account. Further, the contract specifies how the balance in the account affects producer and packer rights and obligations under the contract.

**Base price.** The price paid for swine before the application of any premiums or discounts, expressed in dollars per unit.

**Contract.** Any agreement, whether written or verbal, between a packer and

a producer for the purchase of swine for slaughter, except a negotiated purchase (as defined in this section).

**Contract type.** The classification of contracts or risk management agreements for the purchase of swine committed to a packer, by the determination of the base price and the presence or absence of an accrual account or ledger (as defined in this section). The contract type categories are:

- (1) Swine or pork market formula purchases with a ledger,
- (2) Swine or pork market formula purchases without a ledger,
- (3) Other market formula purchases with a ledger,
- (4) Other market formula purchases without a ledger,
- (5) Other purchase arrangements with a ledger, and
- (6) Other purchase arrangements without a ledger.

**Formula price.** A price determined by a mathematical formula under which the price established for a specified market serves as the basis for the formula.

**Ledger.** (Synonymous with “accrual account,” as defined in this section.) An account held by a packer on behalf of a producer that accrues a running positive or negative balance as a result of a pricing determination included in a contract that establishes a minimum and/or maximum level of base price paid. Credits and/or debits for amounts beyond these minimum and/or maximum levels are entered into the account. Further, the contract specifies how the balance in the account affects producer and packer rights and obligations under the contract.

**Negotiated purchase.** A purchase, commonly known as a “cash” or “spot market” purchase, of swine by a packer from a producer under which:

- (1) The buyer-seller interaction that results in the transaction and the agreement on actual base price occur on the same day; and
- (2) The swine are scheduled for delivery to the packer not later than 14 days after the date on which the swine are committed to the packer.

**Noncarcass merit premium or discount.** An increase or decrease in the price for the purchase of swine made available by an individual packer or packing plant, based on any factor other than the characteristics of the carcass, if the actual amount of the premium or discount is known before the purchase and delivery of the swine.

**Other market formula purchase.** A purchase of swine by a packer in which the pricing determination is a formula price based on any market other than