

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF AGRICULTURE

### Commodity Credit Corporation

#### 7 CFR Part 1446

RIN 0560-AFO1

#### Proposed Method for Setting the Sales Price Level for 1998-Crop Commodity Credit Corporation (CCC) Contract Additional Peanuts for Export Edible Use

**AGENCY:** Commodity Credit Corporation, USDA.

**ACTION:** Advanced notice of proposed rulemaking with request for comments.

**SUMMARY:** The purpose of this notice is to solicit comments concerning the method for determining the minimum export edible sales price for sales by the CCC of price support loan inventory of additional peanuts and the actual CCC sales price for export edible use.

Increasing competition in the world edible peanut market and lack of consensus within the peanut industry about the minimum export edible sales price level require an evaluation of future levels and procedures for establishing export edible sales prices.

**DATES:** Comments concerning the method of establishing the level of the minimum export edible sales price for additional peanuts must be received by September 30, 1997, in order to be assured consideration.

**ADDRESSES:** Comments must be submitted to the Director, Tobacco and Peanuts Division, USDA, Farm Service Agency (FSA), STOP 0514, 1400 Independence Avenue, S.W., Washington, D.C. 20250-0514. All written submissions will be made available for public inspection from 8:15 a.m. to 4:45 p.m.; Monday through Friday, except holidays, in room 5750-South Building, 1400 Independence Avenue, S.W., Washington, DC 20250-0514.

**FOR FURTHER INFORMATION CONTACT:** Kenneth M. Robison, FSA, USDA, STOP 0514, 1400 Independence Avenue, S.W.,

Washington, DC 20250-0514, telephone 202-720-9255.

**SUPPLEMENTARY INFORMATION:** The establishment of a minimum price at which additional peanuts owned or controlled by CCC may be sold for use as edible peanuts in export markets is a discretionary action. The announcement of that price provides producers and handlers with information to facilitate the negotiation of private contracts for the sale of additional peanuts for export.

An overly high price may discourage private sales. If too low, the minimum price could have an unnecessary, adverse effect on prices paid to producers for additional peanuts. The minimum price at which 1997 crop additional peanuts owned or controlled by CCC may be sold for use as edible peanuts in export markets was established at \$400 per short ton (st) on April 30, 1997. This price was designed to encourage exports while providing price stability for additional peanuts sold under contract. It was also designed to assure handlers that CCC would not undercut their export contracting efforts with offerings of additional peanuts for export edible sales below the minimum sales price.

During the 1997-crop comment period seven comments were received concerning the minimum export edible sales price. Four suggested keeping the price at \$400 per st, and three suggested lowering it to between \$300 and \$375 per st. Producer groups preferred keeping the minimum price at \$400 per ton while shellers preferred lowering it.

Since the 1997-crop comment period closed, several parties have requested that USDA study the method of setting the export edible sales price and its level. Competition in the world edible peanut market has increased markedly in recent years. Production in Argentina rose about 65 percent between 1992 and 1996 and South African production is expanding. With increased imports and annual reductions in domestic use of peanuts, until the recent anticipated small increase, the competitiveness of U.S. peanuts in world markets becomes more important.

Because of these requests and the increasing competitiveness in world edible peanut markets, industry and other comments are being solicited before setting the 1998 marketing year

(MY) minimum sales price for additional peanuts sold for export use.

Several options exist for establishing the additional peanut export edible sales price in 1998 and future years. These include: (1) Maintaining the \$400 per st level that has been in effect since 1986; (2) lowering the level of the minimum export edible sales price; (3) basing the minimum export edible sales price solely on some fixed percentage of the average price for "Segregation 1" additional peanuts delivered under contract for such MY; (4) establishing a minimum level and setting the export edible price at the lower of an absolute number or some percentage of the average price for "Segregation 1" additional peanuts delivered under contract for such MY; (5) basing the export edible minimum price on a calculated "world" price of edible peanuts; (6) basing the export edible price on the lower of an absolute number and a calculated "world" price of edible peanuts; or (7) some combination of the above.

Setting the minimum export edible sales price as an absolute number is the simplest and most straightforward. However, this method may not adequately consider the effect of supply and demand variations in the world marketplace.

Basing the minimum export edible sales price on the basis of the average contract price for Segregation 1 peanuts delivered under contract would capture some of the effects of change in the world edible market. However, this technique could create greater uncertainty and could complicate recordkeeping. This method of establishing the minimum export edible sales price was used briefly in 1986 and could be reestablished with or without modification for 1998 and subsequent years. In 1986, in a February 14 press release and a March 5 press release clarification, the original determination for the 1986 crop was that the 1986-1990 crops of additional peanuts would be sold by CCC for export edible use at no less than the lower of (1) \$400 per ton, or (2) 102 percent of the average contract price by type for Segregation 1 additional peanuts delivered under contract, plus cost, including inspection, warehousing, and shrinkage for such MYs as determined by CCC. However, after this policy was announced early contracting of 1986

peanuts slowed. For that reason, on April 22, 1986, the policy was changed to a minimum price of \$400 per ton and this level has remained in effect for 12 consecutive years.

A world price method of establishing the minimum export edible sales price could be ideal for capturing the effects of change in supply and demand in the world market. However, a lack of data for calculating world prices could limit USDA's ability to accurately capture the world price.

Comments on absolute levels for the minimum export sales price and the method of calculating the price are being sought. Comments should address whether USDA should continue to announce an absolute number, or should a formula be used, or should an absolute number be used in combination with a formula. If a formula is recommended, comments should address what components should be included and how should the components be weighed.

Following the receipt of comments, a proposed rule for the 1998 crop and for subsequent crops, if deemed appropriate, will be issued which will allow for additional comment.

Comments are sought in particular on the following questions:

(1) Should the minimum CCC sales price for additional peanuts to be sold from the price support loan inventory for export edible use from the 1998 and future crops be changed?

(2) Should the \$400 per st level that has been in effect since 1986 be changed?

(3) Should USDA switch to a formula to determine the minimum price for additional loan peanuts sold for export edible use?

(4) Should the formula be based on a set percentage of the weighted average contract price for additional peanuts for the current year?

(5) Should the formula be based on a set percentage of the world price of peanuts converted to a "Farmer Stock Basis"?

(6) Should a formula and absolute number both be used for setting the export edible sales price?

(7) Should the formula be based on a combination of contract prices and the world price for peanuts, and if so, what weight should contract additional prices and world peanut prices be given in the formula?

Signed at Washington, DC, on August 7, 1997.

**Bruce R. Weber,**

*Acting Executive Vice President, Commodity Credit Corporation.*

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BILLING CODE 3410-05-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 97-CE-34-AD]

RIN 2120-AA64

#### **Airworthiness Directives; Aerospace Technologies of Australia Pty Ltd. (Formerly Government Aircraft Factory) Models N22B, N22S, and N24A Airplanes**

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** This document proposes to adopt a new airworthiness directive (AD) that would apply to Aerospace Technologies of Australia Pty Ltd. (ASTA) Models N22B, N22S, and N24A airplanes. The proposed action would require repetitively inspecting the aft wing break connectors for arcing damage, deposits between contacts, and looseness of contacts; and removing deposits between contacts, tightening any loose contacts, and replacing any aft wing break connectors with arcing damage. The proposed AD results from several reports of uncommanded flap extensions and displays of incorrect stall warning indications on the affected airplanes. The actions specified by the proposed AD are intended to prevent contamination in the aft wing break connectors, which could result in uncommanded flap extensions and incorrect stall warning indications with consequent loss of airplane control.

**DATES:** Comments must be received on or before October 17, 1997.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Central Region, Office of the Assistant Chief Counsel, Attention: Rules Docket No. 97-CE-34-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106. Comments may be inspected at this location between 8 a.m. and 4 p.m., Monday through Friday, holidays excepted.

Service information that applies to the proposed AD may be obtained from Aerospace Technologies of Australia Pty Ltd., ASTA DEFENCE, Private Bag No. 4, Beach Road Lara 3212, Victoria, Australia. This information also may be examined at the Rules Docket at the address above.

**FOR FURTHER INFORMATION CONTACT:** Mr. Ron Atmur, Aerospace Engineer, FAA, Los Angeles Aircraft Certification Office, 3960 Paramount Boulevard, Lakewood, California 90712; telephone

(562) 627-5224; facsimile (562) 627-5210.

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the Rules Docket number and be submitted in triplicate to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this notice may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report that summarizes each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 97-CE-34-AD." The postcard will be date stamped and returned to the commenter.

##### Availability of NPRMs

Any person may obtain a copy of this NPRM by submitting a request to the FAA, Central Region, Office of the Assistant Chief Counsel, Attention: Rules Docket No. 97-CE-34-AD, Room 1558, 601 E. 12th Street, Kansas City, Missouri 64106.

##### Discussion

The Civil Aviation Safety Authority (CASA), which is the airworthiness authority for Australia, recently notified the FAA that an unsafe condition may exist on certain ASTA Models N22B, N22S, and N24A airplanes. The CASA reports several uncommanded flap extensions and displays of incorrect stall warning indications on the referenced airplanes. Contamination in the aft wing break connectors can cause such occurrences. These conditions, if not detected and corrected, could lead to loss of airplane control.