

2,500 metric tons of lamb meat products per year during the immediately preceding 5 calendar years would be required to report under this proposed rule. Additionally, a lamb importer that did not import an average of 2,500 metric tons of lamb meat products during the immediately preceding 5 calendar years would also be required to report under this proposed rule if USDA determines that the person should be considered an importer based on the volume of lamb imports. Under this proposal, 20 individual plants including importers would be required to report information on boxed lamb sales. Based on the criteria established by the SBA to classify small businesses (SIC 2011 and 5147), all 20 of these lamb plants and importers would be considered small businesses with no lamb packer employing more than 500 people and no lamb importer employing more than 100 people. The figure of 20 lamb packer and importer plants required to report represents approximately 3.0% of the lamb plants and importers in the U.S. Nearly all of the remaining approximately 97.0% of lamb plants and importers would be considered small businesses and would be exempt from mandatory reporting.

The LMR regulations require the reporting of specific market information regarding the buying and selling of livestock and livestock products. The information is reported to AMS by electronic means and the adoption of the proposed rule would not affect this requirement. Electronic reporting involves the transfer of data from a packer's or importer's electronic recordkeeping system to a centrally located AMS electronic database. The packer or importer is required to organize the information in an AMS-approved format before electronically transmitting the information to AMS.

Once the required information has been entered into the AMS database, it is aggregated and processed into various market reports which are released according to the daily and weekly time schedule set forth in the LMR regulations. As an alternative, AMS also developed and made available web-based input forms for submitting data online as AMS found that some of the smaller entities covered under mandatory price reporting would benefit from such a web-based submission system.

In the LMR regulations, AMS estimated the total annual burden on each small lamb packer to be \$7,860 including \$5,875 for annual costs associated with electronically submitting data, \$150.00 for annual share of initial startup costs of \$750, and

\$1,830 for the storage and maintenance of electronic files that were submitted to AMS. AMS estimated the total annual burden on each small importer of lamb to be \$2,070 including \$87 for annual costs associated with electronically submitting data, \$150.00 for annual share of initial startup costs of \$750, and \$1,830 for the storage and maintenance of electronic files that were submitted to AMS.

This proposed rule does not substantially change these prior estimates. While adjusting the 5,000 metric ton provision that establishes those lamb importers covered under the LMR regulations to 2,500 metric tons increases the number of lamb importers required to report to eight, the estimated annual cost burden per importer of \$2,070 remains the same. Amending the definition for the term "carlot-based" by limiting covered sales of boxed lamb cuts to those consisting of 1,000 pounds or more of one or more individual boxed lamb items would be expected to lessen the number of covered sales transactions that are submitted to AMS. However, AMS's submission burden estimates were based on lamb packers and importers using electronic reporting methods to automatically compile and submit required information. AMS believes the burden savings resulting from electronically compiling and submitting a reduced number of sales transactions to be negligible considering that the speed of electronic systems is measured in milliseconds.

Each packer and importer required to report information to USDA must maintain such records as are necessary to verify the accuracy of the information provided to AMS. This includes information regarding price, class, head count, weight, quality grade, yield grade, and other factors necessary to adequately describe each transaction. These records are already kept by the industry. Reporting packers and importers are required by the LMR regulations to maintain and to make available the original contracts, agreements, receipts, and other records associated with any transaction relating to the purchase, sale, pricing, transportation, delivery, weighing, slaughter, or carcass characteristics of all livestock. Reporting packers and importers are also required to maintain copies of the information provided to AMS. All of the above-mentioned paperwork must be kept for at least 2 years. Packers and importers are not required to report any other new or additional information that they do not generally have available or maintain. Further, they are not required to keep any information that would prove

unduly burdensome to maintain. The paperwork burden that is imposed on the packers and importers is further discussed in the section entitled Paperwork Reduction Act that follows.

In addition, AMS has not identified any relevant Federal rules that are currently in effect that duplicate, overlap, or conflict with this proposed rule.

Professional skills required for recordkeeping under the LMR regulations are not different than those already employed by the reporting entities. Reporting is accomplished using computers or similar electronic means. This proposed rule does not affect the professional skills required for recordkeeping.

The LMR regulations require lamb slaughter and processing plants and lamb importers of a certain size to report information to the USDA at prescribed times throughout the day and week. The LMR regulations already exempt many small businesses by the establishment of daily slaughter, processing, and import capacity thresholds. Based on figures published by the National Agricultural Statistics Service, there were 538 lamb federally inspected slaughter plants operating in the U.S. at the end of 2001. The LMR regulations require 20 lamb packers and importers to report information (approximately 2% of all federally inspected lamb plants and approximately 1% of all lamb importers). Therefore, approximately 98% of all lamb packers and approximately 99% of lamb importers are not required to report. As discussed earlier, this proposed rule does not change this requirement.

With regard to alternatives, if the definitions of importer and carlot-based are not changed, AMS would continue to be hindered in reporting more accurate and reliable information on sales of imported and domestic boxed lamb cuts.

AMS will continue to work actively with those small businesses required to report to minimize the burden on them to the maximum extent practicable.

Paperwork Reduction Act

In accordance with OMB regulation (5 CFR Part 1320) that implements the Paperwork Reduction Act (44 U.S.C. Chapter 35), the information collection has been previously approved by OMB and assigned OMB control number 0581-0186. A revised information collection package has been submitted to OMB for approval of a 15 hour increase in total burden hours.

The purpose of this proposed rule is to amend the LMR regulations (65 FR 75464) to modify the requirement for