



Agricultural Marketing Service

7 CFR Part 1240

[Doc. No. AMS-LP-21-0028]

RIN 0581-AE07

Rescinding Natural Grass Sod Promotion, Research, and Information Order; Referendum Procedures

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Direct final rule.

SUMMARY: This direct final rule rescinds the referendum procedures for the proposed Natural Grass Sod Promotion, Research, and Information Order (Sod Proposed Order), issued on December 10, 2024. The referendum failed and the Sod Proposed Order was not approved, therefore it is being withdrawn through a Notice which will also be published in the *Federal Register*. Therefore, the referendum procedures for the Sod Proposed Order are no longer necessary and AMS is rescinding the part in its entirety.

DATES: This direct final rule is effective [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], without further action or notice, unless a significant adverse comment is received by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. If a significant adverse comment is received, AMS will publish in the Federal Register a withdrawal of this direct final rule prior to the effective date.

ADDRESSES: Interested persons are invited to submit comments concerning this document by using the electronic process available at <https://www.regulations.gov>.

Written comments may also be submitted to Maribel Reyna, Director, Research and Promotion Division; Telephone: (202) 302-1139; or Email: Maribel.Reyna@usda.gov. All comments should reference the document number and the date and page number of

this issue of the *Federal Register*. All comments received will be posted without change, including any personal information provided, at <https://www.regulations.gov> and will be included in the record and made available to the public.

FOR FURTHER INFORMATION CONTACT: Maribel Reyna, Director, Research and Promotion Division; Telephone: (202) 302-1139; or Email: Maribel.Reyna@usda.gov.

SUPPLEMENTARY INFORMATION: AMS is rescinding the referendum procedures at 7 CFR part 1240 for the Sod Proposed Order issued December 10, 2024, (89 FR 99059). The Sod Proposed Order was authorized by the Commodity Promotion, Research, and Information Act of 1996 (1996 Act or Act) (7 U.S.C. 7411-7425). AMS initiated regulatory action upon receipt and review of a proposal from Turfgrass Producers International (TPI) on June 18, 2021, requesting the establishment of a natural grass sod research and promotion program (Program). The purpose of the Program was to maintain and expand markets for natural grass sod products. The Program would have been financed by an assessment on domestic sod producers.

As part of this rulemaking process, AMS initially published two proposed rulemakings in the *Federal Register* on October 16, 2023. The first rulemaking contained the Sod Proposed Order (88 FR 71306), and the second rulemaking proposed referendum procedures for the Sod Proposed Order (88 FR 71302). In both, AMS provided additional background on the industry and the need for the Program. On December 10, 2024, AMS issued a final rule, codifying the referendum procedures at part 1240 of title 7 of the CFR (89 FR 99059). On the same day, AMS published a proposed rulemaking and referendum announcing that it would be conducting an initial referendum among eligible producers to determine whether they favored establishing the Program (89 FR 99149). The proposed rulemaking stated that the Program would be established if it was favored by a majority of industry producers voting in the referendum.

AMS conducted the initial referendum from January 13, 2025, through February 11, 2025. To be eligible to vote, current natural grass sod producers must have sold natural grass sod products in the United States during the representative period from January 1, 2024, through December 31, 2024. The Sod Proposed Order would have been implemented if approved by a simple majority of producers voting in the referendum that had been engaged in the production and sale of natural grass sod products in the United States. In the referendum, 36.49 percent of those who voted favored implementation of the Sod Proposed Order. Therefore, the Sod Proposed Order failed the referendum vote. Accordingly, based upon the referendum results, AMS is rescinding 7 CFR part 1240, “Natural Grass Sod Promotion, Research, And Information Order; Referendum Procedures” because it is no longer needed.

Procedural Matters

Executive Orders 12866 and 13563

The proposed rule codifying 7 CFR part 1240 did not meet the criteria of a “significant regulatory action” under Executive Order (E.O.) 12866, as amended by E.O. 13563, and this direct final rule to rescind that rule does not either. Therefore, the Office of Management and Budget (OMB) has not reviewed this rulemaking under those EOs.

Executive Order 14192

On January 31, 2025, President Trump issued E.O. 14192, “Unleashing Prosperity Through Deregulation” (90 FR 9065). The E.O. states the policy of the executive branch is to be prudent and financially responsible in the expenditure of funds, from both public and private sources, and to alleviate unnecessary regulatory burdens placed on the American people. This action is considered an E.O. 14192 deregulatory action because it removes part 1240 from title 7 of the agency’s regulations in the CFR.

Regulatory Flexibility Act

In accordance with the Regulatory Flexibility Act (RFA) (5 U.S.C. 601-612), AMS is required to examine the impact of this rulemaking on small entities. The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such action so that small businesses will not be disproportionately burdened. The affected industry falls under the North American Industry Classification System (NAICS) code: 111421—Nursery and Tree Production. The Small Business Administration (SBA) defines, in 13 CFR part 121, small agricultural producers in this industry as those having annual receipts of no more than \$3,250,000. Using these criteria, under the Sod Proposed Order, most producers and handlers would be considered small businesses. However, pursuant to the requirements set forth in the RFA, it has been determined that this rulemaking will not have a significant economic impact on a substantial number of small entities. The Sod Proposed Order was never implemented. No additional cost or burden is expected to result from this action.

Good Cause Justification

Section 553(b)(3)(B) of the Administrative Procedure Act (APA) (5 U.S.C. 551 et seq.) authorizes agencies to dispense with prior notice and comment for rules when the agency for “good cause” finds that those procedures are “impracticable, unnecessary, or contrary to the public interest.” Under this section, an agency, upon finding good cause, may issue a final rule without first publishing a proposed rule. Removing regulations at 7 CFR part 1240 will provide transparency and may reduce confusion among sod producers and other industry stakeholders. Further, AMS views this action as noncontroversial and anticipates no adverse public comment. This rule will become effective, as published in this document, [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] without further action, unless adverse comments are received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE

FEDERAL REGISTER]. Adverse comments are considered to be those comments that suggest the rule should not be adopted or suggest the rule should be changed.

If AMS receives adverse comments, we will publish a document in the *Federal Register*, withdrawing this rule before the effective date. AMS will then publish a proposed rule for public comment. Following the close of that comment period, the comments will be considered, and a final rule addressing the comments will be published.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the information collection requirements being terminated were approved previously by the Office of Management and Budget (OMB) and assigned OMB No. 0581—0348. This direct final rule is deregulatory and so would not impose any additional information collection requirements; rather, it would reduce future collection requirements by removing reporting burdens.

E-Government Act Compliance

The Department is committed to complying with the E-Government Act, 2002 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.

Executive Order 13132

This direct final rule is deregulatory and has little effect on States and local governments, so AMS anticipates that this rule will not have implications for federalism. Therefore, under E.O. 13132, section 6(b), a federalism summary is not required. States and local governments are invited to comment if they believe a federalism summary is necessary.

Executive Order 12988

This direct final rulemaking has been reviewed and meets the applicable standards set forth in sections 3(a) and 3(b)(2) of Executive Order 12988, “Civil Justice Reform.” It is not intended to have a retroactive effect. The Commodity Promotion, Research, and Information Act of 1996 (1996 Act or Act) (7 U.S.C. 7411-7425) provides that the Act shall not affect or preempt any other Federal or State law authorizing promotion or research relating to an agricultural commodity.

Under section 519 of the Act, a person subject to an order may file a petition with USDA stating that an order, any provision of an order, or any obligation imposed in connection with an order, is not established in accordance with the law, and requesting a modification of an order or an exemption from an order. Any petition filed challenging an order, any provision of an order, or any obligation imposed in connection with an order, shall be filed within two years after the effective date of an order, provision or obligation subject to challenge in the petition. The petitioner will have the opportunity for a hearing on the petition. Thereafter, USDA will issue a ruling on the petition. The Act provides that the district court of the United States for any district in which the petitioner resides or conducts business shall be the jurisdiction to review a final ruling on the petition, if the petitioner files a complaint for that purpose not later than 20 days after the date of entry of USDA's final ruling.

Executive Order 13175

This direct final rule has been reviewed under E.O. 13175, “Consultation and Coordination with Indian Tribal Governments,” which requires Federal agencies to consult and coordinate with Tribes on a government-to-government basis on: (1) policies that have Tribal implications, including regulations, legislative comments, or proposed legislation; and (2) other policy statements or actions that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and

Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

AMS has assessed the impact of this direct final rule on Indian Tribes and determined that this rulemaking would not have Tribal implications that require consultation under E.O. 13175. AMS hosts a quarterly teleconference with Tribal leaders where matters of mutual interest regarding the marketing of agricultural products are discussed. Information about the proposed regulation will be shared during an upcoming quarterly call, and Tribal leaders will be informed about the proposed regulation and referendum procedures. AMS will work with the USDA Office of Tribal Relations to ensure meaningful consultation is provided as needed with regards to the regulations.

List of Subjects in 7 CFR Part 1240

Administrative practice and procedure, Advertising, Consumer information, Marketing agreements, Natural grass sod, Reporting and recordkeeping requirements.

Accordingly, under the authority of 7 U.S.C. 7411-7425, AMS removes 7 CFR part 1240.

PART 1240—[Removed]

Erin Morris,

Associate Administrator,

Agricultural Marketing Service.

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