DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

7 CFR Part 301

[Docket No. 99–033–2]

Asian Longhorned Beetle; Addition to Quarantined Areas

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Affirmation of interim rule as final rule.

SUMMARY: We are adopting as a final rule, without change, an interim rule that amended the Asian longhorned beetle regulations by expanding the quarantined areas in the State of New York to include new areas in New York City and in Nassau and Suffolk Counties. As a result of the interim rule, the interstate movement of regulated articles from those areas is restricted. The interim rule was necessary on an emergency basis to prevent the artificial spread of the Asian longhorned beetle to noninfested areas of the United States.

EFFECTIVE DATE: The interim rule became effective on May 21, 1999.

FOR FURTHER INFORMATION CONTACT: Mr. Ronald P. Milberg, Operations Officer, Program Support, PPQ, APHIS, 4700 River Road Unit 134, Riverdale, MD 20737–1236; (301)734–5255.

SUPPLEMENTARY INFORMATION:

Background

In an interim rule effective May 21, 1999, and published in the **Federal Register** on May 27, 1999 (64 FR 28713–28715, Docket No. 99–033–1), we amended the Asian longhorned beetle (ALB) regulations in 7 CFR 301.51–1 through 301.51–9 by adding new areas in New York City and in Nassau and Suffolk Counties, NY, to the list of quarantined areas in § 301.51–3(c). As a result of this action, the interstate movement of regulated articles from the quarantined areas is restricted.

Comments on the interim rule were required to be received on or before July 26, 1999. We did not receive any comments. Therefore, for the reasons given in the interim rule, we are adopting the interim rule as a final rule.

This action also affirms the information contained in the interim rule concerning Executive Orders 12866, 12372, and 12988, and the Paperwork Reduction Act.

Further, for this action, the Office of Management and Budget has waived the review process required by Executive Order 12866.

Regulatory Flexibility Act

In accordance with 5 U.S.C. 604 of the Regulatory Flexibility Act, we have performed a final regulatory flexibility analysis, which is set out below, regarding the economic effects of the interim rule on small entities.

This rule affirms an interim rule that amended the ALB regulations by expanding the quarantined areas in the State of New York to include new areas in New York City and in Nassau and Suffolk Counties. As a result of the interim rule, the interstate movement of regulated articles from those areas is restricted. The interim rule was necessary on an emergency basis to prevent the artificial spread of the Asian longhorned beetle to noninfested areas of the United States.

The small businesses potentially affected by the interim rule are nurseries, arborists, tree removal services, and firewood dealers located within the quarantined areas. We estimate that there are fewer than 100 such businesses in the quarantined areas. They could be affected in two ways. First, if a business wishes to move regulated articles interstate from a quarantined area it must either: (1) Enter into a compliance agreement with APHIS for the inspection and certification or limited permitting of regulated articles for interstate movement from the quarantined area; or (2) present its regulated articles to an APHIS inspector for inspection and obtain a certificate or a limited permit, issued by the APHIS inspector, for the interstate movement of the regulated articles. In either case, the inspections of regulated articles may be inconvenient, but these inspections do not result in any additional direct costs for businesses because APHIS provides the services of the inspector without cost, as long as those services are administered during normal working hours. There is also no cost for the compliance agreement, certificate, or limited permit for interstate movement of regulated articles.

Second, because of ALB infestation, some regulated articles may not qualify for interstate movement under a certificate or limited permit. In this case, a business wishing to move such regulated articles interstate from a quarantined area would be deprived of the opportunity to benefit from the sale of the affected regulated articles in another State. It is difficult to estimate the number or value of regulated articles that would be determined to be infested upon inspection and, therefore, denied a certificate or a limited permit. However, based on our experience, we expect that the number and value would be small. Since 1996, APHIS has not been requested to perform a single inspection in the previously quarantined areas in the State of New York.

ALB has the potential to cause extensive tree damage and serious economic losses to many businesses, both large and small, in the United States. In the eastern region of the United States alone, which includes the north-central States, there are 279 million acres of hardwood forests, representing about 75 percent of the land of all eastern forests. That forest acreage is in addition to land in urban and suburban areas where hardwood trees are common in streets, backyards, and parks. It is estimated that maple trees account for at least 30 percent of the street and park plantings in urban areas. Nursery stock and certain fruit trees are also at risk.

In 1996, the timber processing and manufacturing industry in the northeast region accounted for 7 percent of the employment, 6 percent of the wages and salaries, and 7 percent of the value of shipments of all manufacturing industries in that region. This translates to a workforce of 272,100 employees earning $7.4 billion. Timber processing and manufacturing industry shipments were valued at $44 billion in 1996. These statistics on the timber processing and manufacturing industries reflect products made from softwood timber as well as hardwood timber; however, the effect of hardwood timber on the totals is significant. As an example, hardwood accounted for 52 percent of the net volume of growing stock on timberland in seven northeastern States in 1992.

In 1994, U.S. firms engaged primarily in the production of ornamental nursery products, including nursery stock, employed 134,591 workers who earned $2.2 billion in wages. In 1993, sales of plants (trees and shrubs) by nurseries and greenhouses in the United States totaled an estimated $3.1 billion, of which $212 million was derived from sales in seven northeastern States. During fiscal year 1993, 103.9 million landscape trees were sold in the United States, including 5.7 million in seven northeastern States. Approximately half of all landscape trees sold in the United States are hardwood trees.

The maple syrup industry relies on healthy maple trees, especially the sugar maple, for its production. In 1998, four northeastern States (Maine, New Hampshire, New York, and Vermont) accounted for 70 percent of the value of U.S. maple syrup production ($31.5 million).

The tourism industry in the northeastern States is tied heavily to leaf color changes in the fall, and the maple tree is noted for producing some of the most vivid colors. Between mid-September and late October, for example, the hardwood forests of New England draw 1 million tourists and generate $1 billion in revenue. It is estimated that up to one-fourth of the tourism revenue generated annually in New England is due to the fall foliage displays.

The commercial fruit industry is also at risk, as pear, apple, plum, and citrus trees are susceptible to ALB infestation. We estimate that, for the United States as a whole, the cost of replacing host fruit trees would amount to $5.2 billion alone for pear, apple, and plum orchards and $10.4 billion for citrus. The fruits of host trees would also be affected by a widespread infestation. The average 1995–97 value of utilized production in the United States of the four fruits noted above is estimated at $4.7 billion.

The quarantine imposed by this rule has been determined to be the most effective means of preventing the artificial spread of ALB, as biological controls and pesticides do not presently appear to be effective alternatives. The only other alternative we considered was not to quarantine the newly infested areas; we rejected this alternative because it would fail to prevent the artificial spread of ALB into noninfested areas of the United States.

List of Subjects in 7 CFR Part 301

Agricultural commodities, Plant diseases and pests, Quarantine, Reporting and recordkeeping requirements, Transportation.

PART 301—DOMESTIC QUARANTINE NOTICES

Accordingly, we are adopting as a final rule, without change, the interim rule that amended 7 CFR part 301 and that was published at 64 FR 28713–28715 on May 27, 1999.

Authority: 7 U.S.C. 147a, 150bb, 150dd, 150ee, 150ff, 161, 162, and 164–167; 7 CFR 2.22, 2.80, and 371.2(c).

Done in Washington, DC, this 18th day of October, 1999.

Bobby R. Acord,

Acting Administrator, Animal and Plant Health Inspection Service.

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DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Part 4

[Docket No. 99–13]

RIN 1557–AB60

FEDERAL RESERVE SYSTEM

12 CFR Part 211

[Regulation K; Docket No. R–1012]

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 347

RIN 3064–AC15

Extended Examination Cycle For U.S. Branches and Agencies of Foreign Banks

AGENCIES: Office of the Comptroller of the Currency, Treasury; Board of Governors of the Federal Reserve System; and the Federal Deposit Insurance Corporation.

ACTION: Joint final rule.

SUMMARY: The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Board), and the Federal Deposit Insurance Corporation (FDIC) (collectively, the Agencies) are adopting as a joint final rule their joint interim rule implementing section 2214 of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA). Section 2214 of EGRPRA authorizes the Agencies to extend the examination cycle for certain United States branches and agencies of foreign banks. This joint final rule makes United States branches and agencies of foreign banks with total assets of $250 million or less eligible for an 18-month examination cycle if they meet certain qualifying criteria.

EFFECTIVE DATE: October 22, 1999.

FOR FURTHER INFORMATION CONTACT: *OCC:* Martha Clarke, Senior Attorney, International Activities (202/874–0680); Jose Tuya, Director, International Banking & Finance (202/874–4730); or Karl Betz, Attorney, Legislative and Regulatory Activities (202/874–5090), Office of the Comptroller of the Currency, 250 E Street SW., Washington, D.C. 20219.

Board: Barbara J. Bouchard, Manager, Division of Banking Supervision and Regulation (202/452–3072); or Jonathan D. Stoloff, Counsel, Legal Division (202/452–3269), Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW., Washington, D.C. 20551.

FDIC: Karen Walter, Chief, International Branch, Division of Supervision (202/898–3540); or Mark Mellon, Counsel, Regulation and Legislation Section, Legal Division (202/898–3854), Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, D.C. 20429.

SUPPLEMENTARY INFORMATION:

Background

The International Banking Act of 1978 (the IBA),[1] as amended by the Foreign Bank Supervision Enhancement Act of 1991,[2] prescribed a 12-month examination schedule for U.S. branches and agencies of foreign banks. Section 2214 of EGRPRA modified that requirement by amending section 3105(c)(1)(C) of the IBA to provide that U.S. branches and agencies of foreign banks are subject to on-site examination as frequently as national banks and state banks are examined by their appropriate federal banking agencies.[3]

In general, national banks and state banks must be examined every 12 months. However, section 111 of the Federal Deposit Insurance Corporation Improvement Act of 1991[4] authorized an 18-month examination cycle for certain national banks and state banks with a composite rating of 1 under the Uniform Financial Institutions Rating System (UFIRS) and total assets of $100 million or less. Subsequently, section 306 of the Riegle Community Development and Regulatory Improvement Act of 1994[5] expanded the availability of the 18-month examination cycle to certain national banks and state banks with a composite rating of 1 under UFIRS and total assets of less than $250 million, as well as to certain national banks and state banks with a composite rating of 2 under UFIRS and total assets of $100 million or less. Finally, section 2221 of EGRPRA amended section 10(d) of the Federal Deposit Insurance Act (FDI Act)[6] to provide that at any time after September 23, 1996, U.S. bank supervisory agencies could extend the 18-month examination cycle to certain national banks and state banks with a composite rating of 2 and total assets of $250 million or less. Effective April 2, 1998,

[1] Pub. L. 95–369, 92 Stat. 607.

[2] Pub. L. 102–242, 105 Stat. 2286.

[3] Section 2214 of EGRPRA, Pub. L. 104–208, 110 Stat. 3009. Section 3105(c)(1)(C) is codified at 12 U.S.C. 3105(c)(1)(C).

[4] Pub. L. 102–242, 105 Stat. 2236 (section 111 is codified at 12 U.S.C. 1820(d)).

[5] Pub. L. 103–325, 108 Stat. 2160.

[6] Section 10(d) of the FDI Act is codified at 12 U.S.C. 1820(d)(10).