

Announcement in the FY 2000 Application Kit.

F. Catalog of Federal Domestic Assistance

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.217, Higher Education Challenge Grants Program.

G. Stakeholder Input

CSREES is soliciting comments regarding this solicitation of applications from any interested party. These comments will be considered in the development of the next request for proposals for the program. Such comments will be forwarded to the Secretary or his designee for use in meeting the requirements of section 103(c)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613(c)(2)). Written comments should be submitted by first-class mail to: Policy and Program Liaison Staff, Office of Extramural Programs, USDA-CSREES; STOP 2299, 1400 Independence Avenue, SW., Washington, DC 20250-2299; or via e-mail to: RFP-OEP@reeusda.gov. (This e-mail address is intended only for receiving stakeholder input comments regarding this RFP, and not for requesting information or forms.)

In your comments, please indicate that you are responding to the FY 2000 Higher Education Challenge Grants Program. Submissions of comments are requested within six months from the issuance of the solicitation of applications. Comments received after that date will be considered to the extent practicable.

Done at Washington, D.C., this 10th day of December 1999.

Charles W. Laughlin,

Administrator, Cooperative State Research, Education, and Extension Service.

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DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

[Docket No. 99-052N]

Equivalence Evaluation Process for Foreign Meat and Poultry Food Regulatory Systems; Response to Comments

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Notice, response to comments.

SUMMARY: The Food Safety and Inspection Service (FSIS) published a notice in the **Federal Register** of March

12, 1999 (64 F.R. 12281) announcing the availability of a document that describes the Agency's process for evaluating foreign meat and poultry inspection systems to determine whether they are equivalent to the United States' inspection system. FSIS solicited public comments on this document and held a public meeting on April 14, 1999, to discuss the equivalence evaluation process. The comment period ended May 11, 1999. This notice responds to the comments received from the public.

ADDRESSES: Copies of the comments are available from the FSIS Docket Clerk, Room 102 Cotton Annex, 300 12th Street, SW, Washington, DC 20250-3700.

FOR FURTHER INFORMATION CONTACT: Mr. Clark Danford, Acting Director, International Policy Division; Office of Policy, Program Development, and Evaluation; (202) 720-6400, or by electronic mail to clark.danford@usda.gov.

SUPPLEMENTARY INFORMATION:

Background

The equivalence concept was introduced in the Agreement on the Application of Sanitary and Phytosanitary Measures (the "SPS Agreement"), which appears in the Final Act of the Uruguay Round of Multilateral Trade Negotiations signed in Marrakech on April 15, 1994. The SPS Agreement became effective in January 1995, concurrently with establishment of the World Trade Organization (WTO), which superseded the General Agreement on Tariffs and Trade (GATT) as the umbrella organization for international trade. The United States is a signatory to the SPS Agreement and is a member of the WTO.

Under Article 4 of the SPS Agreement, an importing member nation must accept an exporting member's SPS measures as equivalent to its own measures if the exporting member has objectively demonstrated that its measures achieve the importing member's appropriate level of sanitary or phytosanitary protection (ALOP). In other words, each member nation of the WTO, including the United States, must accept as equivalent to its own food regulatory system the food regulatory system of another member that has been demonstrated to furnish the same level of public health protection. However, the burden of demonstrating equivalence is on the exporting country.

Equivalent regulatory systems need not be identical. The specific SPS measures applied by an exporting nation may differ from those required by

an importing nation. On the other hand, though WTO members are encouraged to adopt international food standards in order to "harmonize" the world's food regulatory systems and facilitate trade, an importing country has the right to decide whether a food regulatory system employed by an exporting country is equivalent to its own or is adequate to achieve the importing country's appropriate level of sanitary or phytosanitary protection. The importing country also has the right to decide whether the evidence provided to demonstrate equivalence is adequate.

FSIS Equivalence Evaluation Process

FSIS has developed a process for evaluating whether a foreign country's meat and poultry food regulatory system and specific sanitary measures are equivalent to the U.S. system and measures. This process is described in a January 1999 document entitled "FSIS Process for Evaluating the Equivalence of Foreign Meat and Poultry Regulatory Systems" (hereafter cited as "FSIS Process"). Copies of this document are available at the location indicated above in **ADDRESSES**. An electronic copy may be found at the following Internet address www.fsis.usda.gov/oa/news/equiv.htm.

FSIS published a notice in the **Federal Register** of March 12, 1999 (64 F.R. 12281) announcing the availability of this document and soliciting public comments. The Agency also held a public meeting on April 14, 1999, to discuss the equivalence evaluation process. FSIS announced that the comments received would be the basis for further development of this Agency's equivalence evaluation process. The substance of those comments and FSIS responses follows.

Response to Comments

The **Federal Register** notice comment period closed on May 11, 1999. Four organizations commented. Following is a summary of themes presented in the public comments and responses from FSIS.

One commenter expressed support for the FSIS equivalence evaluation process with a caveat that prior notification of which establishments FSIS will visit during a system audit allows establishments to alter their processes and procedures in preparation for the visit and to revert to "normal" operations thereafter. This commenter recommended that establishment audits be unannounced.

FSIS responds that foreign inspection system audits are, by necessity, cooperative events. For example, FSIS must first request permission from a

foreign government to visit the country and conduct an audit. FSIS is obliged to provide a proposed itinerary with its request. This is necessary, in part, because FSIS is a guest in the foreign country and is escorted from place to place by foreign officials. The same process is applied in the United States when a foreign government asks to visit U.S. establishments. Additionally, the U.S. system of prior notification is modeled on draft Codex guidelines titled "Draft Guidelines for the Design, Operation, Assessment and Accreditation of Food Import and Export Inspection and Certification Systems" which have been advanced to Step 8 of the approval procedure (ALINORM 97/30A, Appendix II, Annex).

A second commenter emphasized the necessity for a "level playing field" in that inspection procedures in countries that export to the United States must be as effective as U.S. domestic programs. This commenter found the "FSIS Process" document to accurately portray SPS Agreement principles and applauded FSIS for being "out front" in international equivalence implementation. The commenter said that, while the document analysis portion of this process is important, the challenge is to verify foreign inspection systems and individual sanitary measures by on-site audits. The commenter noted that during times of budget stress FSIS managers may be tempted to cut back on system audits to less often than once a year. The commenter stated that this must not happen—that FSIS is obligated to conduct system audits at least annually in all exporting countries and share the results quarterly with public stakeholders. In a related matter, the commenter believed that the "FSIS Process" section on Initial System Equivalence did not clearly state what initial audits evaluate and requested further clarification. Finally, this commenter said that reference to animal disease issues should be lifted from footnote 1 and included in the body of the document to emphasize the important coordination between FSIS and the Animal and Plant Health Inspection Service on applications for eligibility.

FSIS responds with a pledge that budget priority will be given to support annual system audits in all exporting countries. With regard to what FSIS evaluates during initial audits of foreign inspections systems, these criteria are regulatory and set forth in 9 CFR 327.2, Eligibility of foreign countries for importation of products into the United States. The same criteria apply to

poultry importation and appear at 9 CFR 381.196. The next version of "FSIS Process" will incorporate a summary of these criteria. Additionally, the Agency will incorporate most of the editorial changes suggested by this commenter in the next revision of "FSIS Process," which will be made in the Spring of 2000 and posted on the FSIS homepage. At that time FSIS will also begin posting foreign inspection system audit results on the FSIS homepage.

A third commenter noted that FSIS has appropriately recognized the U.S. commitment to equivalence under the SPS Agreement and said that the "FSIS Process" document affirms that commitment. The commenter stated that the principles of equivalence will help to enhance food safety globally as other nations strive to attain the U.S. level of protection necessary for market access. The commenter commended FSIS for consistency with Codex work, stating that it is appropriate to incorporate Codex guidelines within U.S. standards where suitable. The commenter also voiced support for the concept of Food Safety Objective (FSO) as a bridge to describe how sanitary measures attain an importing country's level of protection. The commenter noted that "FSIS Process" contains an excellent description of FSO work underway in Codex and generally praised the transparent manner that FSIS is proceeding with its equivalence evaluation process. However, this commenter also advised that some aspects of "FSIS Process" needed improvement. For example, the commenter did not find the process document adequate to provide sufficient operational guidance to assist the United States' trading partners in the submission of an equivalence request. The commenter recommended that FSIS add to "FSIS Process" the detailed information it presented at the April 14 public meeting. Several editing changes were also suggested in other portions of the "FSIS Process" document.

FSIS responds that this commenter's suggestions for a revision of "FSIS Process" were thoughtful and useful. The next revision of "FSIS Process" will include the material suggested by the commenter, including guidance on information that should be included in an equivalence request.

A fourth commenter found considerable fault with the "FSIS Process" document. This commenter stated that FSIS should correct misstatements in "FSIS Process" that assert the equivalence of all countries that now export to the U.S. because FSIS has not verified that all of these countries have implemented equivalent

PR/HACCP sanitary measures. The commenter recommended that FSIS amend its regulations to provide for public participation in all determinations of foreign inspection system equivalence. This commenter also said that FSIS should correct a misstatement in "FSIS Process" that asserts that a country can set any level of protection it deems appropriate because, under SPS, the level of protection must be based on scientific evidence of risk.

FSIS responds that every country presently eligible to export meat or poultry products to the United States has a food inspection system that is equivalent to the FSIS domestic inspection system. This agency is committed to protecting the health of U.S. consumers, and it will continue to make every effort to ensure that meat, poultry, and egg products imported into the United States are as safe as products produced in this country.

Prior to the World Trade Organization (WTO) Agreement on Sanitary and Phytosanitary measures (commonly referred to as the "SPS Agreement"), FSIS evaluated foreign food regulatory systems under provisions in U.S. inspection laws that required programs to be "at least equal to" the U.S. system. The eligibility of countries to export meat or poultry to the United States was initially evaluated through analysis of applications followed by on-site audits. When the SPS Agreement was ratified in 1994, all "at least equal to" countries that were eligible to export meat or poultry to the United States were automatically judged to be "equivalent."

The SPS Agreement obliges the United States to respond to requests by other contracting parties to determine whether specified meat and poultry processing sanitary measures are equivalent to those of the United States. Alternative sanitary measures may be raised independently by exporting countries in the form of proposed foreign inspection system changes, or they may be offered in response to new U.S. import requirements.

All alternative sanitary measures are evaluated by FSIS against two generic criteria:

(1) Does the alternative sanitary measure comport with USDA regulatory requirements for the import of meat and poultry products to the United States? and (2) Does the alternative sanitary measure afford American consumers the same level of public health protection as is provided by USDA domestic measures?

Each of the thirty-six countries that are presently permitted to export meat or poultry products to the United States

has a food regulatory system that FSIS has determined to be equivalent to the US inspection system. From this baseline of equivalence, FSIS has sought to ensure that equivalence is maintained. For example, when FSIS implements new sanitary measures domestically—such as the Pathogen Reduction/HACCP final rule—notice is given to each exporting country that the new measures must be adopted by the foreign food regulatory system in either the same way or in an equivalent manner. Exporting countries are asked first to provide FSIS written assurance that the new requirement will be implemented and second to submit documentary evidence to support equivalence. FSIS reviews this documentation on a country-by-country basis and makes a determination of whether the foreign country's measure appears to be equivalent. During the next on-site foreign inspection system audit, the implementation of that measure is verified.

There is no reason to stop trade with exporting countries while the document analysis and verification process is underway. Consumers are fully protected because FSIS will interrupt trade in three circumstances. One is where an emergency sanitary measure is implemented by FSIS to address a hazard that is so severe that no product can enter the marketplace from a foreign establishment until the control is in place. The second is where an exporting country does not provide satisfactory documentary evidence of an equivalent sanitary measure. The third is where a system audit reveals that an exporting country is not implementing a sanitary measure in the manner that FSIS initially determined to be equivalent.

In the case of FSIS' Pathogen Reduction/HACCP sanitary measures, the first circumstance does not apply because none of the requirements are of an emergency nature. Thus, FSIS has proceeded to evaluate from each exporting country documentation that explains the country's method of implementing PR/HACCP sanitary measures. On-site verification is proceeding as well.

FSIS has sought public participation in the equivalence verification process through the publication of "FSIS Process" along with the public meeting held on April 14, 1999, and this **Federal Register** notice. FSIS will provide for additional participation periodically about foreign inspection system equivalence verification audit results, port-of-entry reinspection results, and other notices of significant events regarding equivalence. In particular, FSIS will host a public meeting on

December 14, 1999, to report completion of document analyses to evaluate the equivalence of foreign countries with USDA's Pathogen Reduction/HACCP final rule requirements. For further information, see FSIS Notice 99-051N, dated November 24, 1999 [64 FR 66164].

A central purpose of "FSIS Process" is to apprise the public of how FSIS is carrying out the day-to-day business of equivalence evaluations. FSIS believes that all routine equivalence determinations are being made in a sound and wholly transparent manner.

In the case of a new application for eligibility, FSIS generally begins with little or no knowledge of the foreign food regulatory system. After extensive document analysis and an onsite system audit, FSIS notifies the public of an impending equivalence determination and allows time for comment. This process provides maximum assurance that a new exporting country is equivalent.

Once the initial equivalence determination is made, FSIS follows the procedures set forth in "FSIS Process" to ensure that equivalence is maintained. FSIS pledges to conduct its equivalence activities in a fully transparent manner and will continue to advise and involve the public in its equivalence work.

FSIS attempted in its "FSIS Process" document to explain "level of protection" (LOP) by using a quote from the Administrative Action Statement accompanying "The Uruguay Round Agreements Act," (P.L. 103-465; December 8, 1994), as follows:

"The [SPS] Agreement explicitly affirms the right of each government to choose its levels of protection, including a 'zero risk' level if it so chooses. A government may establish its levels of protection by any means available under its law, including by referendum. In the end, the choice of the appropriate level of protection is a societal value judgment. The Agreement imposes no requirement to establish a scientific basis for the chosen level of protection because the choice is not a scientific judgment." [Administrative Action Statement accompanying "The Uruguay Round Agreements Act," (P.L. 103-465; December 8, 1994); at A.3. House Report No. 103-826 (II) accompanying H.R. 5110.]

This statement describes significant administrative actions proposed to implement the Uruguay Round Agreements. It represents an authoritative expression by the Administration concerning its views regarding the interpretation and application of the Uruguay Round

Agreements, both for purposes of U.S. international obligations and domestic law. Since this Statement was approved by the Congress at the time it implemented the Uruguay Round agreements, the interpretations of those agreements in this statement carry particular authority.

The SPS Agreement defines appropriate level of protection as follows: "Appropriate level of sanitary or phytosanitary protection—The level of protection deemed appropriate by the Member establishing a sanitary or phytosanitary measure to protect human, animal or plant life or health within its territory. NOTE: Many Members otherwise refer to this concept as the 'acceptable level of risk.'"

Article 2 sets forth a requirement that *sanitary measures* (not LOP) employed to meet an importing country's appropriate level of protection must be based on "scientific principles." Additionally, Article 5 requires that *sanitary measures* (not LOP) be based on "an assessment, as appropriate to the circumstances, of the risks to human * * * health."

Neither provision limits a country's right to set its *level of protection* at any point it deems appropriate because that decision is a societal value judgment, not a scientific conclusion. For example, an importing country may decide that its tolerance for a particular "hazard" in meat products is zero and put in place sanitary measures designed to achieve zero risk. Where science does enter this equation is that the hazard must actually exist and be scientifically supported. Specifically, an importing country could not ban a substance in meat under the zero risk criterion if there is no scientific evidence that the substance qualifies as a hazard to human health. That would be a "disguised restriction on international trade" which is prohibited by Article 5.5 of the SPS Agreement.

FSIS is pleased with the overall acceptance of its equivalence evaluation process and is committed to a continuation of the open and transparent manner in which we have conducted our equivalence activities.

Additional Public Notification

Public awareness of all segments of rulemaking and policy development is important. Consequently, in an effort to better ensure that minorities, women, and persons with disabilities are aware of this notice, FSIS will announce and provide copies of this **Federal Register** publication in the *FSIS Constituent Update*. FSIS provides a weekly *FSIS Constituent Update*, which is communicated via fax to over 300

organizations and individuals. In addition, the update is available on line through the FSIS web page located at <http://www.fsis.usda.gov>. The update is used to provide information regarding FSIS policies, procedures, regulations, **Federal Register** notices, FSIS public meetings, recalls, and any other types of information that could affect or would be of interest to our constituents/stakeholders. The constituent fax list consists of industry, trade, and farm groups, consumer interest groups, allied health professionals, scientific professionals, and other individuals that have requested to be included. Through these various channels, FSIS is able to provide information to a much broader, more diverse audience than would otherwise be possible. For more information or to be added to the constituent fax list, fax your request to the Congressional and Public Affairs Office, at (202) 720-5704.

Done at Washington, DC on: December 8, 1999.

Thomas J. Billy,
Administrator.

[FR Doc. 99-32551 Filed 12-16-99; 8:45 am]
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DEPARTMENT OF AGRICULTURE

Natural Resources Conservation Service in Alabama

Notice of Proposed Change to Section IV of the Field Office Technical Guide (FOTG) of the Natural Resources Conservation Service in Alabama

AGENCY: Natural Resources Conservation Service (NRCS) in Alabama, U.S. Department of Agriculture.

ACTION: Notice of availability of proposed changes in Section IV of the FOTG of the NRCS in Alabama for review and comment.

SUMMARY: It is the intention of NRCS in Alabama to issue conservation practice standards: Constructed Wetland—(Code 656).

DATES: Comments will be received until January 18, 2000.

FOR FURTHER INFORMATION CONTACT: Inquire in writing to Robert N. Jones, Acting State Conservationist, Natural Resources Conservation Service (NRCS), 3381 Skyway Drive, P.O. Box 311, Auburn, AL 36830. Copies of the practice standards will be made available upon written request.

SUPPLEMENTARY INFORMATION: Section 343 of the Federal Agriculture Improvement and Reform Act of 1996 states that revisions made after

enactment of the law to NRCS State technical guides used to carry out highly erodible land and wetland provisions of the law shall be made available for public review and comment. For the next 30 days the NRCS in Alabama will receive comments relative to the proposed changes. Following that period a determination will be made by the NRCS in Alabama regarding disposition of those comments and a final determination of change will be made.

Dated: December 3, 1999.

J.B. Chaffin,

Assistant State Conservationist, Natural Resources Conservation Service, Auburn, Alabama.

[FR Doc. 99-32493 Filed 12-16-99; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Rural Utilities Service

Municipal Interest Rates for the First Quarter of 2000

AGENCY: Rural Utilities Service, USDA.

ACTION: Notice of municipal interest rates on advances from insured electric loans for the first quarter of 2000.

SUMMARY: The Rural Utilities Service hereby announces the interest rates for advances on municipal rate loans with interest rate terms beginning during the first calendar quarter of 2000.

DATES: These interest rates are effective for interest rate terms that commence during the period beginning January 1, 2000, and ending March 31, 2000.

FOR FURTHER INFORMATION CONTACT: Carolyn Dotson, Loan Funds Control Assistant, U.S. Department of Agriculture, Rural Utilities Service, Room 0227-S, Stop 1524, 1400 Independence Avenue, SW, Washington, DC 20250-1500. Telephone: 202-720-1928. FAX: 202-690-2268. E-mail: CDotson@rus.usda.gov.

SUPPLEMENTARY INFORMATION: The Rural Utilities Service (RUS) hereby announces the interest rates on advances made during the first calendar quarter of 2000 for municipal rate electric loans. RUS regulations at § 1714.4 state that each advance of funds on a municipal rate loan shall bear interest at a single rate for each interest rate term. Pursuant to § 1714.5, the interest rates on these advances are based on indexes published in the "Bond Buyer" for the four weeks prior to the fourth Friday of the last month before the beginning of the quarter. The rate for interest rate terms of 20 years or

longer is the average of the 20 year rates published in the Bond Buyer in the four weeks specified in § 1714.5(d). The rate for terms of less than 20 years is the average of the rates published in the Bond Buyer for the same four weeks in the table of "Municipal Market Data—General Obligation Yields" or the successor to this table. No interest rate may exceed the interest rate for Water and Waste Disposal loans.

The table of Municipal Market Data includes only rates for securities maturing in 2000 and at 5 year intervals thereafter. The rates published by RUS reflect the average rates for the years shown in the Municipal Market Data table. Rates for interest rate terms ending in intervening years are a linear interpolation based the average of the rates published in the Bond Buyer. All rates are adjusted to the nearest one-eighth of one percent (0.125 percent) as required under § 1714.5(a). The market interest rate on Water and Waste Disposal loans for this quarter is 5.750 percent.

In accordance with § 1714.5, the interest rates are established as shown in the following table for all interest rate terms that begin at any time during the first calendar quarter of 2000.

Interest rate term ends in (year)	RUS rate (0.000 percent)
2021 or later	5.750
2020	5.750
2019	5.750
2018	5.750
2017	5.625
2016	5.625
2015	5.500
2014	5.375
2013	5.375
2012	5.250
2011	5.125
2010	5.000
2009	5.000
2008	4.875
2007	4.750
2006	4.750
2005	4.625
2004	4.375
2003	4.250
2002	4.000
2001	3.875

Dated: December 10, 1999.

Christopher A. McLean,

Acting Administrator, Rural Utilities Service.

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BILLING CODE 3410-15-P