

the rice program were \$4,034,964 with revenue of \$4,837,116 that resulted in a positive margin of \$802,152 and a positive reserve of \$406,359. In FY 2001, operating costs in the rice program were \$3,842,326 with revenue of \$4,102,960 that resulted in a positive margin of \$260,634 and a positive reserve of \$611,654. Using the most recent data available, GIPSA's FY 2002 operating costs were \$3,382,574 with revenue of \$3,385,121 that resulted in a positive margin of \$2,547. The current positive reserve balance of \$311,596 is

well below the desired 3-month reserve of approximately \$1 million.

GIPSA has reviewed the financial position of its rice inspection program based on the anticipated salary and benefit costs, along with the projected FY 2003 workload. Even though the financial status of the rice inspection program has improved, GIPSA has concluded that with the small positive reserve balance it cannot absorb the increased costs caused by the 4.1 percent salary increase. This fee increase will collect an estimated \$155,500 in additional revenues in the

rice program based on the projected FY 2003 work volume of 3.4 million metric tons.

In 7 CFR 868.91, Table 1—Hourly Rates/Unit Rate Per CWT and Table 2—Unit Rates, currently the regular workday contract and noncontract fees are \$44.60 and \$54.30, respectively, while the nonregular workday contract and noncontract fees are \$61.80 and \$75.00, respectively. The unit rate per hundredweight for export port services is currently \$0.054 per hundredweight. The rice current unit rates are:

Service	Rough rice	Brown rice for processing	Milled rice
Inspection for quality (per lot, subplot, or sample inspection)	\$34.80	\$30.00	\$21.50
Factor analysis for any single factor (per factor):			
(a) Milling yield (per sample)	27.00	27.00	
(b) All other factors (per factor)	12.90	12.90	12.90
Total oil and free fatty acid		42.60	42.60
Interpretive line samples:			
(a) Milling degree (per set)			91.00
(b) Parboiled light (per sample)			22.60
Extra copies of certificates (per copy)	3.00	3.00	3.00

This proposed rule provides a 30-day period for interested persons to comment. This comment period is deemed appropriate because the anticipated Federal pay increase is scheduled to become effective on January 1, 2003, rice inspection volume and associated requests for official services for such rice inspection requests are projected to further decrease in the coming months due to seasonal and other adjustments. Accordingly, given the current level of the operating reserve, it would be necessary to implement any fee increase

that may result from this rulemaking as soon as possible.

List of Subjects in 7 CFR Part 868

Administrative practice and procedure, Agricultural commodities.

For reasons set out in the preamble, 7 CFR Part 868 is amended as follows:

PART 868—GENERAL REGULATIONS AND STANDARDS FOR CERTAIN AGRICULTURAL COMMODITIES

1. The authority citation for part 868 continues to read as follows:

Authority: Secs. 202–208, 60 Stat. 1087 as amended (7 U.S.C. 1621, *et seq.*)

2. Section 868.91 is revised to read as follows:

§ 868.91 Fees for certain Federal rice inspection services.

The fees shown in Tables 1 and 2 apply to Federal rice inspection services.

TABLE 1.—HOURLY RATES/UNIT RATE PER CWT
[Fees for Federal Rice Inspection Services]

Service ¹	Regular workday (Monday–Saturday)	Nonregular workday (Sunday–Holiday)
Contract (per hour per Service representative)	\$46.40	\$64.40
Noncontract (per hour per Service representative)	56.60	78.00
Export Port Services (per hundredweight) ²056	.056

¹ Original and appeal inspection services include: Sampling, grading, weighing, and other services requested by the applicant when performed at the applicant's facility.

² Services performed at export port locations on lots at rest.

TABLE 2.—UNIT RATES

Service ^{1,3}	Rough rice	Brown rice for processing	Milled rice
Inspection for quality (per lot, subplot, or sample inspection)	\$35.50	\$30.50	\$22.00
Factor analysis for any single factor (per factor):			
(a) Milling yield (per sample)	27.50	27.50	
(b) All other factors (per factor)	13.20	13.20	13.20
Total oil and free fatty acid		43.00	43.00