

# Rules and Regulations

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## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

#### 7 CFR Part 28

[AMS-CN-10-0111; CN-11-001]

RIN 0581-AD11

#### User Fees for 2011 Crop Cotton Classification Services to Growers

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Final rule.

**SUMMARY:** The Agricultural Marketing Service (AMS) will maintain user fees for cotton producers for 2011 crop cotton classification services under the Cotton Statistics and Estimates Act at the same level as in 2010. These fees are also authorized under the Cotton Standards Act of 1923. The 2010 crop user fee was \$2.20 per bale, and this rule will continue the fee for the 2011 cotton crop at that same level. This fee and the existing reserve are sufficient to cover the costs of providing classification services for the 2011 crop, including costs for administration and supervision.

**DATES:** *Effective Date:* May 6, 2011.

**FOR FURTHER INFORMATION CONTACT:**

Darryl Earnest, Deputy Administrator, Cotton and Tobacco Programs, AMS, USDA, Room 2635-S, STOP 0224, 1400 Independence Avenue, SW., Washington, DC 20250-0224. Telephone (202) 720-3193, facsimile (202) 690-1718, or e-mail [darryl.earnest@ams.usda.gov](mailto:darryl.earnest@ams.usda.gov).

**SUPPLEMENTARY INFORMATION:** A proposed rule detailing the revisions was published in the **Federal Register** on March 23, 2011 (76 FR 16321). A 15-day comment period was provided for interested persons to respond to the proposed rule. Three comments were received from three national cotton

industry organizations in support of the service and the decision to maintain the fee at the level established for the 2010 crop.

#### Executive Order 12866

This final rule has been determined to be not significant for purposes of Executive Order 12866; and, therefore has not been reviewed by the Office of Management and Budget (OMB).

#### Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. It is not intended to have retroactive effect. There are no administrative procedures that must be exhausted prior to any judicial challenge to the provisions of this rule.

#### Regulatory Flexibility Act

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601-612), AMS has considered the economic impact of this action on small entities and has determined that its implementation will not have a significant economic impact on a substantial number of small businesses.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions so that small businesses will not be disproportionately burdened. There are an estimated 25,000 cotton growers in the U.S. who voluntarily use the AMS cotton classing services annually, and the majority of these cotton growers are small businesses under the criteria established by the Small Business Administration (13 CFR 121.201). Continuing the user fee at the 2010 crop level as stated will not significantly affect small businesses as defined in the RFA because:

(1) The fee represents a very small portion of the cost-per-unit currently borne by those entities utilizing the services. (The 2010 user fee for classification services was \$2.20 per bale; the fee for the 2011 crop would be maintained at \$2.20 per bale; the 2011 crop is estimated at 16,500,000 bales;

(2) The fee for services will not affect competition in the marketplace;

(3) The use of classification services is voluntary. For the 2010 crop, 17,611,000 bales were produced; and, almost all of these bales were voluntarily submitted by growers for the classification service; and

(4) Based on the average price paid to growers for cotton from the 2009 crop of 0.6210 cents per pound, 500 pound bales of cotton are worth an average of \$311 each. The user fee for classification services, \$2.20 per bale, is less than one percent of the value of an average bale of cotton.

#### Paperwork Reduction Act

In compliance with OMB regulations (5 CFR part 1320) which implement the Paperwork Reduction Act (PRA) (44 U.S.C. 3501), the information collection requirements contained in the provisions amended by this final rule have been previously approved by OMB and were assigned OMB control number 0581-AC43.

#### *Fees for Classification Under the Cotton Statistics and Estimates Act of 1927*

This final rule maintains the user fee charged to producers for cotton classification at \$2.20 per bale for the 2011 cotton crop. The 2011 user fee charged to farmers was calculated using new methodology, as was required by section 14201 of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-234) (2008 Farm Bill). Prior to the changes made by the 2008 Farm Bill, the fee was determined using a user-fee formula mandated in the Uniform Cotton Classing Fees Act of 1987, as amended (Pub. L. 100-108, 728) (1987 Act). This formula used the previous year's base fee that was adjusted for inflation and economies of size (1 percent decrease/increase for every 100,000 bales above/below 12.5 million bales with maximum adjustment being  $\pm 15$  percent). The user fee was then further adjusted to comply with operating reserve constraints (between 10 and 25 percent of projected operating costs) specified by the 1987 Act.

Section 14201 of the 2008 Farm Bill provides that: (1) The Secretary shall make available cotton classification services to producers of cotton, and provide for the collection of classification fees from participating producers or agents that voluntarily agree to collect and remit the fees on behalf of the producers; (2) classification fees collected and the proceeds from the sales of samples submitted for classification shall, to the extent practicable, be used to pay the cost of the services provided, including administrative and supervisory costs; (3)

the Secretary shall announce a uniform classification fee and any applicable surcharge for classification services not later than June 1 of the year in which the fee applies; and (4) in establishing the amount of fees under this section, the Secretary shall consult with representatives of the United States cotton industry. At pages 313–314, the Joint Explanatory Statement of the committee of conference for section 14201 stated the expectation that the cotton classification fee would be established in the same manner as was applied during the 1992 through 2007 fiscal years. The classification fee should continue to be a basic, uniform fee per bale fee as determined necessary to maintain cost-effective cotton classification service. Further, in consulting with the cotton industry, the Secretary should demonstrate the level of fees necessary to maintain effective cotton classification services and provide the Department of Agriculture with an adequate operating reserve, while also working to limit adjustments in the year-to-year fee.

Under the provisions of section 14201, this final rule establishes a user fee (dollars per bale classed) for the 2011 cotton crop that, when combined with other sources of revenue, will result in projected revenues sufficient to reasonably cover budgeted costs—adjusted for inflation—and allow for adequate operating reserves to be maintained. Costs considered in this method include salaries, costs of equipment and supplies, and other overhead costs, such as facility costs and costs for administration and supervision. In addition to covering expected costs, the user fee is set such that projected revenues will generate an operating reserve adequate to effectively manage uncertainties related to crop size and cash-flow timing while meeting minimum reserve requirements set by the Agricultural Marketing Service, which require maintenance of a reserve fund amount equal to four months of projected operating costs.

Extensive consultations regarding the establishment of the classification fee with U.S. cotton industry representatives were held during the period from September 2010 through March 2011 during numerous publicly held meetings. Representatives of all segments of the cotton industry, including producers, ginners, bale storage facility operators, merchants, cooperatives, and textile manufacturers were addressed in various industry-sponsored forums.

The user fee established to be charged cotton producers for cotton classification in 2011 is \$2.20 per bale,

which is the same fee charged for the 2010 crop. This fee is based on the pre-season projection that 16.5 million bales will be classed by the United States Department of Agriculture during the 2011 crop year.

Accordingly, § 28.909, paragraph (b) will reflect the continuation of the cotton classification fee at \$2.20 per bale.

As provided for in the 1987 Act, a 5 cent per bale discount will continue to be applied to voluntary centralized billing and collecting agents as specified in § 28.909(c).

Growers or their designated agents receiving classification data will continue to incur no additional fees if classification data is requested only once. The fee for each additional retrieval of classification data in § 28.910 will remain at 5 cents per bale. The fee in § 28.910(b) for an owner receiving classification data from the National database will remain at 5 cents per bale, and the minimum charge of \$5.00 for services provided per monthly billing period will remain the same. The provisions of § 28.910(c) concerning the fee for new classification memoranda issued from the National Database for the business convenience of an owner without reclassification of the cotton will remain the same at 15 cents per bale or a minimum of \$5.00 per sheet.

The fee for review classification in § 28.911 will remain at \$2.20 per bale.

The fee for returning samples after classification in § 28.911 will remain at 50 cents per sample.

Pursuant to 5 U.S.C. 533, good cause exists for not postponing the effective date of this final rule until 30 days after publication in the **Federal Register** because this rule maintains uniform user fees for 2011 crop cotton classification services as mandated by the Cotton Statistics and Estimates Act, at the same level as 2010.

#### List of Subjects in 7 CFR Part 28

Administrative practice and procedure, Cotton, Cotton samples, Grades, Market news, Reporting and recordkeeping requirements, Standards, Staples, Testing, Warehouses.

For the reasons set forth in the preamble, 7 CFR part 28 is amended to read as follows:

#### PART 28—[AMENDED]

■ 1. The authority citation for 7 CFR part 28, Subpart D, continues to read as follows:

**Authority:** 7 U.S.C. 51–65; 7 U.S.C. 471–476.

■ 2. In § 28.909, paragraph (b) is republished to read as follows:

#### § 28.909 Costs.

\* \* \* \* \*

(b) The cost of High Volume Instrument (HVI) cotton classification service to producers is \$2.20 per bale.

\* \* \* \* \*

■ 3. In § 28.911, the last sentence of paragraph (a) is republished to read as follows:

#### § 28.911 Review classification.

(a) \* \* \* The fee for review classification is \$2.20 per bale.

\* \* \* \* \*

Dated: April 29, 2011.

**David R. Shipman,**

*Associate Administrator, Agricultural Marketing Service.*

[FR Doc. 2011–11047 Filed 5–4–11; 8:45 am]

**BILLING CODE 3410–02–P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA–2009–0113; Directorate Identifier 2008–NE–25–AD; Amendment 39–16602; AD 2011–04–02]

RIN 2120–AA64

#### Airworthiness Directives; Hamilton Sundstrand Propellers Model 247F Propellers

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule; correction.

**SUMMARY:** The FAA is correcting an airworthiness directive (AD) that published in the **Federal Register**. That AD applies to the products listed above. The blade part number (P/N) 817370–1 in the **SUPPLEMENTARY INFORMATION**, the Applicability, and the Compliance sections is incorrect. We are also adding a statement to the Compliance section to clarify the applicability. This document corrects those errors. In all other respects, the original document remains the same.

**DATES:** This final rule is effective May 5, 2011.

**ADDRESSES:** You may examine the AD docket on the Internet at <http://www.regulations.gov>; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this AD, the regulatory evaluation, any comments received, and other information. The address for the