



Agricultural Marketing Service

7 CFR Part 1222

[Doc. No. AMS-SC-25-0353]

Paper and Paper-Based Packaging Promotion, Research and Information Order Termination

AGENCY: Agricultural Marketing Service, Department of Agriculture (USDA).

ACTION: Final rule.

SUMMARY: This final rule terminates the Federal research and promotion program for paper and paper-based packaging and the rules and regulations issued thereunder. This action is necessary because termination of the program was favored by a majority of manufacturers and importers voting in the referendum who also represent a majority of the volume of paper and paper-based packaging represented in the referendum. This rulemaking also removes the Paper and Paper-Based Packaging Promotion, Research and Information Order from the Code of Federal Regulations.

DATES: This final rule is effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*], without further action or notice.

FOR FURTHER INFORMATION CONTACT: George Webster, Marketing Specialist, or Alexandra Caryl, Chief, Mid-Atlantic Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; telephone: (202) 720-8085; or email: George.Webster@usda.gov or Alexandra.Caryl@usda.gov.

SUPPLEMENTARY INFORMATION: This final rule affecting 7 CFR part 1222 is authorized under the Commodity Promotion, Research, and Information Act of 1996 (Act) (7 U.S.C. 7411-7425). The Paper and Paper-Based Packaging Promotion, Research and Information Order, hereinafter referred to as the “Order”, is codified at 7 CFR part 1222.

Prior documents in this proceeding: Continuance Referendum and Moratorium on Assessment Collection, June 3, 2025 (90 FR 23421); Paper and Paper-Based Packaging Promotion, Research and Information Order, January 22, 2014 (79 FR 3696); and Referendum Procedures, September 16, 2013 (78 FR 56817).

Executive Order 12866

This action is exempt from the Office of Management and Budget (OMB) review process required by Executive Order 12866. This rule terminates an existing research and promotion program, the Paper and Paper-Based Packaging Promotion, Research and Information Order, consistent with the latest referendum results. Additionally, this action is exempt from the requirements of Executive Order 14192, “Unleashing Prosperity Through Deregulation,” pursuant to section 5(c).

Executive Order 13175

This action was reviewed in accordance with the requirements of Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments.” AMS has assessed the impact of this final rule on Indian tribes and determined that this rule would not have tribal implications that require consultation under Executive Order 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 changes to the regulations will be shared during an upcoming quarterly call. AMS will continue to work with the USDA Office of Tribal Relations to ensure meaningful consultation is provided as needed with regard to the termination of the Order.

Executive Order 12988

This rule was reviewed under Executive Order 12988, “Civil Justice Reform.” It is not intended to have retroactive effect. Section 524 of the Commodity Promotion, Research, and Information Act of 1996 (the Act) (7 U.S.C. 7423) provides that it shall not affect or preempt any other Federal or State law authorizing promotion or research

relating to an agricultural commodity.

Petition and Review of Orders

Under section 519 of the Act (7 U.S.C. 7418), a person subject to an order may file a written petition with USDA stating 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 request 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 have 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 the entry of USDA's final ruling.

Background

This final rule terminates the Order as prescribed in 7 CFR 1222.82 and section 522 of the Act. The Act authorizes national promotion, research, and information programs for agricultural commodities. In accordance with the Act, at the request of the paper and paper-based packaging industry, USDA developed and implemented the Order, which became effective on January 23, 2014.

The Order covered persons who manufactured or imported 100,000 short tons or more of paper and paper-based packaging in a year.

Section 518(c) of the Act (7 U.S.C. 7417(c)), and 7 CFR 1222.81(b) provide the Secretary of Agriculture (Secretary) shall conduct subsequent referenda not later than every seven years, at the request of 10 percent or more of eligible voters, or at the request of the Paper and Packaging Board (Board), as established by the Order. Section 518(d) of

the Act (7 U.S.C. 7417(d)), and 7 CFR 1222.81(b)(5) also allow for a referendum whenever the Secretary deems it necessary. The Order shall continue if it is favored by a majority of manufacturers and importers voting in the referendum who also represent a majority of the volume represented in the referendum and who, during a representative period, have been engaged in the manufacturing or importation of paper and paper-based packaging, as long as the Secretary finds that the Order tends to effectuate the purposes of the Act.

On January 28, 2025, USDA received a petition requesting a referendum from more than the required 10 percent of eligible voters. As such, a referendum was held from July 14 through July 25, 2025. The representative period for establishing voter eligibility was January 1, 2024, through December 31, 2024. Persons who manufactured or imported 100,000 short tons or more of paper and paper-based packaging during the representative period and were subject to assessment during that time were eligible to vote. Notice of the referendum was published in the *Federal Register* on June 3, 2025 (90 FR 23421). Termination of the program was favored by 73.53 percent of eligible manufacturers and importers, representing 90.39 percent of the volume represented in the referendum.

In accordance with 7 CFR 1222.83, the USDA appointed two members of the Board to serve as trustees for the purpose of liquidating affairs.

Regulatory Flexibility Analysis

In accordance with the Regulatory Flexibility Act (RFA) (5 U.S.C. 601-612), the Agricultural Marketing Service (AMS) is required to examine the impact of the action on small entities. Accordingly, AMS has considered the economic impact of this action on such entities. The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to the actions so that small businesses will not be disproportionately burdened.

The Small Business Administration (SBA) defines, in 13 CFR part 121, small firms which perform “Corrugated and Solid Fiber Box Manufacturing” activities¹ as those employing no more than 1,250 employees. This definition of a small business applies to the program’s domestic manufacturers. According to the U.S. Census Bureau’s 2022 Economic Census, there were a total of 594 paper and packaging firms operating in the U.S. in 2022. Of these, 20 firms, or about 3 percent, employed 500 employees or more. This means that at least 97 percent of paper and packaging domestic manufacturers would be considered small businesses per the SBA definition.

While employment data for domestic manufacturers is available for this analysis, AMS is unaware of any such data for importers of paper and packaging materials. Therefore, the SBA size standard for “Postharvest Crop Activities”² of average annual receipts no greater than \$34 million was used to classify small importers for the purposes of this RFA. Based on data from Customs and Border Protection, there were 38 of 7,023 importers of paper and packaging materials whose 2022-2024 average annual receipts exceeded \$34 million. This means that more than 99 percent of importers would be considered small businesses per the SBA definition. This action would not disproportionately burden small domestic manufacturers and importers of paper and packaging materials.

According to Board data, in 2024 there were 46 eligible manufacturers and importers who paid approximately \$21.2 million in assessments. When the Order was published in the *Federal Register* on January 22, 2014, USDA stated an anticipated \$25 million of assessments would be collected from about 70 eligible entities. The assessment rate is currently 35 cents per short ton or its equivalent of paper and paper-based products. This is the same rate that was set when the program first started. USDA issued

¹ North American Industry Classification System (NAICS) Code 322211.

² NAICS Code 115114.

a notice on June 3, 2025 (90 FR 23421) establishing a moratorium on the collection of assessments with immediate effect.

Termination of the research and promotion program and its Order should reduce costs for manufacturers and importers. As with all research and promotion program programs, 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.

AMS has not identified any relevant Federal rules that duplicate, overlap, or conflict with this final rule.

AMS is issuing this rule as a final rule. Although the Administrative Procedure Act (APA) generally requires notice and comment rulemaking, section 553 of the APA provides an exception when the agency, for good cause, finds that notice and public procedure are “impracticable, unnecessary, or contrary to the public interest.” AMS concludes that general notice and comment is unnecessary here because affected stakeholders decisively voted to terminate the program. The purpose of this final rule is to carry out the decision made by eligible manufacturers and importers of paper and paper-based packaging, which the Secretary has determined would tend to effectuate the purposes of the Act.

Based on the foregoing, and pursuant to section 522 of the Act and 7 CFR 1222.83, it is hereby found that the Order, and the Board effectuated by the Order, are terminated.

It is also found and determined upon good cause that it is unnecessary and contrary to the public interest to give preliminary notice or to engage in further public procedure prior to putting this action into effect. Additionally, good cause exists for not

postponing the effective date of this action until 30 days after publication in the *Federal Register* because this action relieves restrictions on manufacturers and importers.

List of Subjects in 7 CFR Part 1222

Administrative practice and procedure, advertising, consumer information, marketing agreements, paper promotion, reporting and recordkeeping requirements.

Part 1222 – [REMOVED]

For the reasons set forth in the preamble, under the authority of 7 U.S.C. 7421, 7 CFR part 1222 is removed.

Erin Morris,
Administrator,
Agricultural Marketing Service.

[FR Doc. 2026-04570 Filed: 3/6/2026 8:45 am; Publication Date: 3/9/2026]