



DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Parts 944, 980, and 999

[Doc. No. AMS-FV-14-0093; FV15-944/980/999-1 IR]

**Fruit, Vegetable, and Specialty Crops - Import Regulations;
Changes to Reporting Requirements to Add Electronic Form
Filing Option**

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Interim rule with request for comments.

SUMMARY: This rule changes the reporting requirements for commodities exempt from import regulations under section 608(e) (hereinafter referred to as "8e") of the Agricultural Marketing Agreement Act of 1937 by adding an option to electronically file an "Importer's Exempt Commodity Form" (FV-6 form). These changes are needed to bring the import regulations into conformance with the current practice of filing FV-6 forms electronically using the Marketing Order Online System (MOLS), an internet-based application that was implemented in 2008. This rule also changes the import regulations for dates and raisins by moving the FV-6 form-filing procedures for these two commodities to the safeguard procedure regulations for

specialty crops and by making other administrative updates. These changes to the import regulations are also required to support the International Trade Data System (ITDS), a key White House economic initiative that will automate the filing of import and export information by the trade. All government agencies that are participating in the ITDS initiative, including AMS, are required by U.S. Customs and Border Protection (hereinafter referred to as "CBP") to make updates to import and export regulations to provide for the electronic entry of shipment data.

DATES: Effective [INSERT DATE 3 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER]; comments received by [INSERT DATE 60 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER] will be considered prior to issuance of a final rule.

ADDRESSES: Interested persons are invited to submit written comments concerning this rule. Comments must be sent to the Docket Clerk, Marketing Order and Agreement Division, Fruit and Vegetable Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250-0237; Fax: (202) 720-8938; or Internet: <http://www.regulations.gov>. All comments should reference the document number and the date and page number of this issue of the **Federal Register** and

will be made available for public inspection in the Office of the Docket Clerk during regular business hours, or can be viewed at: <http://www.regulations.gov>. All comments submitted in response to this rule will be included in the record and will be made available to the public. Please be advised that the identity of the individuals or entities submitting the comments will be made public on the internet at the address provided above.

FOR FURTHER INFORMATION CONTACT: Richard Lower, Senior Marketing Specialist, or Candice Spalding, Deputy Director, Marketing Order and Agreement Division, Fruit and Vegetable Program, AMS, USDA; Telephone: (202) 720-2491, Fax: (202) 720-8938, or E-mail: Richard.Lower@ams.usda.gov or Candice.Spalding@ams.usda.gov.

Small businesses may request information on complying with this regulation by contacting Jeffrey Smutny, Marketing Order and Agreement Division, Fruit and Vegetable Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250-0237; Telephone: (202) 720-2491, Fax: (202) 720-8938, or E-mail: Jeffrey.Smutny@ams.usda.gov.

SUPPLEMENTARY INFORMATION: This rule is issued under section 8e of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred

to as the "Act." Section 8e provides that whenever certain commodities are regulated under Federal marketing orders, imports of those commodities into the United States are prohibited unless they meet the same or comparable grade, size, quality, and/or maturity requirements as those in effect for the domestically produced commodities. The Act also authorizes USDA to perform inspections on those imported commodities and certify whether these requirements have been met.

Parts 944, 980, and 999 of title 7 of the Code of Federal Regulations (CFR) specify which imported commodities may be exempt from grade, size, quality, and/or maturity requirements when imported for specific purposes, such as processing, donation to charitable organizations, or livestock feed. These parts further specify the form importers must use to report to USDA and CBP imports of commodities exempt from 8e regulations.

The Department of Agriculture (USDA) is issuing this rule in conformance with Executive Orders 12866, 13563, and 13175.

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule 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 import regulations issued under section 8e of the Act.

This rule changes §§ 944.350, 980.501, and 999.500 of the import regulations, which specify safeguard procedures for fruits, vegetables, and specialty crops, respectively, that are exempt from 8e regulations. Currently, safeguard procedures exist for the following commodities: avocados, grapefruit, kiwifruit, fresh prunes (suspended indefinitely in 2006), olives, oranges, table grapes, Irish potatoes, onions, tomatoes, dates, walnuts, raisins, and pistachios.

The safeguard procedures require that importers and receivers certify to AMS by filing an FV-6 form that an imported commodity is sent to and used in an exempt outlet as authorized by the regulations and as declared on the FV-6 form. Examples of authorized exempt uses include processing, livestock feed, seed, and distribution to charitable organizations or relief agencies. Prior to this change, the safeguard procedures specified requirements for filing a paper copy of an FV-6 form for an imported shipment intended for an exempted purpose, with an "online" submission option also provided for in § 999.500. These

sections will now provide options to submit an FV-6 form either electronically or on paper.

In addition, the three import safeguard sections have been updated to reflect that the definition of an importer includes a customs broker, when that broker is acting as an importer's representative, and to clarify that both an importer and a receiver must certify an FV-6 form. Changes have also been made to update contact information (for example, agency name, email address, etc.).

This rule also changes §§ 999.1 and 999.300, the date and raisin import regulations, respectively, by moving the procedures for filing FV-6 forms for dates or raisins that are exempt from 8e regulations from those sections to the specialty crops safeguard procedures section (§ 999.500). This change makes the safeguard regulations consistent for walnuts, dates, pistachios, and raisins that are exempt from 8e regulations. This rule also makes minor administrative updates and corrections to §§ 999.1 and 999.300 (for example, updating division names and correcting typographical errors).

Importer's Exempt Commodity Form (FV-6)

The import regulations in parts 944, 980, and 999 provide that individual lots of some imported commodities

may be exempted from 8e requirements if those commodities are intended to be used in processing or in some other exempted outlet, such as a charitable organization or as livestock feed. To import exempt commodities into the United States, importers and receivers are required to certify to USDA and CBP as to the intended, authorized exempt use of those commodities. Certification is reported by both importers and receivers using an FV-6 form ("Importer's Exempt Commodity Form").

Submission of FV-6 Form

Prior to 2008, an FV-6 form was only available in a paper format. The paper FV-6 form is a four-part form that is used as follows: one part is presented to CBP by the importer; one part accompanies the import shipment to its destination, where the receiver of the shipment certifies its receipt and submits that certified copy to AMS' Marketing Order and Agreement Division (MOAD) for compliance purposes; one part is submitted to MOAD by the importer; and one part is retained by the importer.

To streamline and automate the FV-6 filing process, in August 2008, AMS launched its Marketing Order Online System (MOLS), an internet-based application, which continues to be used today. Using MOLS, importers and receivers

complete an electronic registration process that allows them to utilize the system for the completion and certification of FV-6 forms.

After registering in MOLS, and prior to importing a commodity for an exempt purpose, an importer electronically completes an FV-6 form in MOLS, certifying that the commodity will be used in the declared exempt outlet. After inputting the required FV-6 form data in MOLS, an importer is able to print a certificate for the exempt commodity that accompanies that shipment into the United States. Each certificate has a unique identification number.

The FV-6 form data input into MOLS by an importer is accessible to the receiver of the imported commodity as well as to AMS. The receiver must certify in MOLS that he or she received the imported commodity and that it was or will be used for the declared exempt purpose; this certification must be completed within two days of receipt of the exempt commodity.

MOAD uses MOLS to monitor industry compliance with 8e regulations. Using MOLS and other data available from CBP, MOAD is able to identify shipments that require the

submission of FV-6 forms as well as FV-6 forms that have been initiated but not yet completed.

The majority of all FV-6 forms are filed electronically using MOLS. However, MOAD continues to maintain a supply of paper FV-6 forms for use in those rare instances where an importer or receiver is unable to use MOLS. In those cases, MOAD tracks the distribution of the paper forms by maintaining a log of the form numbers and the contact information of the importers to whom the paper forms were provided.

When MOLS was implemented in 2008, the regulations for imported fruit, vegetable, and specialty crops were not updated to provide for the option to enter an FV-6 form electronically, in addition to the paper form option. However, in 2012, the specialty crop safeguard regulations (§ 999.500) were amended to include an "online" option for the submission of FV-6 forms to MOAD. This "online" submission change was made in a final rule that was published in the Federal Register on August 27, 2012, (77 FR 51686).

This rule updates all of the safeguard procedures in the fruit, vegetable, and specialty crop import regulations to add the option to file an FV-6 form electronically (for

consistency among the three safeguard procedures, the term "online" in § 999.500 is changed to "electronically"). Other changes to the safeguard procedures include the following clarifications and updates: (1) a customs broker, acting as a representative for an importer, is considered an "importer"; (2) both an importer and a receiver must certify an FV-6 form; (3) paper versus electronic FV-6 form requirements (for example, an importer and receiver must certify a paper FV-6 form using a handwritten signature, whereas certification is automated when the form is submitted electronically); and (4) updates to MOAD and CBP contact information. These changes do not add new requirements to the regulations but are intended to provide clarity and up-to-date information.

Date and Raisin Regulation Changes

On January 16, 2009, a final rule was published in the Federal Register (74 FR 2806) that changed, among other things, the import regulations for dates and raisins (§§ 999.1 and 999.300, respectively) by replacing four commodity-specific import exemption forms with the FV-6 form; specifically, the FV-6 form replaced Date Forms No. 1 and 2 and Raisin Form Nos. 1 and 2. In that 2009 action, the form names were changed in the regulations; however,

the submission requirements that were associated with the former date- and raisin-specific forms were not updated accordingly. As a result, the date and raisin regulations have continued to require that a certified FV-6 form be submitted to MOAD by the fifth day of the month in the month following receipt of the exempt dates or raisins by the receiver. This submission requirement is associated with the forms that were replaced in 2009 and is not applicable to an FV-6 form. Therefore, the old submission deadline has been removed by this action.

In addition to removing the obsolete exempt form submission deadline requirement, the requirements for filing an FV-6 form for a shipment of dates or raisins exempted from 8e regulations have been moved from §§ 999.1 and 999.300, respectively, to the safeguard procedures section for specialty crops (§ 999.500). The import regulations for dates and raisins still reference the types of dates and raisins that are exempted from 8e requirements provided that those dates and raisins follow the safeguard procedures contained in § 999.500.

Prior to this change, § 999.500 contained safeguard procedures for filing an FV-6 form for walnuts, certain types of dates, and pistachios, while the requirements for

certain other types of dates and for raisins were contained in the import regulations for those two import commodities. Incorporating the safeguard procedures for dates and raisins into the specialty crop safeguard procedures streamlines and standardizes the specialty crop regulations.

Finally, the date and raisin import regulations are further changed to include miscellaneous updates, such as updating agency names, deleting outdated references to terms no longer applicable to the regulations, and correcting typographical errors. These changes are administrative in nature and do not impose any new requirements on importers or receivers.

International Trade Data System (ITDS)

Changing the 8e regulations to provide for the electronic filing of an FV-6 form supports the International Trade Data System (ITDS), a key White House economic initiative that has been under development for over ten years and is mandated for completion by December 31, 2016 (pursuant to Executive Order 13659, *Streamlining the Export/Import Process for America's Businesses*, signed by President Obama on February 19, 2014). Under ITDS, the import and export trade will file shipment data through an

electronic "single window," instead of completing multiple paper-based forms to report the same information to different government agencies. ITDS will greatly reduce the burden on America's import and export trade while still providing information necessary for the United States to ensure compliance with its laws.

By the end of 2016, the ITDS "single window" will be presented to the import and export trade through CBP's Automated Commercial Environment (ACE) platform. ACE will be the primary system through which the global trade community will file information about imports and exports so that admissibility into the U.S. may be determined and government agencies may monitor compliance.

Prior to the implementation of the ITDS "single window," CBP is requiring that the 47 partnering government agencies that are participating in the ITDS project, including AMS, ensure that agency regulations provide for the electronic entry of import and/or export information.

MOAD is currently developing a new automated system called the Compliance and Enforcement Management System (CEMS) that will interface with CBP's ACE system in support of ITDS. CEMS will electronically link with the ACE system to create a "pipeline" through which data will be

transmitted between MOAD and CBP. CEMS will contain several components, including an exempt imported commodities module that will replace MOLS. Until CEMS is implemented, MOLS will continue to allow for the electronic entry and certification of FV-6 form data.

The revised reporting requirements for imported commodities that are exempt from 8e regulations will bring the fruit, vegetable, and specialty crop import regulations into conformance with the current standard industry practice of filing FV-6 forms electronically using MOLS. This change will also meet CBP's requirements for ITDS/ACE by adding the existing electronic filing option for FV-6 forms to the safeguard procedures in the import regulations.

Initial Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601-612), the Agricultural Marketing Service (AMS) has considered the economic impact of this action on small entities. Accordingly, AMS has prepared this initial regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be unduly or

disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Import regulations issued under the Act are based on those established under Federal marketing orders.

Small agricultural service firms, which include importers and receivers of commodities exempt from import regulations, are defined by the Small Business Administration (SBA) as those having annual receipts of less than \$7,000,000 (13 CFR 121.201). USDA estimates that there are approximately 220 importers and receivers of commodities that are exempt from 8e requirements. Although USDA does not have access to data about the business sizes of these importers and receivers, it is likely that the majority may be classified as small entities.

This action adds to the import regulations the existing option of electronically reporting on shipments of imported fruits, vegetables, and specialty crops that are exempt from 8e regulations. Importers and receivers of exempt commodities have been filing FV-6 forms electronically for several years, since the implementation of MOLS in 2008. There are an estimated 100 importers and

92 receivers of commodities exempt from 8e requirements who report exempt shipment information electronically using MOLIS. During the two-year period 2013-2014, USDA information shows that 637,818,253 pounds of exempt commodities were electronically reported on 12,832 FV-6 forms. The table below provides a breakdown of this information by commodity:

Commodities Reported Electronically as Exempt from Import Regulations - 2013-2014		
Commodity	Pounds	Electronic FV-6 Forms
Avocados	757,939	33
Dates	1,029,855	37
Grapefruit	511,965	14
Kiwifruit	360	1
Olives	79,858	3
Onions	17,959,787	418
Oranges	46,441,261	1,138
Potatoes	570,971,367	11,172
Tomatoes	65,861	16
TOTAL	637,818,253	12,832

In comparison, USDA received only 365 paper FV-6 forms from importers and receivers for all exempted commodities in 2013-2014. As mentioned earlier, the majority of FV-6 forms are filed electronically.

This change to the import regulations does not revise the procedures currently used by importers and receivers to report shipments that are exempt from 8e regulations. Most

importers and receivers already file FV-6 forms electronically using MOLS and will continue to do so. In the future, importers and receivers will report these exempt shipments electronically through CBP's ACE system or MOAD's CEMS system, which is currently under development and will eventually replace MOLS. This action imposes no additional cost or burden on importers and receivers of any size.

The current process of electronically filing FV-6 forms streamlines business operations, both for filers of the forms as well as for USDA, which uses the electronic form data to monitor compliance with 8e regulations. Changing the regulations to include the current standard industry practice of filing FV-6 forms electronically also meets CBP's requirement to ensure that the regulations of those government agencies participating in the ITDS project provide for an electronic data collection. The electronic filing option for FV-6 forms has existed for many years, and this change aligns the regulations with that longstanding industry practice.

Regarding alternatives to this action, AMS considered making no changes to the import regulations. However, AMS determined that the regulations should contain complete and

accurate information about the electronic option that is already available to importers and receivers to file FV-6 forms. AMS also determined that moving the safeguard procedures for dates and raisins exempted from 8e regulations to the specialty crop safeguard section will standardize the regulations, which will benefit importers and receivers who use these regulations. Finally, CBP is requiring all government agencies who are partnering with CBP on the ITDS project (including AMS) to update their regulations to provide for the electronic entry of import and export shipment data. Therefore, the alternative to not update the regulations alternative was rejected.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the information collection requirements for the FV-6 form and imported commodities exempt from 8e regulations were previously approved by the Office of Management and Budget (OMB) and assigned OMB No. 0581-0167 (Specific Commodities Imported into the United States Exempt From Import Regulations), effective August 19, 2014. Administrative modifications to the FV-6 form and the shift of exemption authority for dates and raisins from §§ 999.1 and 999.300, respectively, to § 999.500, as necessitated by this rulemaking action, have been submitted

to OMB for approval. Because importers and receivers of dates and raisins exempt from import regulations will continue to file FV-6 forms, the burden hours associated with OMB No. 0581-0167 remain unchanged at 17,734 hours. Should additional changes become necessary, they would be submitted to OMB for approval.

This rule will not impose any additional reporting or recordkeeping requirements on either small or large importers or receivers of commodities exempt from 8e regulations. As with all import regulations, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

AMS is committed to complying with the E-Government Act, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

In addition, USDA has not identified any relevant Federal rules that duplicate, overlap or conflict with this rule.

Further, importers and receivers of commodities exempt from 8e regulations have been using MOLS for more than six

years to electronically complete and certify FV-6 forms. The import trade is also fully aware of the ITDS initiative, which is designed to eliminate paper-based manual processes and replace those processes with electronic entry methods such as the one used to electronically file FV-6 forms.

Finally, interested persons are invited to submit comments on this interim rule, including the regulatory and informational impacts of this action on small businesses.

This rule invites comments on a change that aligns the fruit, vegetable, and specialty crop import regulations with the standard practice of allowing importers and receivers of exempt commodities the option to submit FV-6 forms electronically. Any comments received will be considered prior to finalization of this rule.

After consideration of all relevant material presented, it is found that this interim rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect

and that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because: (1) This rule does not impose any new requirements on importers or receivers of imported commodities; (2) this rule clarifies, updates, and standardizes exempt commodity form-filing requirements and related information, which should benefit importers and receivers; (3) the import industry is well aware of the ITDS initiative and its goal to streamline and automate paper-based processes; (4) CPB is requiring timely update of import and export regulations to meet the ITDS electronic entry requirement; and (5) this rule provides a 60-day comment period, and any comments received will be considered prior to finalization of this rule.

List of Subjects

7 CFR Part 944

Avocados, Food grades and standards, Grapefruit, Grapes, Imports, Kiwifruit, Limes, Olives, Oranges.

7 CFR Part 980

Food grades and standards, Imports, Marketing agreements, Onions, Potatoes, Tomatoes.

7 CFR Part 999

Dates, Filberts, Food grades and standards, Imports, Nuts, Prunes, Raisins, Reporting and recordkeeping requirements, Walnuts.

For the reasons set forth in the preamble, 7 CFR parts 944, 980, and 999 are amended as follows:

1. The authority citation for 7 CFR parts 944 and 980 continues to read as follows:

Authority: 7 U.S.C. 601-674.

PART 944 - FRUITS; IMPORT REGULATIONS

2. Revise § 944.350 to read as follows:

§944.350 Safeguard procedures for avocados, grapefruit, kiwifruit, olives, oranges, prune variety plums (fresh prunes), and table grapes, exempt from grade, size, quality, and maturity requirements.

(a) Each person who imports or receives any of the commodities listed in paragraphs (a)(1) through (5) of this section shall file (electronically or paper) an "Importer's Exempt Commodity Form" (FV-6) with the Marketing Order and Agreement Division, Fruit and Vegetable Program, AMS, USDA. A "person who imports" may include a customs broker, acting as an importer's representative (hereinafter referred to as "importer"). A copy of the completed form (electronic or

paper) shall be provided to the U.S. Customs and Border Protection. If a paper form is used, a copy of the form shall accompany the lot to the exempt outlet specified on the form. Any lot of any commodity offered for inspection and, all or a portion thereof, subsequently imported as exempt under this provision shall also be reported on an FV-6 form. Such form (electronic or paper) shall be provided to the Marketing Order and Agreement Division in accordance with paragraph (d) of this section. The applicable commodities are:

(1) Avocados, grapefruit, kiwifruit, olives, oranges, and prune variety plums (fresh prunes) for consumption by charitable institutions or distribution by relief agencies;

(2) Avocados, grapefruit, kiwifruit, oranges, prune variety plums (fresh prunes), and table grapes for processing;

(3) Olives for processing into oil;

(4) Grapefruit for animal feed; or

(5) Avocados for seed.

(b) Certification of exempt use. (1) Each importer of an exempt commodity as specified in paragraph (a) of this section shall certify on the FV-6 form (electronic or paper) as to the intended exempt outlet (e.g., processing,

charity, livestock feed). If certification is made using a paper FV-6 form, the importer shall provide a handwritten signature on the form.

(2) Each receiver of an exempt commodity as specified in paragraph (a) of this section shall also receive a copy of the associated FV-6 form (electronic or paper) filed by the importer. Within two days of receipt of the exempt lot, the receiver shall certify on the form (electronic or paper) that such lot has been received and will be utilized in the exempt outlet as certified by the importer. If certification is made using a paper FV-6 form, the receiver shall provide a handwritten signature on the form.

(c) It is the responsibility of the importer to notify the Marketing Order and Agreement Division of any lot of exempt commodity rejected by a receiver, shipped to an alternative exempt receiver, exported, or otherwise destroyed. In such cases, a second FV-6 form must be filed by the importer, providing sufficient information to determine ultimate disposition of the exempt lot, and such disposition shall be so certified by the final receiver.

(d) All FV-6 forms and other correspondence regarding entry of exempt commodities must be submitted electronically, by mail, or by fax to the Marketing Order

and Agreement Division, Fruit and Vegetable Program, AMS, USDA, 1400 Independence Avenue, SW, STOP 0237, Washington, DC 20250-0237; telephone (202) 720-2491; email ComplianceInfo@ams.usda.gov; or fax (202) 720-5698.

PART 980 - VEGETABLES; IMPORT REGULATIONS

3. Revise § 980.501 to read as follows:

§980.501 Safeguard procedures for potatoes, onions, and tomatoes exempt from grade, size, quality, and maturity requirements.

(a) Each person who imports or receives any of the commodities listed in paragraphs (a)(1) through (4) of this section shall file (electronically or paper) an "Importer's Exempt Commodity Form" (FV-6) with the Marketing Order and Agreement Division, Fruit and Vegetable Program, AMS, USDA. A "person who imports" may include a customs broker, acting as an importer's representative (hereinafter referred to as "importer"). A copy of the completed form (electronic or paper) shall be provided to the U.S. Customs and Border Protection. If a paper form is used, a copy of the form shall accompany the lot to the exempt outlet specified on the form. Any lot of any commodity offered for inspection and, all or a portion thereof, subsequently imported as exempt under this provision shall also be reported on an

FV-6 form. Such form (electronic or paper) shall be provided to the Marketing Order and Agreement Division in accordance with paragraph (d) of this section. The applicable commodities are:

- (1) Potatoes, onions or tomatoes for consumption by charitable institutions or distribution by relief agencies;
- (2) Potatoes, onions, or tomatoes for processing;
- (3) Potatoes or onions for livestock feed; or
- (4) Pearl onions.

(b) Certification of exempt use. (1) Each importer of an exempt commodity as specified in paragraph (a) of this section shall certify on the FV-6 form (electronic or paper) as to the intended exempt outlet (e.g., processing, charity, livestock feed). If certification is made using a paper FV-6 form, the importer shall provide a handwritten signature on the form.

(2) Each receiver of an exempt commodity as specified in paragraph (a) of this section shall also receive a copy of the associated FV-6 form (electronic or paper) filed by the importer. Within two days of receipt of the exempt lot, the receiver shall certify on the form (electronic or paper) to the Marketing Order and Agreement Division that such lot has been received and will be utilized in the

exempt outlet as certified by the importer. If certification is made using a paper FV-6 form, the receiver shall provide a handwritten signature on the form.

(c) It is the responsibility of the importer to notify the Marketing Order and Agreement Division of any lot of exempt commodity rejected by a receiver, shipped to an alternative exempt receiver, returned to the country of origin, or otherwise disposed of. In such cases, a second FV-6 form must be filed by the importer, providing sufficient information to determine ultimate disposition of the exempt lot, and such disposition shall be so certified by the final receiver.

(d) All FV-6 forms and other correspondence regarding entry of exempt commodities must be submitted electronically, by mail, or by fax to the Marketing Order and Agreement Division, Fruit and Vegetable Program, AMS, USDA, 1400 Independence Avenue, SW, STOP 0237, Washington, DC 20250-0237; telephone (202) 720-2491; email ComplianceInfo@ams.usda.gov; or fax (202) 720-5698.

PART 999 - SPECIALTY CROPS; IMPORT REGULATIONS

4. The authority citation for 7 CFR part 999 is revised to read as follows:

Authority: 7 U.S.C. 601-674.

5. In § 999.1:

- a. Remove paragraph (a) (7);
- b. Redesignate paragraphs (a) (8) through (10) as paragraphs (a) (7) through (9), respectively;
- c. Revise newly redesignated paragraphs (a) (7) and (9);
- d. Revise paragraph (c) (2) (vi);
- e. Revise paragraph (d);
- f. Revise paragraph (e);
- g. Remove paragraphs (f) and (g); and
- h. Redesignate paragraphs (h) through (k) as paragraphs (f) through (i), respectively.

The revisions read as follows:

999.1 Regulation governing the importation of dates.

(a) * * *

(7) USDA inspector means an inspector of the Specialty Crops Inspection Division, Fruit and Vegetable Program, or any other duly authorized employee of the USDA.

* * * * *

(9) Importation means release from custody of United States Customs and Border Protection.

* * * * *

(c) * * *

(2) * * *

(vi) If the lot fails to meet the import requirements, a statement to that effect and the reasons therefor.

(d) Exemptions. (1) Notwithstanding any other provisions of this section, any lot of dates for importation which in the aggregate does not exceed 70 pounds and any dates that are so denatured as to render them unfit for human consumption may be imported exempt from the provisions of this section.

(2) The grade, size, quality, and maturity requirements of this section shall not apply to dates which are donated to needy persons, prisoners, or Native Americans on reservations; dates for processing; or dates prepared or preserved, but all such dates shall be subject to the safeguard provisions contained in §999.500.

(3) Dates for packaging or dates in retail packages that fail to meet the grade, size, quality, and maturity requirements of this section may be reclassified as dates for processing for importation, but such dates shall be subject to the safeguard provisions contained in §999.500.

(e) Importation. No person may import dates into the United States unless he or she first files with Customs and Border Protection at the port at which the Customs entry is

filed, as a condition of each such importation, either an inspection certificate or an executed "Importer's Exempt Commodity Form" (FV-6).

* * * * *

6. In § 999.300:

a. Remove paragraphs (a) (5) and (8);

b. Redesignate paragraphs (a) (6) and (a) (7) as paragraphs (a) (5) and (6), respectively;

c. Revise newly redesignated paragraphs (a) (5) and (6);

d. Revise the last sentence in paragraph (c) (3); and

e. Revise paragraph (e) (2).

The revisions read as follows:

§ 999.300 Regulation governing importation of raisins.

(a) * * *

(5) USDA inspector means an inspector of the Specialty Crops Inspection Division, Fruit and Vegetable Program, Agricultural Marketing Service, U.S. Department of Agriculture, or any other duly authorized employee of the U.S. Department of Agriculture.

(6) Importation of raisins means the release of raisins from custody of the U.S. Customs and Border

Protection.

* * * * *

(c) * * *

(3) * * * To avoid delay in scheduling the inspection the applicant should make advance arrangements with the USDA inspection office.

* * * * *

(e) * * *

(2) Any lot of raisins which does not meet the applicable grade and size requirements of paragraph (b) of this section may be imported for use in the production of alcohol, syrup for industrial use, or any lot of raisins which does not meet such requirements with respect to mechanical damage or sugaring may be imported for use in the production of raisin paste, but all such raisins shall be subject to the safeguard provisions contained in §999.500.

* * * * *

7. Revise § 999.500 to read as follows:

§999.500 Safeguard procedures for walnuts, dates, pistachios, and raisins exempt from grade, size, quality, and maturity requirements.

(a) Each person who imports or receives any of the commodities listed in paragraphs (a)(1) through (4) of this section shall file (electronically or paper) an "Importer's Exempt Commodity Form" (FV-6) with the Marketing Order and Agreement Division, Fruit and Vegetable Program, AMS, USDA. A "person who imports" may include a customs broker, acting as an importer's representative (hereinafter referred to as "importer"). A copy of the form (electronic or paper) shall be provided to the U.S. Customs and Border Protection. If a paper form is used, a copy of the form shall accompany the lot to the exempt outlet specified on the form. Any lot of any commodity offered for inspection or aflatoxin testing and, all or a portion thereof, subsequently imported as exempt under this provision shall also be reported on an FV-6. Such form (electronic or paper) shall be provided to the Marketing Order and Agreement Division in accordance with paragraph (d) of this section. The applicable commodities are:

(1) Dates which are donated to needy persons, prisoners or Native Americans on reservations; dates for processing; dates prepared or preserved; or dates for packaging or dates in retail packages that fail to meet

grade, size, quality, and maturity requirements and are reclassified as dates for processing;

(2) Walnuts which are: Green walnuts (so immature that they cannot be used for drying and sale as dried walnuts); walnuts used in non-competitive outlets such as use by charitable institutions, relief agencies, governmental agencies for school lunch programs, and diversion to animal feed or oil manufacture;

(3) Substandard pistachios which are for non-human consumption purposes; or

(4) Raisins which do not meet grade and size requirements and are used in the production of alcohol, or syrup for industrial use, or which do not meet grade requirements with respect to mechanical damage or sugaring and are used in the production of raisin paste.

(b) Certification of exempt use. (1) Each importer of an exempt commodity as specified in paragraph (a) of this section shall certify on the FV-6 form (electronic or paper) as to the intended exempt outlet (e.g., processing, charity, livestock feed). If certification is made using a paper FV-6 form, the importer shall provide a handwritten signature on the form.

(2) Each receiver of an exempt commodity as specified in paragraph (a) of this section shall also receive a copy of the associated FV-6 form (electronic or paper) filed by the importer. Within two days of receipt of the exempt lot, the receiver shall certify on the form (electronic or paper) that such lot has been received and will be utilized in the exempt outlet as certified by the importer. If certification is made using a paper FV-6 form, the receiver shall provide a handwritten signature on the form.

(c) It is the responsibility of the importer to notify the Marketing Order and Agreement Division of any lot of exempt commodity rejected by a receiver, shipped to an alternative exempt receiver, exported, or otherwise disposed of. In such cases, a second FV-6 form must be filed by the importer, providing sufficient information to determine ultimate disposition of the exempt lot, and such disposition shall be so certified by the final receiver.

(d) All FV-6 forms and other correspondence regarding entry of exempt commodities must be submitted electronically, by mail, or by fax to the Marketing Order and Agreement Division, Fruit and Vegetable Program, AMS, USDA, 1400 Independence Avenue, SW, STOP 0237, Washington,

DC 20250-0237; telephone (202) 720-2491; email
ComplianceInfo@ams.usda.gov; or fax (202) 720-5698.

Dated: March 17, 2015.

Rex A. Barnes,
Associate Administrator,
Agricultural Marketing Service.

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