

fumigation requirement for Unshu oranges from Honshu Island that will be distributed only in non-citrus-producing areas of the United States. To effect this change, we have amended § 319.28(b)(5) to specify that fumigation is required only for Unshu oranges from Honshu Island, Japan, that are to be imported into Arizona, California, Florida, Hawaii, Louisiana, or Texas. In addition, we have revised § 319.28(b)(7) to specify the different importation restrictions that apply to fumigated and unfumigated fruit produced on Honshu Island. This latter change will also serve to support the box marking provisions of § 319.28(b)(6)(i), which require the individual boxes in which the oranges are shipped to be stamped or printed with a statement specifying the States into which the Unshu oranges may be imported and from which they are prohibited removal.

Miscellaneous

In order to distinguish between *Citrus reticulata* Blanco varieties *unshu* and *satsuma*, we are removing the reference to Unshu oranges as also being known as Satsumas. Instead, we will refer to Unshu oranges as also being known as Satsuma mandarins. This distinction is important because the Unshu orange or Satsuma mandarin (*Citrus reticulata* Blanco var. *unshu*) is the variety imported from Japan. This variety is not grown commercially in the United States; however, another variety, the Satsuma (*Citrus reticulata* Blanco var. *satsuma*) is grown commercially in California.

Immediate Action

This rule relieves a restriction that is not necessary to mitigate pest risk. Immediate action is warranted to alleviate the negative economic effects that Japanese growers and exporters face as a result of our requirement to fumigate Unshu oranges from Honshu Island that are shipped to non-citrus-producing areas of the United States. Under these circumstances, the Administrator has determined that prior notice and opportunity for public comment are contrary to the public interest and that there is good cause under 5 U.S.C. 553 for making this action effective less than 30 days after publication in the **Federal Register**.

We will consider comments we receive during the comment period for this interim rule (see **DATES** above). After the comment period closes, we will publish another document in the **Federal Register**. The document will include a discussion of any comments we receive and any amendments we are making to the rule.

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 12866 and, therefore, has not been reviewed by the Office of Management and Budget.

We are amending the regulations governing the importation of citrus fruit to allow Unshu oranges grown on Honshu Island, Japan, to be imported without fumigation if the distribution of the fruit within the United States is limited to non-citrus-producing States. We will continue to require fumigation if the fruit is distributed to citrus-producing States. This action is warranted to relieve a restriction that is not needed to mitigate pest risk.

Our economic analysis for the changes in this document is set forth below. It provides an analysis of the potential effects on small entities as required by the Regulatory Flexibility Act.

Unshu oranges are a variety of mandarin orange currently allowed to be imported to the United States from Honshu Island, Japan, as long as they are fumigated with methyl bromide after harvest and before exportation. As a consequence of this interim rule, only Unshu oranges from Honshu Island that are destined for citrus-producing States will still require fumigation. Shipments of Unshu oranges from Honshu Island that are imported into non-citrus-producing States will not require methyl bromide fumigation, and the phytosanitary requirements will essentially revert to those that were in place before January 28, 2002.

Unshu oranges are a specialty fruit associated with the Christmas holiday season. They have a limited area of distribution in the United States and are significantly higher priced than domestically grown mandarin varieties that are similarly loose-skinned and seedless. The analysis focuses on these characteristics in describing the expected economic effects of this interim rule on small entities.

Unshu oranges from Japan are imported into the United States during a 1-month period, from about Thanksgiving until the latter part of December.¹ The fruit is purchased as a Christmas season specialty, and serves a traditional gift-giving role among Asian ethnic groups in particular, although

demand is broadening to include all segments of the population.

In addition to a relatively short period of importation, the U.S. market for Unshu oranges is geographically limited. An estimated 70 percent of Unshu orange imports from Japan are sold in Alaska, and the remaining 30 percent are sold in the northwestern United States.

The niche market for Unshu oranges in the United States is all the more apparent when the quantity imported is compared to Canadian import levels. Whereas 8 to 10 containers of Unshu oranges from Japan may be imported in 1 season by the United States, as many as 300 containers are shipped per season to Canada, with sales beginning at least a month earlier than in the United States.

One type of citrus grown commercially in California that is somewhat similar to the Unshu orange is the Satsuma. The wholesale price of Satsumas is less than 50 cents per pound.² The wholesale import price of Unshu oranges ranges between \$0.80 and \$1 per pound.³ This price difference is another indication of the distinct market for Unshu oranges in the United States. It is unlikely that they would substitute for domestically grown mandarins, particularly given their current geographical distribution.

Even if there were greater likelihood of substitutability, the quantity of Unshu oranges imported is too small to significantly affect U.S. demand for domestically grown mandarins. Table 1 shows imports of Unshu oranges from Japan and South Korea, 1998–2001. There was a significant increase in 2001 over 2000, due to imports from Korea increasing eleven-fold. Over the 4-year period, Japan's exports to the United States averaged about 282 metric tons. When the total quantity of imports for 2001 (3,087 metric tons) is compared to total U.S. tangerine production for the 2001–2002 season (419,000 metric tons), Unshu orange imports represent less than 1 percent of domestic tangerine production.⁴

² Nearly all commercial production takes place in Fresno, Kern, and Tulare Counties, CA. Of these, only Fresno County has maintained information specific to Satsuma: In 1999, there were 650 acres, yields averaged 4.94 tons of fresh fruit per acre, and the price was about \$1,000 per ton (Bruce Clayton, Office of the Fresno County Agricultural Commissioner).

³ \$18 to \$22 per 22-pound box, Jerry Kraft, personal communication.

⁴ NASS, "Citrus Fruits, 2002 Summary," p. 4. NASS data aggregate mandarin citrus under the heading "tangerine." Tangerine and mandarin both refer to *Citrus reticulata* varieties. If in fact the significant increase in imports from South Korea in 2001 was recorded in error, then Unshu orange

¹ Information on Unshu orange imports from Japan into the United States and Canada provided by Rob Johns and Jerry Kraft of David Oppenheimer Ltd & Associates, the sole North American importer of Unshu oranges from Japan.