§ 762.126 Security requirements.

* * * * *

(e) * * *

(2) Junior lien positions are acceptable only if the total amount of debt with liens on the security, including the debt in junior lien position, is less than or equal to 75 percent of the value of the security. Junior liens on crops or livestock products will not be relied upon for security unless the lender is involved in multiple guaranteed loans to the same borrower and also has the first lien on the crops or livestock products.

* * * * *

6. Revise § 762.145(b)(6)(i) to read as follows:

§ 762.145 Restructuring guaranteed loans.

* * * * *

(b) * * *

(6) * * *

(i) As a result of the capitalization of interest, a rescheduled promissory note may increase the amount of principal which the borrower is required to pay. However, in no case will such principal amount exceed the statutory loan limits contained in § 761.8 of this chapter.

* * * * *

7. Add § 762.159, to read as follows:

§ 762.159 Pledging of guarantee.

A lender may pledge all or part of the guaranteed portion of the loan as security to a Federal Home Loan Bank or Federal Reserve Bank. In the event that a Federal Home Loan Bank or Federal Reserve Bank acquires a guaranteed loan as a result of enforcing its security interest, the guarantee will be unenforceable until a new eligible lender is substituted in accordance with § 762.105. The guarantee will not cover a loss that results from negligent servicing during any period when the loan is held by an ineligible lender, including the Federal Home Loan Bank or Federal Reserve Bank.

8. Revise § 762.160 to read as follows:

§ 762.160 Assignment of guaranteed portion.

(a) The following general requirements apply to assigning guaranteed loans.

(1) Subject to Agency concurrence, the lender may assign all or part of the guaranteed portion of the loan to one or more holders at or after loan closing, if the loan is not in default. However, a line of credit cannot be assigned.

(2) The Agency may refuse to execute the Assignment of Guarantee in case of the following:

(i) The Agency purchased and is holder of a loan that was assigned by the lender that is requesting the assignment.

(ii) The lender has not complied with the reimbursement requirements of § 762.144(c)(7), except when the 180-day reimbursement or liquidation requirement has been waived by the Agency.

(3) The lender will provide the Agency with copies of all appropriate executed forms used in the assignment.

(4) The guaranteed portion of the loan may not be assigned by the lender until the loan has been fully disbursed to the borrower.

(5) The lender is not permitted to assign any amount of the guaranteed or unguaranteed portion of the loan to the loan applicant or borrower, or members of their immediate families, their officers, directors, stockholders, other owners, or any parent, subsidiary, or affiliate.

(6) Upon the lender's assignment of the guaranteed portion of the loan, the lender will remain bound to all obligations indicated in the Guarantee, the Lender's Agreement, the Agency program regulations, and to future program regulations not inconsistent with the provisions of the Lender's Agreement. The lender retains all rights under the security instruments for the protection of the lender and the United States.

(b) The following will occur upon the lender's assignment of the guaranteed portion of the loan:

(1) The holder will succeed to all rights of the Guarantee pertaining to the portion of the loan assigned.

(2) The lender will send the holder the borrower's executed note attached to the Guarantee.

(3) The holder, upon written notice to the lender and the Agency, may assign the unpaid guaranteed portion of the loan. The holder must assign the guaranteed portion back to the original lender if requested by the lender for servicing or liquidation of the account.

(4) The guarantee or assignment of guarantee in the holder's possession does not cover:

(i) Interest accruing 90 days after the holder has demanded repurchase by the lender, except as provided in the assignment of guarantee and § 762.144(c)(3)(iii).

(ii) Interest accruing 90 days after the lender or the Agency has requested the holder to surrender evidence of debt repurchase, if the holder has not previously demanded repurchase.

(c) Negotiations concerning premiums, fees, and additional payments for loans are to take place between the holder and the lender. The Agency will participate in such negotiations only as a provider of information.

Signed in Washington, DC on April 12, 2004.

Verle E. Lanier,

Acting Administrator, Farm Service Agency.

[FR Doc. 04–10068 Filed 5–3–04; 8:45 am]

BILLING CODE 3410–05–P

DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

9 CFR Parts 317 and 381

[Docket No. 03–026P]

RIN 0583–AD05

Uniform Compliance Date for Food Labeling Regulations

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Proposed rule.

SUMMARY: The Food Safety and Inspection Service (FSIS) is proposing to establish January 1, 2008, as the uniform compliance date for new food labeling regulations that are issued between January 1, 2005, and December 31, 2006. FSIS is proposing to establish a uniform compliance date to minimize the economic impact of labeling changes by providing for an orderly industry adjustment to new labeling requirements. Furthermore, FSIS is establishing the uniform compliance date to be consistent with the approach that the Department of Health and Human Services, Food and Drug Administration (FDA) has already established.

DATES: Submit comments by July 6, 2004.

ADDRESSES: FSIS invites interested persons to submit comments on this proposed rule. Comments may be submitted by any of the following methods:

- Mail, including floppy disks or CD–ROM's, and hand-or courier-delivered items: Send to Docket Clerk, U.S. Department of Agriculture, Food Safety and Inspection Service, 300 12th Street, SW., Room 102 Cotton Annex, Washington, DC 20250.
- Federal eRulemaking Portal: Go to *http://www.regulations.gov*. Follow the online instructions at that site for submitting comments.

All submissions received must include the Agency name and docket number 03–026P or Regulatory Information Number (RIN) 0583–AD05.

All comments submitted in response to this proposal, as well as research and background information used by FSIS in developing this document, will be

available for public inspection in the FSIS Docket Room at the address listed above between 8:30 a.m. and 4:30 p.m., Monday through Friday. The comments also will be posted on the Agency's Web site at *http://www.fsis.usda.gov/OPPDE/rdad/FRDockets.htm*.

FOR FURTHER INFORMATION CONTACT: Robert C. Post, Ph.D., Director, Labeling and Consumer Protection Staff, Office of Policy and Program Development, Food Safety and Inspection Service, U.S. Department of Agriculture, Washington, DC 20250–3700, Telephone (202) 205–0279, Fax (202) 205–3625. Copies of references cited in this document are available in the FSIS Docket Clerk's Office (*see* **ADDRESSES**).

SUPPLEMENTARY INFORMATION:

Background

The Food Safety and Inspection Service (FSIS) periodically issues regulations requiring changes in the labeling of meat and poultry food products. Currently, the Agency establishes a compliance date for each new labeling regulation that it publishes. Many meat and poultry establishments also produce non-meat and non-poultry food products subject to the jurisdiction of the Food and Drug Administration (FDA), and the FDA also periodically issues regulations requiring changes in the labeling of such food products. In contrast to FSIS, FDA has a standard uniform compliance date for all of its food labeling regulations that are issued during a given two year period. FSIS has determined that coordinating the effective dates of its labeling changes and FDA's labeling changes will minimize the economic impact of those changes on the industry.

Therefore, FSIS believes that there should be a uniform compliance date for all food product labeling regulations affecting meat and poultry establishments that are issued within a two year period. Such a compliance date will ensure that changes will take effect on a timely basis, but that companies will not have to respond separately to each change.

In December 2002, FDA established January 1, 2006, as the uniform compliance date for all Federal food labeling regulations affecting non-meat and non-poultry food products which it issues between January 1, 2003 and December 31, 2004. We anticipate that FDA will publish in the **Federal Register** its next sequential uniform compliance date as January 1, 2008, for food labeling regulations issued between January 1, 2005, and December 31, 2006. Therefore, in order to harmonize its compliance schedule with that of FDA, FSIS is proposing to establish January 1, 2008, as the uniform compliance date for amendments to the Federal meat and poultry food product labeling regulations that it issues between January 1, 2005, and December 31, 2006.

Like FDA, FSIS intends to set uniform compliance dates in two year increments. The Agency believes that two year increments will enhance the industry's ability to make orderly adjustments to new labeling requirements. Industry will be able to plan for the use of label inventories and develop new labeling materials that include new requirements of all the labeling regulations made within the two year period, thereby minimizing the economic impact of labeling changes. By establishing a uniform compliance date that is the same as FDA's, FSIS is providing the meat and poultry industry with a greater ability to adjust its production plans to new labeling requirements across all of its product lines.

Establishing this policy serves consumers' interests because the cost of multiple short-term label revisions that would otherwise occur would likely be passed on to consumers in the form of higher prices.

If adopted, this action will not change existing requirements for compliance dates contained in final rules published before January 1, 2005. Therefore, all final FSIS regulations published in the **Federal Register** before January 1, 2005, will go into effect on the date stated in the respective final rule.

Even if this action is adopted, it will remain the agency's policy generally to encourage industry to comply with new labeling regulations as quickly as feasible. Thus, when industry members voluntarily change their labels, they should consider incorporating any new requirements that have been published as final regulations up to that time.

The new uniform compliance date, if adopted, will apply only to final FSIS regulations that require changes in the labeling of meat and poultry products and that are published after January 1, 2005, and before December 31, 2006. In each of these regulations, FSIS will specifically identify January 1, 2008, as the compliance date. All meat and poultry food products that are subject to the labeling regulations promulgated between January 1, 2005, to December 31, 2006, will be required to comply with these regulations when introduced into commerce on or after January 1, 2008. If any food labeling regulation involves special circumstances that justify a compliance date other than January 1, 2008, the agency will determine for that regulation an appropriate compliance date, which will be specified when the final regulation is published.

Executive Order 12866

This action has been determined to be not significant and therefore has not been reviewed by the Office of Management and Budget in accordance with Executive Order 12866. Establishing a uniform compliance date for all future Federal food product labeling regulations affecting the meat and poultry industry that are issued by FSIS and FDA over a two year period will eliminate potentially burdensome requirements otherwise faced by the industry. This measure is consistent with regulatory reform of Federal rulemaking in that it eliminates potentially unnecessary and burdensome requirements.

The elimination of potentially conflicting compliance dates provides an orderly industry adjustment to any new labeling requirements. Labeling changes in response to Federal regulations will likely be less frequent, and establishments will be able to plan for full utilization of their labeling stocks.

Regulatory Flexibility Analysis

This rule does not have a significant economic impact on a substantial number of small entities; consequently, an initial regulatory flexibility analysis is not required (5 U.S.C. 601–612). The uniform compliance date does not impose any burden on small entities. The agency will conduct regulatory flexibility analyses of future labeling regulations if such analyses are required.

Paperwork Requirements

There are no paperwork or recordkeeping requirements associated with this rule under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

Additional Public Notification

Public awareness of all segments of rulemaking and policy development is important. Consequently, in an effort to better ensure that the public and in particular that minorities, women, and persons with disabilities are aware of this proposed rule, FSIS will announce it on-line through the FSIS Web page located at *http://www.fsis.usda.gov*.

The Regulations.gov Web site is the central online rulemaking portal of the United States government. It is being offered as a public service to increase participation in the Federal government's regulatory activities. FSIS

participates in Regulations.gov and will accept comments on documents published on the site. The site allows visitors to search by keyword or Department or Agency for rulemakings that allow for public comment. Each entry provides a quick link to a comment form so that visitors can type in their comments and submit them to FSIS. The Web site is located at *http://www.regulations.gov*. FSIS also will make copies of this **Federal Register** publication available through the FSIS Constituent Update, which is used to provide information regarding FSIS policies, procedures, regulations, **Federal Register** notices, FSIS public meetings, recalls, and other types of information that could affect or would be of interest to our constituents and stakeholders. The update is communicated via Listserv, a free e-mail subscription service consisting of industry, trade, and farm groups, consumer interest groups, allied health professionals, scientific professionals, and other individuals who have requested to be included. The update also is available on the FSIS web page. Through Listserv and the web page, FSIS is able to provide information to a much broader, more diverse audience.

Done in Washington, DC, on April 22, 2004.

Barbara J. Masters,

Acting Administrator.

[FR Doc. 04–9931 Filed 5–3–04; 8:45 am]

BILLING CODE 3410–DM–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 101

[Docket Nos. 1994P–0390 and 1995P–0241]

Food Labeling: Nutrient Content Claims, General Principles; Health Claims, General Requirements and Other Specific Requirements for Individual Health Claims; Reopening of the Comment Period

AGENCY: Food and Drug Administration, HHS.

ACTION: Proposed rule; reopening of the comment period.

SUMMARY: The Food and Drug Administration (FDA or the agency) is reopening for 60 days the comment period for the proposed rule entitled ''Food Labeling: Nutrient Content Claims, General Principles; Health Claims, General Requirements and Other Specific Requirements for Individual Health Claims'' (the 1995 proposal). In that document, FDA proposed to amend its existing nutrient content claims and health claims regulations to provide additional flexibility in the use of these claims on food products. Since the publication of the 1995 proposal, FDA established a task force for the Consumer Health Information for Better Nutrition Initiative, which recommended that FDA seek public comment on several topics related to qualified health claims and unqualified health claims (i.e., health claims that are supported by significant scientific agreement (SSA) and authorized by FDA by regulation). Some of these topics on unqualified health claims were specifically addressed in the 1995 proposal and, therefore, FDA is reopening the comment period on the 1995 proposal to seek comment on the proposed amendments to permit unqualified health claims on certain foods that do not contain 10 percent or more of one of certain required nutrients, the proposed amendments to provide criteria that FDA would consider in determining whether to grant an exemption from disqualifying nutrient levels related to unqualified health claims of certain nutrients, and the proposed amendments to retain the word ''may'' or ''might'' in unqualified health claims. In addition, FDA is seeking comment on the proposed use of unlisted synonyms and abbreviated health claims. Specifically, for unlisted synonyms (i.e., terms not defined by regulation), FDA repeats its request for data or other information demonstrating that unlisted synonyms that are anchored to defined terms in nutrient content claims are reasonably understood by consumers to be synonyms of the defined terms. For abbreviated health claims, FDA seeks comments and requests data or other information regarding whether abbreviated health claims would mislead consumers.

DATES: Submit written or electronic comments by July 6, 2004.

ADDRESSES: You may submit comments, identified by Docket Nos. 1994P–0390 and 1995P–0241, by any of the following methods:

Federal eRulemaking Portal: *http://www.regulations.gov*. Follow the instructions for submitting comments.

Agency Web site: *http://www.fda.gov/dockets/ecomments*. Follow the instructions for submitting comments on the agency Web site.

E-mail: *fdadockets@oc.fda.gov*. Include Docket Nos. 1994P–0390 and 1995P–0241 in the subject line of your e-mail message.

FAX: 301–827–6870.

Mail/Hand delivery/Courier (For paper, disk, or CD–ROM submissions): Division of Dockets Management, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852.

Instructions: All submissions received must include the agency name and Docket No. or Regulatory Information Number (RIN) for this rulemaking. All comments received will be posted without change to *http://www.fda.gov/dockets/ecomments*, including any personal information provided. For detailed instructions on submitting comments and additional information on the rulemaking process, see the ''Comments'' heading of the **SUPPLEMENTARY INFORMATION** section of this document.

Docket: For access to the docket to read background documents or comments received, go to *http://www.fda.gov/dockets/ecomments* and/or the Division of Dockets Management, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852.

FOR FURTHER INFORMATION CONTACT: Ritu Nalubola, Center for Food Safety and Applied Nutrition (HFS–820), Food and Drug Administration, 5100 Paint Branch Pkwy., College Park, MD 20740, 301–436–2371.

SUPPLEMENTARY INFORMATION:

I. Reopening of Comment Period

In the **Federal Register** of December 21, 1995 (60 FR 66206), FDA proposed to amend its regulations on nutrient content claims and health claims to provide additional flexibility in the use of these claims on food products. In the 1995 proposal, FDA proposed the following: (1) To allow additional synonyms for nutrient content claims without specific preclearance by the agency (i.e., unlisted synonyms), (2) to permit health claims on certain foods that do not currently qualify to bear a claim because they do not contain 10 percent of one or more of certain required nutrients, (3) to permit the use of shortened versions of authorized health claims (i.e., abbreviated health claims) under certain circumstances, (4) to eliminate and/or make optional some of the specific health claim elements required by regulation, and (5) to provide criteria that FDA would consider in determining whether to grant an exemption from disqualifying nutrient levels to permit some foods to bear an unqualified health claim even though they contain high levels of one or more of certain nutrients. FDA proposed these amendments in response