

CHART 4.—SOME KEY NUTRIENTS IN A SELECTION OF WIC-TYPE FOODS—Continued
 [Data from USDA, Agricultural Research Service, Nutrient Data Bank, http://www.nal.usda.gov/fnic/cgi-bin/nut_search.pl]

Food item	Serving size	Energy kcal	Protein mg	Fiber mg	Fat mg	Sat fat mg	Chol mg	E AE	A RE	B6 mg	Folate mg	B12 mg	C mg	Ca mg	Mag mg	Iron mg	Zinc mg
Cream of Wheat, dry—08102	1 oz.	105	3.0	1.1	0.4	0.1	0	0.0	0	0.0	34	0	0	40	8	8.1	0.2
Tuna:																	
Tuna, canned, oil pack	2 oz.	112	16.5	0.0	4.7	0.9	10	0.7	13	0.1	3	1.2	0	7	18	0.8	0.5
Tuna, canned, water pack	2 oz.	66	14.5	0.0	0.5	0.1	17	0.3	10	0.2	2	1.7	0	6	15	0.9	0.4
Legumes:																	
Lentils, cooked from dry	1/2 cup	92	7.2	6.3	0.3	0.0	0	0.1	1	0.1	144	0.0	1	15	29	2.7	1.0
Beans, Great Northern, navy from dried	1/2 cup	121	8.5	5.5	0.3	0.1	0	0.2	0	0.1	70	0.0	0	78	55	3.2	1.2
Peas, crowder, field, black eyed from dried	1/2 cup	97	6.5	5.5	0.4	0.1	0	0.2	2	0.1	175	0.0	0	20	45	2.1	1.1
Eggs:																	
Egg, whole, large	1 egg	75	6.2	0.0	5.0	1.6	213	0.5	96	0.1	24	0.5	0	25	5	0.7	0.6
Egg, scrambled from dried	1/2 cup	229	10.0	0.0	20.4	4.9	356	2.7	174	0.1	27	0.7	0	54	10	1.4	1.1
Peanut Butter: Peanut butter	2 TBS	190	8.1	1.9	16.3	3.3	0	3.2	0	0.1	24	0.0	0	12	51	0.6	0.9
Vegetables: Carrots, raw	1 cup	47	1.1	3.3	0.2	0.0	0	0.5	3094	0.2	15	0.0	10	30	17	0.6	0.2

XI. Review Issues

The Department carefully considered how best to present the issues in this Notice. The following questions address the types of issues the Department is interested in receiving comments on; however, commenters may address additional issues that are within the scope of this review. Some of the questions below are focused on ideas for regulatory or policy redirection; others simply are seeking information on better ways to meet needs within current requirements.

The Department believes that this review will benefit from the broadest possible scope of public input with minimal Departmental direction. Therefore, the following issues proposed for consideration are broadly stated without Departmental comment. Within the context of these broad issues, commenters are encouraged to state their responses as specifically as possible. Comments that are not within the scope of this Notice will not be considered and therefore should not be included. Please be sure to include the rationale and/or scientific basis underlying the suggested changes.

1. Please indicate what elements of the WIC food packages you would keep the same and why.

2. What changes, if any, are needed to the types of foods currently authorized in the WIC food packages? If you recommend additions or deletions to the types of foods currently offered, please discuss recommended quantities and cost implications.

3. Should the quantities of foods in the current WIC food packages be adjusted? If yes, by how much and why? Please discuss cost implications.

4. Recognizing that the WIC Program is designed to provide supplemental foods that contain nutrients known to be lacking in the diets of the target population, what nutrients should be established as priority nutrients for each

category of WIC participant, *e.g.*, pregnant women, children 1–5, etc.? Please provide the scientific rationale for them.

5. Keeping in mind that foods provided by WIC are designed to be supplemental, can the WIC food packages be revised (beyond what is allowed under current regulations) to have a positive effect on addressing overweight concerns? If so, how? Please be specific.

6. Are there other concerns that affect foods issued through the WIC food packages that should be considered in designing the food packages? For example, should WIC provide options to address allergies (the American Dietetic Association notes that the most common food allergies are to milk, eggs, peanuts, soybeans, tree nuts, fish, shellfish and wheat), cultural patterns or food preferences?

7. What data and/or information (please cite sources) should the Department consider in making decisions regarding revisions to the WIC food packages, *e.g.*, nutritional needs of the population, ethnic food consumption data, scientific studies, acculturation practices, and participant surveys, etc.?

8. Recognizing that current legislation requires WIC food packages to be prescriptive, should participants be allowed greater flexibility in choosing among authorized food items? If so, how?

9. How can WIC food packages best be designed to effectively meet nutritional needs in culturally and ethnically diverse communities?

10. Should WIC State agencies be afforded more or less flexibility in designing WIC food packages? Please explain.

11. The WIC program's overall goal is to achieve the greatest improvement in health and development outcomes for WIC participants, achieved partly by

providing food that targets nutrients determined to be lacking or consumed in excess in the diets of the WIC population. In addition to targeting these food nutrients, food selection criteria should address necessary operational concerns for the foods—for example, cost effectiveness; appeal to recipients; convenient and economical package sizes; complexity/ burden for the WIC administrative structure to manage; etc. It would be helpful if commenters would identify/recommend WIC food selection criteria, describe how the criteria interact, indicate their relative weighting or importance, and provide supporting rationale.

Authority: 42 U.S.C. 1786.

Dated: September 10, 2003.

Eric M. Bost,

Under Secretary for Food, Nutrition and Consumer Services.

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DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

7 CFR Part 319

[Docket No. 02–097–1]

Importation of Eucalyptus Logs, Lumber, and Wood Chips From South America

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Proposed rule.

SUMMARY: We are proposing to amend the regulations that govern the importation of logs, lumber, and other unmanufactured wood articles into the United States to require that logs and lumber of tropical species of *Eucalyptus* from South America be fumigated with methyl bromide or heat treated prior to

importation and that wood chips of tropical species of *Eucalyptus* from South America be fumigated with methyl bromide, heat treated, or heat treated with moisture reduction prior to importation. We are also proposing to allow wood chips derived from both tropical and temperate species of *Eucalyptus* from South America to be treated with a surface pesticide. These proposed changes are necessary in order to prevent the introduction of plant pests into the United States through the importation of eucalyptus logs, lumber, and wood chips from South America.

DATES: We will consider all comments that we receive on or before November 14, 2003.

ADDRESSES: You may submit comments by postal mail/commercial delivery or by e-mail. If you use postal mail/commercial delivery, please send four copies of your comment (an original and three copies) to: Docket No. 02-097-1, Regulatory Analysis and Development, PPD, APHIS, Station 3C71, 4700 River Road Unit 118, Riverdale, MD 20737-1238. Please state that your comment refers to Docket No. 02-097-1. If you use e-mail, address your comment to regulations@aphis.usda.gov. Your comment must be contained in the body of your message; do not send attached files. Please include your name and address in your message and "Docket No. 02-097-1" on the subject line.

You may read any comments that we receive on this docket in our reading room. The reading room is located in room 1141 of the USDA South Building, 14th Street and Independence Avenue SW., Washington, DC. Normal reading room hours are 8 a.m. to 4:30 p.m., Monday through Friday, except holidays. To be sure someone is there to help you, please call (202) 690-2817 before coming.

APHIS documents published in the **Federal Register**, and related information, including the names of organizations and individuals who have commented on APHIS dockets, are available on the Internet at <http://www.aphis.usda.gov/ppd/rad/webrepor.html>.

FOR FURTHER INFORMATION CONTACT: Mr. Hesham Abuelnaga, Import Specialist, Phytosanitary Issues Management Team, PPQ, APHIS, 4700 River Road Unit 140, Riverdale, MD 20737-1236; (301) 734-5334.

SUPPLEMENTARY INFORMATION:

Background

Logs, lumber, and other unmanufactured wood articles imported into the United States could pose a significant hazard of introducing plant

pests and pathogens detrimental to agriculture and to natural, cultivated, and urban forest resources. The Animal and Plant Health Inspection Service (APHIS) has implemented regulations to prohibit or restrict the importation of logs, lumber, and other unmanufactured wood articles into the United States from certain parts of the world. These regulations, which are found in "Subpart—Logs, Lumber, and Other Unmanufactured Wood Articles" (7 CFR 319.40-1 through 319.40-11, referred to below as the regulations), are designed to prevent the dissemination of plant pests that are new to or not widely distributed within the United States.

An increased interest in the importation of unmanufactured wood articles into the United States from other countries has led to an increased demand for fast-growing trees, such as those of the genus *Eucalyptus*. The fast growth rate, environmental adaptability, and high quality for pulp production of this genus make it one of the most widely propagated genera of trees in the world. South American governments, including those of Brazil, Argentina, Chile, Peru, and Uruguay, have encouraged the planting of these fast-growing trees. Brazil has the largest area of *Eucalyptus* plantations in the world, with approximately 3 million hectares planted with various species. Although allowed under the current regulations under certain conditions, logs, lumber, and wood chips of *Eucalyptus* are not being imported currently into the United States from South America. Recently, however, wood products industries in the United States have expressed interest in importing large volumes of *Eucalyptus* wood chips from South America.

Pest Risk Assessment

Since these articles would be a new commodity to the United States, APHIS believed it was necessary to determine whether the current regulations would provide an adequate level of protection against the introduction of plant pests potentially associated with *Eucalyptus* species if the wood products industries in the United States began importing logs, lumber, and wood chips of species of *Eucalyptus*.

In order to identify the plant pests potentially associated with *Eucalyptus* species and the risk of the introduction and dissemination of these plant pests into the United States from the importation of logs, lumber, and wood chips of species of *Eucalyptus* from South America, the U.S. Forest Service recently prepared a pest risk assessment entitled, "Pest Risk Assessment of the Importation into the United States of

Unprocessed *Eucalyptus* Logs and Chips from South America" (April 2001). This document can be viewed on the Internet at <http://www.fpl.fs.fed.us/documnts/General.htm>, or you can request a copy from the individual listed under **FOR FURTHER INFORMATION CONTACT**. This pest risk assessment found that the pests of greatest concern are those that are native to South America that have adapted to make introduced *Eucalyptus* a suitable host. This adaptability suggests that these pests could pose a risk to a wider host range and could adapt to new hosts in the United States. The potential effects of the introduction of these pests are difficult to predict. Many of the pests that were identified in the pest risk assessment as having a high likelihood of introduction into the United States are more tropical in nature, so their ability to colonize hosts in the United States would be limited to the warmer southern States. However, the pest risk assessment also identified potential negative consequences to Hawaii because of that State's more tropical climate. The pest risk assessment indicated visual inspection alone might not provide the appropriate level of protection against several pests of tropical species of *Eucalyptus* and that additional mitigation methods might be necessary.

Among the insects and pathogens assessed in the risk assessment of *Eucalyptus* species, eight were rated a high risk potential: Purple moth (*Sarsina virescens*), scolytid bark and ambrosia beetles (*Scolytopsis brasiliensis* and *Xyleborus* spp., including *X. retusus* and *X. biconicus*), carpenterworm (*Chilecomadia valdiviana*) on *Eucalyptus nitens*, round-headed wood borers (*Chydarteres striatus*, *Retrachyderes thoracicus*, *Trachyderes* spp., *Steirastoma breve*, *Stenodontes spinibarbis*), eucalyptus longhorned borer (*Phoracantha semipunctata*), Botryosphaeria cankers (*Botryosphaeria dothidea*, *Botryosphaeria obtusa*, *Botryosphaeria ribis*), Ceratocystis canker (*Ceratocystis fimbriata*), and pink disease (*Erythricium salmonicolor*). The Botryosphaeria cankers and Ceratocystis canker are indigenous to the United States, so they would not be classified as quarantine pests under the regulations.

Debarking, which would continue to be a requirement in addition to the proposed requirements for logs and lumber of tropical species of *Eucalyptus* from South America, eliminates, or at least facilitates the detection of, plant pests and pathogens found on the surface of logs, as well as those found immediately beneath the bark. The

debarking process destroys the pests themselves and disrupts the host material so that life stages of the pests cannot be completed. Debarking the *Eucalyptus* logs in the country of origin could effectively remove egg masses and larvae of purple moth and carpenterworm on the bark. It would also be effective against Scolytid bark beetles.¹ Debarked logs can be inspected more effectively at the port of first arrival for the presence of boring insects. Because it is impossible to completely remove all pieces of bark, and because debarked logs might be reinfested by pests if not protected after debarking, however, debarking is best used to increase the efficacy of other mitigation measures such as heat treatment, fumigation, or pesticide treatment, rather than as a stand-alone measure.

Heat treatment is effective against all pests, and has been proven to be an effective means of reducing risk.² This treatment would be effective against purple moth since this pest can be found in all of its life stages on the surface of the wood. Kiln drying or steam or hot water treatment would be effective for Scolytid bark and ambrosia beetles.³ For pests such as round-headed borers, eucalyptus longhorned borers, and carpenterworm, which are found in the wood itself, kiln drying or steam heat or hot water treatments would be effective.⁴

Fumigation with methyl bromide has been used for many years to treat logs and lumber because of the chemical's high volatility, ability to penetrate most materials, and broad toxicity against a

wide variety of pests (all stages of insects, mites, ticks, nematodes including cysts, snails, slugs, and fungi). The ability of methyl bromide to penetrate into wood has been a limitation of efficacy, but the removal of bark facilitates the penetration of the fumigant into wood.⁵ Although methyl bromide may not be effective against all organisms, particularly those found deep in the wood, Agency review of the efficacy of methyl bromide fumigations against pests and diseases in wood has been acceptable for two treatment schedules listed in the APHIS Plant Protection and Quarantine Treatment Manual (T-312 and T-404).⁶ This treatment would be effective for the purple moth, Scolytid bark and ambrosia beetles, round-headed borers, the eucalyptus longhorned borer, and carpenterworm.⁷

The evidence in the risk assessment suggests that logs, lumber, and wood chips of species of *Eucalyptus* from South America may be relatively free of most damaging organisms because the commercial *Eucalyptus* plantations are well managed for maximum production, closely monitored to detect and control damaging pests, and grow under conditions that do not generally lead to a high incidence of damage by pests. The proposed treatment requirements, which would be in addition to the current requirements that apply to debarked tropical hardwood logs and lumber, would provide additional protection against the introduction or dissemination of plant pests through the importation of logs and lumber of tropical species of *Eucalyptus* into the United States from South America.

Logs and Lumber of Eucalyptus

Although no wood products of tropical species of *Eucalyptus* from South America are currently being imported into the United States, the regulations do contain provisions under which such logs and lumber could be imported from South America. Specifically, the provisions of § 319.40-5(c) regarding the importation of tropical hardwood logs and lumber and the universal importation options for

logs and lumber in § 319.40-6(a) are applicable to the importation of logs and lumber of tropical species of *Eucalyptus* from South America.

For tropical hardwood logs and lumber, § 319.40-5(c)(1) provides that those articles may be imported if they have been debarked in accordance with § 319.40-7(b) and subject to the inspection and other requirements of § 319.40-9.

Under the universal importation options in § 319.40-6(a), logs may be imported if they are: (1) Debarked in accordance with § 319.40-7, (2) heat treated in accordance with § 319.40-7(c), and (3) stored and handled in such a way that plant pests have no access to the logs during the entire interval between treatment and export. Lumber may be imported under the universal importation options in § 319.40-6 if it is heat treated in accordance with § 319.40-7(c) or heat treated with moisture reduction in accordance with § 319.40-7(d), and meets certain other conditions.

Similarly, temperate species of *Eucalyptus* from South America can be imported pursuant to § 319.40-5(d) of the regulations, which provides that temperate hardwoods from specified locations can be imported if fumigated prior to arrival in the United States in accordance with § 319.40-7(f) and subject to the inspection and other requirements of § 319.40-9. Temperate species of *Eucalyptus* can also be imported pursuant to the universal importation options in § 319.40-6(a).

Under this proposed rule, the universal importation options in § 319.40-6, which are more restrictive than the regulations in § 319.40-5 for tropical hardwoods, would continue to apply to logs and lumber of tropical species of *Eucalyptus* from South America. However, based on the evidence in the pest risk assessment discussed previously, we are proposing to amend § 319.40-5 to provide more restrictive entry requirements for debarked logs and lumber of tropical species of *Eucalyptus* from South America, with the aim of eliminating the risk of the introduction into the United States of plant pests associated with these articles. Specifically, we are proposing to amend the regulations in § 319.40-5(c)(1) to require that logs and lumber of tropical species of *Eucalyptus* from South America be fumigated with methyl bromide or heat treated in accordance with the regulations in § 319.40-7 prior to importation.

Wood Chips

The regulations in § 319.40-6(c)(2) provide conditions under which wood

¹ U.S. Department of Agriculture (USDA), APHIS. 1991. An efficacy review of control measures for potential pests of imported Soviet timber. Misc. Pub. 1496, September 1991. Riverdale, MD.

² Dwinell, L.D. 1997. Pinewood nematode: Regulation and mitigation. Ann. Rev. Phytopath. 35:153-166.

Dwinell, L.D. 1995. Using heat to decontaminate unbarked Virginia pine logs. Proc. Ann. Meeting Forest Products Society, Portland, OR, June 1995.

Morell, J.J. 1995. Importation of unprocessed logs into North America: a review of pest mitigation procedures and their efficacy. Forest Products Journal 45:41-49.

³ Ostaff, D.P. and M.Y. Cech. 1978. Heat-sterilization of spruce-pine-fir lumber containing sawyer beetle larvae (Coleoptera: Cerambycidae). Monochamus sp. Rep. OPX200E. Canadian Forestry Service, Ottawa, ON, 9 pp.

USDA, APHIS. 1991. An efficacy review of control measures for potential pests of imported Soviet timber. Misc. Pub. 1496, September 1991. Riverdale, MD.

⁴ Ostaff, D.P. and M.Y. Cech. 1978. Heat-sterilization of spruce-pine-fir lumber containing sawyer beetle larvae (Coleoptera: Cerambycidae). Monochamus sp. Rep. OPX200E. Canadian Forestry Service, Ottawa, ON, 9 pp.

USDA, Forest Service. 1991. Dry Kiln Operator's Manual. Forest Products Laboratory, Madison, WI. Agriculture Handbook 188. Revised August 1991.

⁵ Richard, J.L., and T.E. See, and W.B. Bollen. 1968. Control of incipient decay with gases in Douglas-fir poles. Forest Prod. Journal. 18(4): 45-51.

⁶ USDA, APHIS. 1998. Plant Protection and Quarantine Treatment Manual, Interim Edition. PPQ04-98-01.

⁷ Hanula, J.L. and C.W. Berisford. 1982. Methyl bromide fumigation destroys broods of the smaller European elm bark beetle (Coleoptera: Scolytidae) in elm logs. Journal Econ. Entomol. 75(4): 688-690.

USDA, APHIS. 1991. An efficacy review of control measures for potential pests of imported Soviet timber. Misc. Pub. 1496, September 1991. Riverdale, MD.

chips may be imported. Under the current regulations, wood chips that are not derived from tropical trees and that are from any place except places in Asia that are east of 60 degrees east longitude and north of the Tropic of Cancer may be imported into the United States if, among other things, they are, in accordance with the regulations in § 319.40–7: (1) Fumigated with methyl bromide; (2) heat treated; or (3) heat treated with moisture reduction. Wood chips that are derived from live, healthy, tropical species of plantation-grown trees grown in tropical areas, which would include wood chips of tropical species of *Eucalyptus* from South America, may currently be imported into the United States without undergoing the treatments listed, but they must be consigned to a facility operating under a compliance agreement.

Based on the evidence in the pest risk assessment discussed previously, which indicated that visual inspection alone might not provide the appropriate level of protection against several pests of tropical species of *Eucalyptus*, we are proposing more restrictive entry requirements for wood chips of tropical species of *Eucalyptus* from South America. We are proposing to amend the regulations to make wood chips of tropical species of *Eucalyptus* from South America subject to the same treatment requirements that apply to wood chips that are not derived from tropical trees, *i.e.*, fumigation with methyl bromide, heat treatment, or heat treatment with moisture reduction in accordance with the regulations in § 319.40–7 prior to importation. (The surface pesticide treatment discussed in the next paragraph as an alternative treatment for *Eucalyptus* wood chips from South America would also be available for wood chips of tropical species of *Eucalyptus*). This proposed requirement that wood chips of tropical species of *Eucalyptus* be subject to the same treatment requirements that apply to wood chips that are not derived from tropical trees is necessary to ensure protection against the introduction and dissemination of plant pests through the importation of wood chips of tropical species of *Eucalyptus* from South America. As discussed in the previous section, the proposed treatments have been proven effective against the pests that were identified with a high risk potential in the risk assessment.

Surface Pesticide Treatment

APHIS has received several requests from the wood pulp industry for an alternative treatment for *Eucalyptus* wood chips, which are in demand

because they produce high quality pulp. While heating and fumigation treatments are appropriate for solid wood products, they are less useful for wood chips. Heating of wood chips is time consuming, and fumigation of wood chips in ship holds is difficult. Surface pesticide treatments, however, can be effectively applied to large shipments of wood chips. Treatment with topical fungicides and insecticides has several advantages over other mitigation measures for the treatment of wood chips: The spray can coat nearly the entire surface of the chip, the treatment solution can be easily adjusted to improve chip coating or biological efficacy, and the total amount of treatment per dry ton of chips can be monitored readily. The quality of the treatment can be monitored by removing samples of chips for chemical analysis. This option is not possible with heat treatment or fumigation since no residual evidence of the treatment is present with these measures.⁸ Based on the requests from the wood pulp industry and on the evidence in the pest risk assessment prepared by the U.S. Forest Service, we are proposing an alternative treatment for the treatment of *Eucalyptus* wood chips prior to importation.

In response to similar requests from the wood pulp industry for an alternative treatment for Monterey pine wood chips from Chile, APHIS amended the regulations in April 2000 to allow the importation of *Pinus radiata* (also known as Monterey pine) wood chips from Chile if the surfaces of the wood chips are treated with a specified pesticide mixture.

We are proposing to amend § 319.40–7(e), concerning surface pesticide treatments, to allow the same treatment used on *Pinus radiata* wood chips from Chile to be used on wood chips of species of *Eucalyptus*. This surface pesticide treatment must be a mixture of a fungicide containing 64.8 percent of the active ingredient didecyl dimethyl ammonium chloride and 7.6 percent of the active ingredient 3-iodo-2-propynyl butylcarbamate and an insecticide containing 44.9 percent of the active ingredient chlorpyrifos phosphorothioate. The wood chips would have to be sprayed with the pesticide so that all the chips are exposed to the chemical on all sides. During the entire interval between treatment and export, the wood chips would have to be stored, handled, or safeguarded in a manner that prevents

any infestation of the wood chips by plant pests.

This surface pesticide treatment has proven effective for treatment of *Pinus radiata* wood chips against mold and sapstain, including *Alternaria alternata*, *Ophiostoma piceae*, *Phialophora* spp., *Aspergillus niger*, and *Trichoderma* spp.⁹ Observations of ship holds containing *Pinus radiata* wood chips entering the United States in Washington indicate little evidence of insect activity.¹⁰ The effectiveness of the insecticide in the chip treatment, the minimal amount of bark, and the fragmentation of the wood probably all contribute to this result. Allowing the use of this surface pesticide treatment on wood chips of species of *Eucalyptus* from South America would provide another treatment alternative to persons interested in importing such wood chips while continuing to protect against the introduction of plant pests.

To help ensure that the *Pinus radiata* wood chips from Chile are free from pests, several additional requirements are included in the regulations, which are found in § 319.40–6(c)(1). Under this proposed rule, these requirements would also apply to *Eucalyptus* wood chips that had undergone surface pesticide treatment. We would require that the wood chips be treated with a surface pesticide treatment in accordance with § 319.40–7(e) within 24 hours after the log was chipped and be retreated if more than 30 days elapsed between the date of the first treatment and the date of export to the United States.

We would also require that the wood chips be accompanied by a certificate stating that the wood chips were derived from logs from live, healthy, plantation-grown trees that were apparently free of plant pests, plant pest damage, and decay organisms, and that the logs were debarked in accordance with § 319.40–7(b) before being chipped. We would require that the wood chips be from plantation-grown trees because the pest risk in a managed forest area is lower than in an unmanaged forest.

We would also require that the certificate state that no more than 45 days elapsed from the time the trees used to make the chips were felled to the time the wood chips were exported.

⁹ Morell, J.J. and C.M. Freitag, and A. Silva. 1998. Protection of freshly cut radiata pine chips from fungal attack. Forest Prod. Journal 48(2): 57–59.

¹⁰ Russell, K. 1996. How does Washington deal with inquiries and procedures for importing unmanufactured wood products? Proc. Importing Wood Products: Pest Risk to Domestic Industries. Oregon State University, Corvallis, OR, pp. 138–140.

⁸ Morell, J.J. and C.M. Freitag, and A. Silva. 1998. Protection of freshly cut radiata pine chips from fungal attack. Forest Prod. Journal 48(2): 57–59.

This requirement would reduce the opportunities for exposure of the logs to plant pests.

Additionally, we would require that the wood chips be consigned to a facility in the United States operating under a compliance agreement with APHIS, in accordance with § 319.40–8 of the regulations. The compliance agreement would further ensure the safe importation of the treated wood chips by specifying safeguards and requirements to ensure that the processing method would effectively destroy any plant pests, and by stating that inspectors must be allowed access to the facility to monitor compliance with the requirements of the compliance agreement and the regulations.

We would require that, during shipment to the United States, no other regulated articles (other than solid wood packing materials) would be permitted in the holds or sealed containers carrying the wood chips, and that wood chips on a vessel’s deck would have to be in a sealed container. These requirements would control possible movement of plant pests from other regulated articles.

We would also require that certain safeguards be applied upon arrival of the wood chips in the United States. First, the wood chips would have to be unloaded upon arrival by a conveyor that is covered, to prevent the chips from being blown by the wind and to prevent accidental spillage. The facility receiving the wood chips would have to have a procedure in place to retrieve any chips that fall during unloading. If the chips must be transported after arrival, we would require that they must

be covered or safeguarded in a manner that prevents the chips from spilling or falling off the means of conveyance, or from being blown off the means of conveyance by wind. Once at the facility, the wood chips would have to be stored on a paved surface and be kept segregated from other regulated articles from the time of discharge from the means of conveyance until the chips are processed. The storage area could not be adjacent to wooded areas. Finally, the wood chips would have to be processed, and any fines or unusable wood chips would have to be disposed of by burning within 45 days of arrival at the facility. (“Fines” are small particles or fragments of wood, slightly larger than sawdust, that result from chipping, sawing, or processing wood.) These safeguards would help remove any opportunities for movement of plant pests from the wood chips, should there be any plant pests present on the chips.

Executive Order 12866 and Regulatory Flexibility Act

This proposed rule has been reviewed under Executive Order 12866. The rule has been determined to be not significant for the purposes of Executive Order 12866 and, therefore, has not been reviewed by the Office of Management and Budget.

This proposed rule would amend the regulations that govern the importation of logs, lumber, and other unmanufactured wood articles into the United States to require that logs and lumber of tropical species of *Eucalyptus* from South America be fumigated with methyl bromide or heat treated prior to importation and that wood chips of

tropical species of *Eucalyptus* from South America be fumigated with methyl bromide, heat treated, or heat treated with moisture reduction prior to importation. In addition, this proposed rule would amend the regulations to allow *Eucalyptus* wood chips from South America to be treated with a surface pesticide as an alternative to the current treatments. These proposed changes are necessary in order to prevent the introduction of plant pests into the United States through the importation of eucalyptus logs, lumber, and wood chips from South America.

Currently, no wood products of tropical or temperate species of *Eucalyptus* from South America are being imported into the United States. In response to several written and verbal requests from wood products industries in the United States wishing to begin importing these articles, the U.S. Forest Service prepared a risk assessment that indicated that more restrictive entry requirements would be necessary to prevent the introduction of pests into the United States. Since there are currently no imports of these articles, the more restrictive measures will not have any immediate economic impacts, but the proposed changes might impact future imports of wood products of tropical species of *Eucalyptus* from South America.

The cost of the treatment methods we are proposing to require for *Eucalyptus* spp. logs, lumber, and wood chips (see table 1) would be comparable to the costs of those treatments as they are currently applied to other unmanufactured wood products imported into the United States.

TABLE 1.—TREATMENT COSTS FOR EUCALYPTUS WOOD PRODUCTS

	Heat	Methyl bromide	Heat with moisture reduction	Surface pesticide
Wood chips (1 ton)	\$50 to \$100	\$0.50 to \$3	\$20 to \$30	\$1.50 to \$3.
Logs and lumber (1,000 bd. ft)	\$100 to \$200	\$1 to \$3	\$41 to \$77	\$1 to \$10.

Source: U.S. Environmental Protection Agency, Dec. 1996, “Heat Treatments to Control Pests on Imported Timber.”
Note: 1,000 board feet of *Eucalyptus* weighs approximately 4,000 pounds.
Note: Heat treatment with moisture reduction is offered as a treatment only for lumber because it is not as effective for logs and damages the wood.

The additional costs of these proposed treatments would be less than 1 percent of the value of the imported *Eucalyptus* wood products and thus would not have a significant impact on future imports of wood products of *Eucalyptus* from South America.

The proposed surface pesticide treatment for *Eucalyptus* wood chips from South America would provide an alternative to the currently approved treatments, which include fumigation

with methyl bromide, heat treatment, and heat treatment with moisture reduction. The cost of the proposed surface pesticide treatment is comparable to that of the existing treatment of methyl bromide fumigation (see table 1), and is already being used to treat *Pinus radiata* wood chips from Chile, so we do not expect it would have a significant economic impact on the wood products industries. This proposed rule would benefit the U.S.

wood products industries by making available an alternative treatment that is more cost effective for treating large volumes of wood chips. The availability of this alternative treatment would benefit the U.S. wood products industry by facilitating access to these wood chips, which are readily available and produce high-quality pulp.

At this time, we do not expect that this proposed rule would have any economic effects on any entities, large

or small, in the United States because no entities currently import unmanufactured *Eucalyptus* wood products from South America into the United States.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action would not have a significant economic impact on a substantial number of small entities.

Executive Order 12988

This proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. If this proposed rule is adopted: (1) State and local laws and regulations will not be preempted; (2) no retroactive effect will be given to this rule; and (3) administrative proceedings will not be required before parties may file suit in court challenging this rule.

National Environmental Policy Act

An environmental assessment has been prepared for this proposed rule. The assessment provides a basis for the conclusion that the importation of logs, lumber, and wood chips of tropical species of eucalyptus from South America and the alternate treatment for wood chips of species of eucalyptus from South America under the conditions specified in this proposed rule would not present a risk of introducing or disseminating plant pests and would not have a significant impact on the quality of the human environment.

The environmental assessment was prepared in accordance with: (1) The National Environmental Policy Act of 1969 (NEPA), as amended (42 U.S.C. 4321 *et seq.*), (2) Regulations of the Council on Environmental Quality for implementing the procedural provisions of NEPA (40 CFR parts 1500–1508), (3) USDA regulations implementing NEPA (7 CFR part 1b), and (4) APHIS' NEPA Implementing Procedures (7 CFR part 372).

The environmental assessment is available for viewing on the Internet at <http://www.aphis.usda.gov/ppd/es/ppqdoc.html>. Copies of the environmental assessment are also available for public inspection in our reading room. (Information on the location and hours of the reading room is provided under the heading **ADDRESSES** at the beginning of this proposed rule). In addition, copies may be obtained by calling or writing to the individual listed under **FOR FURTHER INFORMATION CONTACT**.

Paperwork Reduction Act

This proposed rule contains no new information collection or recordkeeping

requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

List of Subjects in 7 CFR Part 319

Bees, Coffee, Cotton, Fruits, Honey, Imports, Logs, Nursery Stock, Plant diseases and pests, Quarantine, Reporting and recordkeeping requirements, Rice, Vegetables.

Accordingly, 7 CFR part 319 would be amended as follows:

PART 319—FOREIGN QUARANTINE NOTICES

1. The authority citation for part 319 would continue to read as follows:

Authority: 7 U.S.C. 450 and 7701–7772; 21 U.S.C. 136 and 136a; 7 CFR 2.22, 2.80, and 371.3.

2. In § 319.40–5, paragraph (c)(1) would be revised to read as follows:

§ 319.40–5 Importation and entry requirements for specified articles.

* * * * *

(c) * * *

(1) *Debarked*. Tropical hardwood logs and lumber that have been debarked in accordance with § 319.40–7(b) may be imported subject to the inspection and other requirements of § 319.40–9, except that debarked logs and lumber of tropical species of *Eucalyptus* from South America must also be fumigated in accordance with § 319.40–7(f) or heat treated in accordance with § 319.40–7(c) prior to importation.

* * * * *

3. In § 319.40–6, paragraph (c), the introductory text of paragraph (c)(1), and paragraph (c)(2)(i)(A) would be revised to read as follows:

§ 319.40–6 Universal importation options.

* * * * *

(c) * * *

(1) *From Chile (pine) and South America (eucalyptus)*. Wood chips from Chile that are derived from Monterey or Radiata pine (*Pinus radiata*) logs and wood chips from South America that are derived from species of *Eucalyptus* may be imported in accordance with paragraph (c)(2) of this section or in accordance with the following requirements:

* * * * *

(2) * * *

(i) * * *

(A) Derived from live, healthy, tropical species of plantation-grown trees grown in tropical areas; *Except that*: Wood chips derived from tropical species of *Eucalyptus* from South America must be treated as described in paragraph (c)(2)(i)(B) of this section; or

* * * * *

§ 319.40–7 [Amended]

4. In § 319.40–7, paragraph (e) would be amended as follows:

a. In the introductory text of the paragraph, by adding the words “and *Eucalyptus* wood chips from South America” after the word “Chile”.

b. In paragraph (e)(2), in the paragraph heading, by adding the words “and *Eucalyptus* wood chips from South America” after the word “Chile” and, in the first sentence following the paragraph heading, by adding the words “or on *Eucalyptus* wood chips from South America” after the word “Chile”.

Done in Washington, DC, this 8th day of September, 2003.

Peter Fernandez,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 03–23432 Filed 9–12–03; 8:45 am]

BILLING CODE 3410–34–P

FARM CREDIT ADMINISTRATION

12 CFR Parts 614, 620, 630

RIN 3052–AC07

Loan Policies and Operations; Disclosure to Shareholders; Disclosure to Investors in Systemwide and Consolidated Bank Debt Obligations of the Farm Credit System

AGENCY: Farm Credit Administration.

ACTION: Proposed rule.

SUMMARY: The Farm Credit Administration (FCA or agency) proposes to amend its regulations governing the Farm Credit System's (System) mission to provide sound and constructive credit and services to young, beginning, and small farmers and ranchers, and producers or harvesters of aquatic products (YBS farmers and ranchers or YBS). Additionally, the agency proposes to amend the System's disclosure to shareholders and investors to include reporting on its service to YBS farmers and ranchers.

DATES: You may send us comments by November 14, 2003.

ADDRESSES: Send us your comments by electronic mail to “reg-comm@fca.gov” or through the Pending Regulations section of our Web site, “www.fca.gov” or through the government-wide “www.regulations.gov” portal. You may also send written comments to Robert Coleman, Director, Regulation and Policy Division, Office of Policy and Analysis, Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102–5090, or by facsimile transmission to (703) 734–5784. You