

additional 24 hours and be retested. This proposed provision goes on to state that if the meat does not meet this pH level after 60 hours, it may not be exported to the United States. This proposed requirement is based on the fact that the FMD virus in meat is inactivated by acidification, which occurs naturally during maturation. An acid environment of a pH of 5.8 or less destroys the virus quickly.

APHIS Inspection of Slaughtering Establishments

Although the proposed conditions in § 94.21 include a provision in paragraph (j) that an authorized veterinary official of the government of Uruguay certify that the required conditions for importation have been met, we are proposing an additional condition in paragraph (k) that would require establishments in which bovines are slaughtered to allow periodic APHIS inspection of their facilities, records, and operations. We continue to believe that, in the great majority of cases,

certification by an authorized veterinary official of Uruguay will be sufficient verification. However, because of the possibility of occasional differing interpretations of the regulations, we consider it advisable to enable APHIS representatives to have access to slaughtering establishments for periodic inspections of the establishments and their records and operations.

Based on our assessment, and considering the effective control measures employed by the government of Uruguay after the initial outbreak and their ongoing control measures, we have determined that it is not necessary to prohibit the importation of fresh (chilled or frozen) beef from Uruguay, as long as the beef meets certain stringent conditions.

Executive Order 12866 and Regulatory Flexibility Act

This rule has been reviewed under Executive Order 12866. The rule has been determined to be not significant for the purposes of Executive Order 1286

and, therefore, has not been reviewed by the Office of Management and Budget.

This proposed rule would amend the regulations governing the importation of certain animals, meat, and other animal products by allowing, under certain conditions, the importation of fresh (chilled or frozen) beef from Uruguay. Based on the evidence documented in our recent risk assessment, we believe that fresh (chilled or frozen) beef can be safely imported from Uruguay provided certain conditions are met. This action would provide for the importation of beef from Uruguay into the United States while continuing to protect the United States against the introduction of FMD.

This proposed rule would reopen the U.S. market to Uruguayan beef producers. Beef producers and importers in the United States should not experience any notable economic effects as a result of these proposed changes because the United States has imported only a small amount of beef from Uruguay in the past (Table 1).

TABLE 1.—VALUE OF U.S. SUPPLY AND IMPORTS OF FRESH (CHILLED OR FROZEN) BEEF AND URUGUAY'S SHARE

	U.S. imports from Uruguay	Total U.S. imports		U.S. supply (domestic production + imports – exports)	
	(in millions of dollars)	(in millions of dollars)	Uruguay's share (in percent)	(in millions of dollars)	Uruguay's share (in percent)
1997	37.5	1,407.9	2.7	22,941	0.2
1998	29.2	1,609.8	1.8	23,184	0.1
1999	43.5	1,907.7	2.3	23,846	0.2
2000	40.9	2,221.0	1.8	24,000	0.2

Sources: Imports and Exports: U.S. Department of Commerce, Bureau of the Census, as reported by the World Trade Atlas. Domestic production: Calculated from quantities reported in Table 7–72 of Agricultural Statistics 2000, with a wholesale price for the 3 years conservatively approximated at \$90 per hundredweight.

Uruguay's share in the value of U.S. imports of fresh (chilled or frozen) beef has been very small. From 1997 to 2000, Uruguayan exports accounted for only 1.8 to 2.7 percent of total U.S. imports of fresh (chilled or frozen) beef. During the same period, imports from Uruguay accounted for 0.2 percent or less of the value of the U.S. supply (domestic production plus imports minus exports) of fresh (chilled or frozen) beef.

Impact on Small Entities

According to the Small Business Administration's (SBA) size classification, beef cattle ranches and farms having \$750,000 or less in annual revenues, and cattle feedlots having \$1,500,000 or less in annual revenues are considered small entities. The number of farms and ranches with beef herds in the United States in 1997 was reported to be 766,991, and 99.8 percent

of these beef farms could be categorized as small according to the SBA's criteria.¹

It is impossible to determine from published data how many U.S. cattle feedlots could be categorized as small according to the SBA's criteria. Industry analysts suggest that feedlots with a capacity of roughly 1,000 head of cattle would have annual revenues of approximately \$1,500,000. In 2000, roughly 18 percent (2,508) of cattle feedlots in the United States would have been considered small by SBA standards.²

Although this proposed rule could potentially affect a large number of

small beef farms and a relatively small number of small feedlots by allowing Uruguayan beef into the U.S. market, it is not expected to have a significant economic effect on these entities because the import volumes involved are low.

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 has been reviewed under Executive Order 12988, Civil Justice Reform. If this proposed rule is adopted: (1) State and local laws and regulations that are inconsistent with this rule will be preempted; (2) no retroactive effect will be given to this rule; and (3) administrative proceedings

¹ USDA, National Agricultural Statistics Service, 1997, Census of Agriculture—United States Data, table 28, page 32.

² Unpublished National Agriculture Statistics Service data, from *Changes in the U.S. Feedlot Industry 1994–1999*, USDA/APHIS/NAHMS, August 2000.