

weekly *Special Purpose Shipment Report* to the Committee when Washington sweet cherries are shipped or received for grading or packing along with inspection certificates or other information required by the Committee for verification purposes. The Committee estimates that each affected applicant will submit about 10 of these reports annually. The annual industry burden associated with this information collection is estimated to total approximately 5 hours.

An alternative to this action would be to not allow Washington sweet cherries to be shipped outside the production area for grading or packing. This alternative would limit the flexibility of growers and handlers to make decisions related to the grading, packing, and marketing of Washington sweet cherries. Another alternative would be to allow shipments of such sweet cherries for grading or packing outside the production area, but not require any reporting. The Committee did not support this alternative because of the lack of any safeguards to ensure compliance with the handling requirements implemented under the order. Allowing the shipment of Washington sweet cherries outside the production area for grading or packing is a relaxation of order requirements and any costs related to additional reporting will be greatly outweighed by the benefits of allowing such shipments.

This rule will impose an additional reporting and recordkeeping burden on persons who ship or receive sweet cherries for grading or packing outside the production area. This action requires two new Committee forms. In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the information collection requirements on these two Committee forms was approved by the Office of Management and Budget (OMB) under OMB Control No. 0581-0214 on March 31, 2003.

As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies. In addition, as noted in the initial regulatory flexibility analysis, USDA has not identified any relevant Federal rules that duplicate, overlap or conflict with this rule.

Further, the Committee's meeting was widely publicized throughout the sweet cherry industry and all interested persons were invited to attend the meeting and participate in Committee deliberations on all issues. Like all Committee meetings, the May 14, 2002, meeting was a public meeting and all

entities, both large and small, were able to express views on this issue.

An interim final rule concerning this action was published in the **Federal Register** on April 2, 2003 (68 FR 15923). Copies of this rule were mailed by the Committee staff to all Committee members. In addition, the rule was made available through the Internet by the Office of the Federal Register and the USDA. That rule provided for a 60-day comment period that ended June 2, 2003. No comments were received.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: <http://www.ams.usda.gov/fv/moab.html>. Any questions about the compliance guide should be sent to Jay Guerber at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

After consideration of all relevant material presented, including the Committee's recommendation, and other information, it is found that finalizing the interim final rule, without change, as published in the **Federal Register** (68 FR 15923, April 2, 2003) will tend to effectuate the declared policy of the Act.

List of Subjects in 7 CFR Part 923

Cherries, Marketing agreements, Reporting and recordkeeping requirements.

PART 923—SWEET CHERRIES GROWN IN DESIGNATED COUNTIES IN WASHINGTON

■ Accordingly, the interim final rule amending 7 CFR part 923 that was published at 68 FR 15923 on April 2, 2003, is adopted as a final rule without change.

Dated: June 17, 2003.

Kenneth C. Clayton,

Acting Administrator, Agricultural Marketing Service.

[FR Doc. 03-15739 Filed 6-20-03; 8:45 am]

BILLING CODE 3410-02-P

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 959

[Docket No. FV03-959-2 FIR]

Onions Grown in South Texas; Revision of Rules and Regulations

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: The Department of Agriculture (USDA) is adopting, as a final rule, with a minor change, an interim final rule that eliminated all container requirements from the handling regulations prescribed under the South Texas onion marketing order (order) and made several conforming and formatting changes. The order regulates the handling of onions grown in South Texas and is administered locally by the South Texas Onion Committee (Committee). This rule continues in effect the elimination of all container requirements from the handling regulations and several conforming changes. This action continues to provide the industry expanded flexibility to use any and all types and sizes of containers, or to ship onions in bulk. It also is expected to continue helping handlers compete more effectively in the marketplace, better meet buyers' needs, and help improve producer returns during the 2003 and future seasons.

EFFECTIVE DATE: July 23, 2003.

FOR FURTHER INFORMATION CONTACT: Belinda G. Garza, Regional Manager, McAllen Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1313 E. Hackberry, McAllen, Texas 78501; telephone: (956) 682-2833, Fax: (956) 682-5942; or George Kelhart, Technical Advisor, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue SW., STOP 0237, Washington, DC 20250-0237; telephone: (202) 720-2491, Fax: (202) 720-8938.

Small businesses may request information on complying with this regulation by contacting Jay Guerber, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue SW., STOP 0237, Washington, DC 20250-0237; telephone: (202) 720-2491, Fax: (202) 720-8938, or E-mail: Jay.Guerber@usda.gov.

SUPPLEMENTARY INFORMATION: This rule is issued under Marketing Agreement No. 143 and Order No. 959, both as amended (7 CFR part 959), regulating the handling of onions grown in South Texas, hereinafter referred to as the "order." The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the "Act."

The Department of Agriculture (USDA) is issuing this rule in conformance with Executive Order 12866.

This rule has been reviewed under Executive Order 12988, Civil Justice

Reform. This rule is not intended to have retroactive effect. This rule will not preempt any State or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with USDA a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and request a modification of the order or to be exempted therefrom. A handler is afforded the opportunity for a hearing on the petition. After the hearing USDA would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to review USDA's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

This rule continues in effect the elimination of all container requirements on onion shipments from the handling regulations prescribed under the South Texas onion order and several conforming and formatting changes. Removing all container requirements provides the industry expanded flexibility to use any and all types of containers preferred by consumers, buyers, and all retailers, or to ship onions in bulk shipments, which will help handlers compete more effectively in the marketplace, better meet buyers' needs, and help improve producer returns. All shipments will continue to be required to meet grade, size, and inspection requirements. In addition, this rule also continues to: (1) Remove outdated language from § 959.104; (2) remove all references to containers and applicable language from the order's rules and regulations; (3) remove an incorrectly referenced paragraph in current § 959.322(d) *Inspection* and replace it with the correct reference; and (4) correct the name of the Texas-Federal Inspection Service office. The Committee unanimously recommended these changes at its October 8, 2002, meeting and clarified the recommendations via a mail vote on October 31, 2002. After the October 8 meeting, the Chairman appointed a subcommittee to review the Committee's recommendations. The subcommittee met on November 5, 2002, and further discussed the reasons why the changes should be made.

Section 959.52(b)(4) of the onion order provides authority to regulate size,

capacity, weight, dimensions, or pack of the container or containers which may be used in the packaging, transportation, sale, preparation for market, shipments, or other handling of onions. Section 959.52(c) allows for the modification, suspension, or termination of such regulations when warranted.

Before the issuance of the interim final rule, § 959.322(c) of the order's rules and regulations outlined container requirements for onions. Section 959.322(c)(1) through (7) of the regulations authorized ten containers (25-pound, 50-pound, 2-pound, 3-pound, 5-pound, and 10-pound bags; 20-pound, 25-pound, 40-pound, and 50-pound cartons) for use by onion handlers. Section 959.322(f)(2) exempted gift packages of onions not exceeding 25 pounds per package from the container requirements of § 959.322(c) if the onions had not previously been handled. Also, § 959.322(f)(4) authorized the Committee to approve other types of containers for experimental or testing purposes.

In recent years, there has been a proliferation in package requirements from buyers intent on providing either unique packaging for their stores or special carton sizes for their racking or handling equipment. American retailers desiring to emulate European marketing concepts in display developments (and supporting handling systems) in the U.S. and Canadian marketplace have significantly influenced this process. The evolution of the club and discount stores, design alterations tailored to protecting the commodity from damage during shipments and/or store presentation, and the development of new packaging materials, for example, returnable plastic containers (RPCs) have also greatly influenced the marketplace. The supply side, for reasons of efficiency, has resisted this growth when possible. However, buyer influence is such that no shipper can or will deny buyers new cartons, knowing that other shippers will readily adopt them. The shippers are all impacted by the surge in packaging demands. Many retailers have asked handlers to pack onions in specific RPCs, master containers, and containers other than the currently approved permanent containers. Container dimensions can vary slightly depending on the manufacturers. During previous seasons, handlers applied for and obtained Committee approval to use other containers on an experimental basis. Safeguarding the use of such experimental containers was an additional burden for the Committee.

Because this trend seems certain to continue in the future, the Committee

concluded that the best and most economical resolution of the issue concerning the number of containers would be to simply eliminate the container requirements, thereby permitting shippers to respond to buyer requests as they see fit.

The trend toward even more unique and specialized packaging generally is governed by the desire of the retail community to receive produce in "display-ready" packaging consistent with the retailer's image and marketing plan for each type and size of store. At the same time, the packaging must meet the buyer's expectations for structural integrity and consistency with that buyer's handling practices. Although the increased flexibility does complicate the marketplace, and may result in inefficiencies, it is what retailers think consumers want, and therefore, is prerequisite to selling onions. Maximum efficiency would result from the adoption of a single uniform footprint, but an effort over the past two years to win acceptance of such a footprint has been virtually abandoned because it is contrary to trends in buyer requirements. Furthermore, foodservice buyers also have specialized container requirements often different from retailer requirements. In the end, however, the confusion is held to a minimum by the simple fact that onions normally are sold by weight and grade, which is consistent regardless of packaging.

Eliminating all container requirements in the handling regulations enables the industry to ship onions in any and all containers preferred by consumers, buyers, and all retailers, which benefits producers, handlers, buyers, and consumers of Texas onions and enables the industry to compete more effectively in the marketplace. This action continues to help the industry in providing consumers with high quality onions, promoting buyer satisfaction, and improving producer returns. This action does not impact the onion import requirements.

Removing container requirements required that all references to containers and applicable language also be removed from the order's rules and regulations, including references to onions for peeling, chopping, and slicing. Reference to these types of fresh processing methods is only made in the introductory text of § 959.322 in order to avoid confusion with other types of processing, which are exempt from grade, size, and inspection requirements. In addition, several conforming and formatting changes were made to clarify or remove some

outdated language. Specifically, in § 959.104 *Fiscal period* the first sentence and first part of the second sentence were removed. In § 959.322(d)(1), the reference to (f)(3)(ii) was removed because no such paragraph existed and was replaced with the correct reference to shipments for experimental purposes. The incorrect reference was inadvertently placed in the regulation. Also, in paragraph (d)(1) the name of the inspection office was corrected to reflect the correct name of the local inspection office and the Inspection Service's name referred to in the order. In addition, paragraphs (f)(2), (f)(3), and (f)(5) were removed because they are no longer applicable now that container requirements have been eliminated.

In the interim final rule, newly redesignated paragraph (c)(1) of § 959.322 on inspection was revised to include exceptions for activities under paragraphs (d), (e)(1), and (e)(2)(i) of this section. The last reference should have been (e)(2) and it is corrected by this action.

Final Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Agricultural Marketing Service (AMS) has considered the economic impact of this action on small entities.

Accordingly, AMS has prepared this final regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 90 producers of onions in the production area and approximately 35 handlers subject to regulation under the marketing order. Small agricultural producers are defined by the Small Business Administration (13 CFR 121.201) as those having annual receipts of less than \$750,000, and small agricultural service firms are defined as those whose annual receipts are less than \$5,000,000.

Most of the handlers are vertically integrated corporations involved in producing, shipping, and marketing onions. For the 2001–02 marketing year, the industry's 35 handlers shipped onions produced on 16,148 acres with the average and median volume handled being 152,446 and 136,810 fifty-pound bag equivalents, respectively. In terms

of production value, total revenues for the 35 handlers were estimated to be \$39.9 million, with average and median revenues being \$1.1 million and \$1.0 million, respectively.

The South Texas onion industry is characterized by producers and handlers whose farming operations generally involve more than one commodity, and whose income from farming operations is not exclusively dependent on the production of onions. Alternative crops provide an opportunity to utilize many of the same facilities and equipment not in use when the onion production season is complete. For this reason, typical onion producers and handlers either produce multiple crops or alternate crops within a single year.

Based on the SBA's definition of small entities, the Committee estimates that all of the 35 handlers regulated by the order would be considered small entities if only their spring onion revenues are considered. However, revenues from other productive enterprises would likely push a large number of these handlers above the \$5,000,000 annual receipt threshold. All of the 90 producers may be classified as small entities based on the SBA definition if only their revenue from spring onions is considered. When revenues from all sources are considered, a majority of the producers would not be considered small entities because receipts would exceed \$750,000.

This rule revises the rules and regulations prescribed under the South Texas onion order. This rule continues to eliminate container requirements on onion shipments in § 959.322 of the order's handling regulations, and several conforming and formatting changes. Removing all container requirements provides the industry expanded flexibility to use any and all types of containers preferred by consumers, buyers, and all retailers, or to ship onions in bulk, which helps handlers compete more effectively in the marketplace, better meet buyers' needs, and helps improve producer returns. All shipments will continue to be required to meet grade, size, and inspection requirements. This rule change allows South Texas onion handlers to supply existing markets and allows the industry to be more competitive in the marketplace. Allowing shipments of onions in all types of containers or in bulk will increase shipments of Texas onions because there are no longer any container restrictions.

In addition, this rule continues to: (1) Remove outdated language from

§ 959.104; (2) remove all references to containers and applicable language from the order's rules and regulations; (3) remove an incorrectly referenced paragraph in current § 959.322(d) *Inspection* and replaces it with the correct reference; and (4) correct the name of the Texas-Federal Inspection Service office. The Committee unanimously recommended these changes at its October 8, 2002, meeting and clarified the recommendation via a mail vote on October 31, 2002. After the October 8 meeting, the Chairman appointed a subcommittee to review the Committee's recommendations. The subcommittee met on November 5, 2002, and further discussed the reasons why the changes should be made.

Section 959.52(b)(4) of the onion order provides authority to regulate size, capacity, weight, dimensions, or pack of the container or containers which may be used in the packaging, transportation, sale, preparation for market, shipment, or other handling of onions. Section 959.52(c) allows for the modification, suspension, or termination of such regulations when warranted.

Previously, § 959.322(c) of the order's rules and regulations outlined container requirements for onions. Section 959.322(c)(1) through (7) of the regulations authorized ten containers (25-pound, 50-pound, 2-pound, 3-pound, 5-pound, and 10-pound bags; 20-pound, 25-pound, 40-pound, and 50-pound cartons) for use by onion handlers.

Section 959.322(f)(2) exempted gift packages of onions not exceeding 25 pounds per package from the container requirements of § 959.322(c) if the onions had not previously been handled. Also, § 959.322(f)(4) authorized the Committee to approve other types of containers for experimental or testing purposes.

In recent years, there has been a proliferation in package requirements from buyers intent on providing either unique packaging for their stores or special carton sizes for their racking or handling equipment. American retailers desiring to emulate European marketing concepts in display developments (and supporting handling systems) in the U.S. and Canadian marketplace have significantly influenced this process. The evolution of the club and discount stores, design alterations tailored to protecting the commodity from damage during shipment and/or store presentation, and the development of new packaging materials, for example, returnable plastic containers (RPCs) have also greatly influenced the marketplace. The supply side, for reasons of efficiency, has resisted this

growth when possible. However, buyer influence is such that no shipper can or will deny buyers new cartons, knowing that other shippers will readily adopt them. The shippers are all impacted by the surge in packaging demands. Many retailers have asked handlers to pack onions in specific RPCs, master containers, and containers other than the currently approved permanent containers. Container dimensions can vary slightly depending upon the manufacturer. During previous seasons, handlers applied for and obtained Committee approval to use these containers on an experimental basis. Safeguarding the use of such experimental containers was an additional burden for the Committee.

Because this trend seems certain to continue in the future, the Committee concluded that the best and most economical resolution of the issue concerning the number of containers would be to simply eliminate the container requirements, thereby permitting shippers to respond to buyer requests as they see fit.

The trend toward even more unique and specialized packaging generally is governed by the desire of the retail community to receive produce in "display-ready" packaging consistent with the retailer's image and marketing plan for each type and size of store. At the same time, the packaging must meet the buyer's expectations for structural integrity and consistency with that buyer's handling practices. Although the increased flexibility does complicate the marketplace, and quite obviously results in inefficiencies, it is what retailers think consumers want, and therefore is prerequisite to selling onions. Maximum efficiency would result from the adoption of a single uniform footprint, but an effort over the past two years to win acceptance of such a footprint has been virtually abandoned because it is contrary to trends in buyer requirements. Furthermore, foodservice buyers also have specialized container requirements often different from retailer requirements. In the end, however, the confusion is held to a minimum by the simple fact that onions normally are sold by weight and grade, which is consistent regardless of packaging.

Eliminating all container requirements in the handling regulations enables the industry to ship onions in any and all containers preferred by consumers, buyers, and all retailers, which benefits producers, handlers, buyers, and consumers of Texas onions and enables the industry to compete more effectively in the marketplace. This action does not

impact the onion import requirements. Removing container requirements requires that all references to containers and applicable language also be removed from the order's rules and regulations. References to containers for onions for peeling, chopping, and slicing were also removed. Reference to these types of fresh processing methods only was made in the introductory text of § 959.322 in order to avoid confusion with other types of processing, which are exempt from grade, size, and inspection requirements. In addition, several conforming and formatting changes were made to clarify or remove some outdated language. Specifically, in § 959.104 *Fiscal period* the first sentence and first part of the second sentence were removed. In § 959.322(d)(1), the reference to (f)(3)(ii) was removed because no such paragraph existed, and was replaced with the correct reference to shipments for experimental purposes. The incorrect reference had inadvertently been placed in the regulation. Also, in paragraph (d)(1) the name of the inspection office was corrected to reflect the correct name of the local inspection office and the Inspection Service's name referred to in the order. In addition, paragraphs (f)(2), (f)(3), and (f)(5) were removed because they are no longer applicable now that container requirements have been eliminated.

The opportunities and benefits of this rule will be equally available to all onion handlers regardless of their size of operation. The recommended changes benefit the entire South Texas onion industry.

The alternatives were to suspend the container requirements for a certain period of time or leave the regulations as they are. However, the Committee believed that the best action was to eliminate all requirements completely to provide expanded flexibility.

This rule will not impose any additional reporting or recordkeeping requirements on either small or large onion handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies. In addition, as noted in the initial regulatory flexibility analysis, USDA has not identified any relevant Federal rules that duplicate, overlap or conflict with this rule.

Further, the Committee's meeting was widely publicized throughout the South Texas onion industry and all interested persons were invited to attend the meeting and participate in Committee deliberations. Like all Committee meetings, the October 8, 2002, meeting

was a public meeting and all entities, both large and small, were able to express their views on this issue. Also, the Committee has a number of appointed subcommittees to review certain issues and make recommendations to the Committee and these meetings also are open to the public. In this case, a subcommittee met on November 5, 2002, to further discuss this action. Finally, interested persons were invited to submit information on the regulatory and informational impacts of this action on small businesses.

An interim final rule concerning this action was published in the **Federal Register** on March 11, 2003. Copies of the rule were mailed by the Committee's staff to all Committee members and alternates and to the entire South Texas onion industry. In addition, the rule was made available through the Internet by the *Office of the Federal Register* and USDA. This rule provided a 60-day comment period which ended May 12, 2003. No comments were received.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: <http://www.ams.usda.gov/fv/moab.html>. Any questions about the compliance guide should be sent to Jay Guerber at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

After consideration of all relevant material presented, including the Committee's recommendation, and other information, it is found that finalizing the interim final rule, with a minor change, as published in the **Federal Register** (68 FR 11463, March 11, 2003) will tend to effectuate the declared policy of the Act.

List of Subjects in 7 CFR Part 959

Marketing agreements, Onions, Reporting and recordkeeping requirements.

■ Accordingly, the interim final rule amending 7 CFR part 959, which was published at 68 FR 11463 on March 11, 2003, is adopted as a final rule with the following change:

PART 959—ONIONS GROWN IN SOUTH TEXAS

■ 1. The authority citation for 7 CFR part 959 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 2. In § 959.322, paragraph (c)(1), "(e)(2)(i)" is revised to read "(e)(2)".

Dated: June 17, 2003.

Kenneth C. Clayton,

Acting Administrator, Agricultural Marketing Service.

[FR Doc. 03-15738 Filed 6-20-03; 8:45 am]

BILLING CODE 3410-02-P

DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

9 CFR Part 381

[Docket No. 02-015DF]

RIN 0583-AC97

Addition of Australia and New Zealand to the List of Foreign Countries Eligible to Import Poultry Products (Ratite Only) Into the United States

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Direct final rule.

SUMMARY: The Food Safety and Inspection Service (FSIS) is announcing that it will add Australia and New Zealand to the list of countries eligible to import poultry products (ratite only) into the United States (U.S.). Reviews by FSIS of Australia's and New Zealand's laws, regulations, and other written materials, as well as the findings of an on-site review of each country's system, show that their regulatory systems that apply to ratite slaughter and processing include requirements that are equivalent to that of the United States under the Poultry Products Inspection Act (PPIA) and its implementing regulations.

Under this direct final rule, ratites slaughtered and processed in certified establishments in Australia and in New Zealand will be permitted to be imported into the U.S. All ratite products imported into the U.S. from Australia and New Zealand will be subject to reinspection at U.S. ports-of-entry by FSIS inspectors.

DATES: This rule will be effective August 22, 2003, unless written adverse comments within the scope of this rulemaking or written notice of intent to submit adverse comments within the scope of this rulemaking are received on or before July 23, 2003. If FSIS receives adverse comments, a timely withdrawal will be published in the **Federal Register** informing the public that the rule will not take effect.

ADDRESSES: Submit adverse comments or notice of intent to submit adverse comments within the scope of this rulemaking to: FSIS Docket Clerk, Docket #02-015DF, Room 102, Cotton Annex, 300 C Street, SW., Washington, DC 20250-3700. Reference materials

cited in this document and any comments received will be available for public inspection in the FSIS Docket Room from 8:30 a.m. to 4:30 p.m., Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Mr. Clark Danford, Acting Director, Import-Export Programs Staff, Office of International Affairs; (202) 720-6400.

SUPPLEMENTARY INFORMATION:

Background

Effective April 2001, ratites were officially classified as poultry and subject to mandatory inspection under the PPIA (56 FR 22899). Prior to that time, imported ratites were regulated by the Food and Drug Administration (FDA).

FSIS will amend the Federal poultry products inspection regulations to add Australia and New Zealand to the list of countries eligible to import ratite and ratite products into the U.S. These countries have consistently maintained their eligibility to certify meat slaughter and processing operations.

Section 17 (21 U.S.C. 466(d)) of the PPIA states (1) notwithstanding any other provision of law, all poultry, or parts or products of poultry capable of use as human food offered for importation into the U.S. shall—(A) be subject to inspection, sanitary, quality, species verification, and residue standards that achieve a level of sanitary protection equivalent to that achieved under the U.S. standards; and (B) have been processed in facilities and under conditions that achieve a level of sanitary protection equivalent to that achieved under U.S. standards. (2)(A) The Secretary may treat as equivalent to a U.S. standard a standard of an exporting country described in paragraph (1) if the exporting country provides the Secretary with scientific evidence or other information, in accordance with risk assessment methodologies determined appropriate by the Secretary, to demonstrate that the standard of the exporting country achieves the level of sanitary protection achieved under the U.S. standard. For the purposes of this subsection, the term "sanitary protection" means protection to safeguard public health. (B) The Secretary may (i) determine, on a scientific basis, that the standard of the exporting country does not achieve the level of protection that the Secretary considers appropriate; and (ii) provide the basis for the determination in writing to the exporting country on request. (3) Any such imported poultry article that does not meet such standards shall not be permitted entry into the U.S. (4) The Secretary shall

enforce this subsection through (A) random inspections for such species verification and for residues; and (B) random sampling and testing of internal organs and fat of carcasses for residues at the point of slaughter by the exporting country, in accordance with methods approved by the Secretary. Section 17 (21 U.S.C. 466(a)) of the PPIA also prohibits the importation of any slaughtered poultry, or parts or products thereof, of any kind into the U.S. unless they are healthful, wholesome, fit for human food, not adulterated, and contain no dye, chemical, preservative, or ingredient which renders them unhealthful, unwholesome, adulterated, or unfit for human food and unless they also comply with the rules and regulations made by the Secretary of Agriculture to assure that imported poultry or poultry products comply with the standards provided for in this Act.

The importation of ratite products must be in compliance with the Federal poultry products inspection regulations to ensure that they meet the standards provided in the PPIA. 9 CFR 381.196 establishes the procedures by which foreign countries that want to import ratite or ratite products into the U.S. may become eligible to do so.

Section 381.196 requires that authorities in a foreign country's poultry inspection system certify that (1) the system provides standards equivalent to those of the U.S. and (2) the legal authority for the system and its implementing regulations are equivalent to those of the U.S. Specifically, a country's regulations must impose requirements that are equivalent to those of the U.S. in the following areas: (1) Ante-mortem and post-mortem inspection; (2) official controls by the national government over plant construction, facilities, and equipment; (3) direct and continuous supervision of slaughter activities, where applicable, and product preparation by official inspection personnel; (4) complete separation of establishments certified to export from those not certified; (5) maintenance of a single standard of inspection and sanitation throughout certified establishments; (6) requirements for sanitation at certified establishments and for sanitary handling of poultry products; (7) official controls over condemned material until destroyed or removed and, thereafter, excluded from the establishment; (8) a Hazard Analysis and Critical Control Point system as set out in 9 CFR part 417; and (9) other matters for which requirements are contained in the Act or the regulations of this part.