

DEPARTMENT OF AGRICULTURE**Agricultural Marketing Service****7 CFR Part 1220****[Doc. No. LS-02-14]****Amendment to the Soybean Promotion and Research Rules and Regulations****AGENCY:** Agricultural Marketing Service, USDA.**ACTION:** Final rule.

SUMMARY: This final rule amends the Soybean Promotion and Research Rules and Regulations (Rules and Regulations) established under the Soybean Promotion, Research, and Consumer Information Act (Act) by requiring first purchasers of soybeans and producers marketing processed soybeans or soybean products of a producer's own production in the States or regions of Delaware, Louisiana, South Carolina, Texas, Eastern Region, and the Western Region, to remit and report assessments on a quarterly basis rather than a monthly basis. This change reduces the administrative costs of monthly reporting imposed on these smaller soybean producing States and regions.

EFFECTIVE DATE: April 1, 2004.

FOR FURTHER INFORMATION CONTACT: Kenneth R. Payne, Chief, Marketing Programs Branch; Livestock and Seed Program; Agricultural Marketing Service (AMS), USDA, Room 2638-S; STOP 0251; 1400 Independence Avenue, SW., Washington, DC 20250-0251; telephone 202/720-1115.

SUPPLEMENTARY INFORMATION:**Executive Order 12866**

The Office of Management and Budget (OMB) has waived the review process required by Executive Order 12866 for this action.

Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is not intended to have a retroactive effect.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under § 1971 of the Act, a person subject to the Soybean Promotion and Research Order (Order) may file a petition with the Department of Agriculture (Department) stating that the Order, any provision of the Order, or any obligation imposed in connection with the Order, is not in accordance with law and requesting a modification of the Order or an exemption from the Order. The petitioner is afforded the opportunity

for a hearing on the petition. After a hearing, the Department would rule on the petition. The Act provides that the district courts of the United States in any district in which such person is an inhabitant, or has their principal place of business, has jurisdiction to review the Department's ruling on the petition, if a complaint for this purpose is filed within 20 days after the date of the entry of the ruling. Further, section 1974 of the Act provides, with certain exceptions, that nothing in the Act may be construed to preempt or supersede any other program relating to soybean promotion, research, consumer information, or industry information organized and operated under the laws of the United States or any State. One exception in the Act concerns assessments collected by Qualified State Soybean Boards (QSSBs). The exception provides that to ensure adequate funding of the operations of QSSBs under the Act, no State law or regulation may limit or have the effect of limiting the full amount of assessments that a QSSB in that State may collect, and which is authorized to be credited under the Act. Another exception concerns certain referenda conducted during specified periods by a State relating to the continuation or termination of a QSSB or State soybean assessment.

Regulatory Flexibility Act

AMS has determined that this final rule will not have a significant impact on a substantial number of small entities as defined by the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), because it only revises the remittance of assessments and reports from a monthly basis to a quarterly basis for certain States or regions. The States or regions of Delaware, Louisiana, South Carolina, Texas, Eastern Region, and the Western Region are being changed from monthly remitting States or regions to quarterly remitting States or regions to reduce administrative costs. Because of the minimal number of first purchasers, producers, and total remittances from these States and regions, allowing the States or regions to remit and report assessments on a quarterly basis will benefit QSSBs, the States and regions, and the United Soybean Board (Board) by reducing the administrative costs of remitting and reporting assessments on a monthly basis. This action will likely reduce administrative costs by approximately \$10,000. As such, these changes will not have a significant impact on a substantial number of small entities. There are an estimated 30,000 soybean producers who pay assessments and an estimated 150 first purchasers

who collect assessments in the four affected States and two regions. There are six QSSBs that will be affected under this rule. Most of these entities would be considered small entities under the criteria established by the Small Business Administration (13 CFR 121.201).

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1990 (44 U.S.C. chapter 35), the reporting and recordkeeping requirements included in 7 CFR part 1220 were previously approved by OMB and were assigned OMB control number 0581-0093. The purpose of this rule is to change the remitting and reporting of assessments to a quarterly basis from a monthly basis in four soybean producing States and two regions. There are a minimal number of first purchasers and producers in these four States and two regions. This change will not substantially impact the overall total burden hours. As a result, no change to the previously submitted burden estimate is necessary.

Background

The Act (7 U.S.C. 6301-6311) provides for the establishment of a coordinated program of promotion and research designed to strengthen the soybean industry's position in the marketplace, and to maintain and expand domestic and foreign markets and uses for soybeans and soybean products. The program is financed by an assessment of 0.5 of 1 percent of the net market price of soybeans sold by producers. The final Order establishing a soybean promotion, research, and consumer information program was published in the July 9, 1991, issue of the **Federal Register** (56 FR 31043) and assessments began on September 1, 1991.

The Soybean Promotion and Research Rules and Regulations, 7 CFR part 1220, published in the **Federal Register** on July 2, 1992 (57 FR 29436), specify in § 1220.312(b) that first purchasers and producers responsible for remitting assessments shall remit assessments and reports on a monthly or quarterly basis depending upon the State or region in which they are located. This rule will change the States or regions of Delaware, Louisiana, South Carolina, Texas, Eastern Region, and the Western Region from remitting and reporting assessments on a monthly basis to a quarterly basis. Currently, 15 States and 2 regions report on a monthly basis and 14 States report on a quarterly basis.

The Board, in conjunction with the affected States and regions,