net U.S. imports) in 2004 totaled about 39,700 metric tons, valued at $42.7 million. These totals exclude U.S. production that may have taken place outside of San Luis Obispo and Santa Barbara Counties.

If we include the 15 percent of unreported U.S. production of fresh garden peas thought to occur outside of the two California counties, then the 2004 domestic supply would total about 42,800 metric tons, with roughly 65 percent imported and 35 percent supplied by U.S. producers.

U.S. entities that could be affected by this final rule are domestic producers of fresh garden peas and wholesalers who import fresh garden peas. Businesses producing green peas and snow peas are classified in the North American Industry Classification System (NAICS) within the category of Other Vegetable (except Potato) and Melon Farming (NAICS code 111219). The Small Business Administration's (SBA) small entity definition for these producers is annual receipts of not more than $750,000. Firms that would import fresh, shelled garden peas from Kenya are defined as small entities if they have 100 or fewer employees (NAICS code 424480, Fresh Fruit and Vegetable Merchant Wholesalers).[3]

In general, firms engaged in production or importation of agricultural commodities are predominantly small. We believe that most if not all of the businesses affected by this final rule would be small.

We do not know the number of U.S. producers of fresh garden peas. According to the 2002 Census of Agriculture for California Counties, there were 327 vegetable farms in San Luis Obispo and Santa Barbara Counties, the two counties for which there are published fresh garden pea production data. We do not know how many of these vegetable farms produce fresh garden peas. Also, we do not know their size, but in general, such entities are predominantly small. As noted above, we asked for this type of information in our proposed rule and did not receive any comments.

This rule contains various recordkeeping requirements, which were described in our proposed rule, and which have been approved by the Office of Management and Budget (see ''Paperwork Reduction Act'' below).

[3] The wholesale sector comprises two types of wholesalers: Those that sell goods on their own account and those that arrange sales and purchases for others for a commission or fee. Importers are included in both cases.

Executive Order 12988

This final rule allows shelled garden peas to be imported into the United States from Kenya. State and local laws and regulations regarding shelled garden peas imported under this rule will be preempted while the peas are in foreign commerce. Fresh fruits and vegetables are generally imported for immediate distribution and sale to the consuming public, and remain in foreign commerce until sold to the ultimate consumer. The question of when foreign commerce ceases in other cases must be addressed on a case-by-case basis. No retroactive effect will be given to this rule, and this rule will not require administrative proceedings before parties may file suit in court challenging this rule.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*,) the information collection or recordkeeping requirements included in this rule have been approved by the Office of Management and Budget (OMB) under OMB control number 0579–0302.

E-Government Act Compliance

The Animal and Plant Health Inspection Service is committed to compliance with the E-Government Act to promote the use of the Internet and other information technologies, to provide increased opportunities for citizen access to Government information and services, and for other purposes. For information pertinent to E-Government Act compliance related to this rule, please contact Mrs. Celeste Sickles, APHIS' Information Collection Coordinator, at (301) 734–7477.

List of Subjects in 7 CFR Part 319

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

■ Accordingly, we are amending 7 CFR part 319 as follows:

PART 319—FOREIGN QUARANTINE NOTICES

■ 1. The authority citation for part 319 continues to read as follows:

Authority: 7 U.S.C. 450, 7701–7772, and 7781–7786; 21 U.S.C. 136 and 136a; 7 CFR 2.22, 2.80, and 371.3.

■ 2. A new § 319.56–2bb is added to read as follows:

§ 319.56–2bb Conditions governing the entry of shelled garden peas from Kenya.

Garden peas (*Pisum sativum*) may be imported into the continental United States from Kenya only under the following conditions:

(a) The peas must be shelled from the pod.

(b) The peas must be washed in disinfectant water at 3 to 5 °C containing 50 ppm chlorine.

(c) Each shipment of peas must be accompanied by a phytosanitary certificate of inspection issued by the national plant protection organization of Kenya bearing the following additional declaration: ''These peas have been shelled and washed in accordance with 7 CFR 319.56–2bb and have been inspected and found free of pests.''

(Approved by the Office of Management and Budget under control number 0579–0302)

Done in Washington, DC, this 18th day of October 2006.

Kevin Shea,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. E6–17774 Filed 10–23–06; 8:45 am]

BILLING CODE 3410–34–P

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

9 CFR Part 94

[Docket No. APHIS–2006–0037]

Change in Disease Status of Namibia With Regard to Foot-and-Mouth Disease and Rinderpest

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: We are amending the regulations to add Namibia, except the portion of the country north of the Veterinary Cordon Fence (VCF), to the list of regions that are considered free of foot-and-mouth disease (FMD), and to add the entire country to the list of regions that are considered free of rinderpest. We are taking this action because we have determined that the region in Namibia south of the VCF is now free of FMD and the entire country is free of rinderpest. We are also adding Namibia, except the region north of the VCF, to the list of FMD- and rinderpest-free regions that are subject to certain import restrictions on meat and other animal products because of their proximity to or trading relationships with rinderpest- or FMD-affected regions. This action relieves certain

restrictions due to FMD and rinderpest on the importation into the United States of certain live animals and animal products from all regions of Namibia except the region north of the VCF. However, because we consider Namibia to be affected with African swine fever, classical swine fever, and swine vesicular disease, the importation of live swine and pork and pork products will continue to be restricted. In addition, because we consider Namibia to be affected with other animal diseases that are exotic to the United States, the importation of live ruminants and germplasm will also continue to be restricted. These actions will update the disease status of Namibia with regard to FMD and rinderpest while continuing to protect the United States from an introduction of those diseases by providing additional requirements for any meat and meat products imported into the United States from Namibia.

DATES: *Effective Date:* November 24, 2006.

FOR FURTHER INFORMATION CONTACT: Mr. Javier Vargas, Animal Scientist, Regionalization Evaluation Services Staff, National Center for Import and Export, VS, APHIS, 4700 River Road, Unit 38, Riverdale, MD 20737–1231; (301) 734–0756.

SUPPLEMENTARY INFORMATION:

Background

The regulations in 9 CFR part 94 (referred to below as the regulations) govern the importation of certain animals and animal products into the United States in order to prevent the introduction of various diseases, including rinderpest, foot-and-mouth disease (FMD), African swine fever, classical swine fever, and swine vesicular disease. These are dangerous and destructive communicable diseases of ruminants and swine. Section 94.1 of the regulations lists regions of the world that are declared free of rinderpest or free of both rinderpest and FMD. Rinderpest or FMD exists in all other parts of the world not listed. Section 94.11 of the regulations lists regions of the world that have been determined to be free of rinderpest and FMD, but that are subject to certain restrictions because of their proximity to or trading relationships with rinderpest- or FMD-affected regions.

On June 15, 2006, we published in the **Federal Register** (71 FR 34537–34549, Docket No. APHIS–2006–0037) a proposal[1] to amend the regulations by recognizing the entire country of Namibia as rinderpest-free and all of Namibia except the region north of the Veterinary Cordon Fence (VCF) as free of FMD. We also proposed to add Namibia, except the region north of the VCF, to the list of FMD- and rinderpest-free regions that are subject to certain import restrictions on meat and other animal products because of their proximity to or trading relationships with rinderpest- or FMD-affected regions. In our proposal, we noted that, because we consider Namibia to be affected with African swine fever, classical swine fever, and swine vesicular disease, the importation of live swine and pork and pork products would continue to be restricted. In addition, because we consider Namibia to be affected with other animal diseases that are exotic to the United States, the importation of live ruminants and germplasm would also continue to be restricted.

We solicited comments concerning our proposal for 60 days ending August 14, 2006. We did not receive any comments. Therefore, for the reasons given in the proposed rule, we are adopting the proposed rule as a final rule, without change.

Executive Order 12866 and Regulatory Flexibility Act

This rule has been reviewed under Executive Order 12866. For this action, the Office of Management and Budget has waived its review under Executive Order 12866.

We are amending the regulations in § 94.1 to list Namibia as a region free of rinderpest and the region of Namibia south of the VCF as a region free of FMD. However, since Namibia borders on and trades with regions that the United States does not recognize as free of FMD and because its importation standards are less stringent than those of the United States, we are also listing the region of Namibia south of the VCF in § 94.11 as a region subject to the additional certification requirements of that section.

It should be noted that Namibia is not currently eligible to export ruminant meat products to the United States under the regulations of the United States Department of Agriculture's Food Safety Inspection Service (FSIS); there would, therefore, be no economic effects on U.S. entities until establishments in Namibia were approved to export ruminant meat and other products to the United States. The following analysis examines the potential economic impacts of the changes in the regulations that could occur if establishments in Namibia were approved to export under the FSIS regulations.

Namibia produces and internationally trades in beef, sheep, goat, and game meat. Namibia produced 134 million pounds of beef in 2004 and exported an average of 59.2 million pounds of beef and veal per year between 1994 and 2003. The country has established trading relationships with the Republic of South Africa and several western European countries. Namibia also produced 29.6 million pounds of mutton, lamb, and goat meat in 2003 and exported an average of 5.73 million pounds per year between 1994 and 2003, with most exports going to the Republic of South Africa. Namibia produced 8.8 million pounds of game meat in 2003.

Namibia's agricultural trade with the United States is small. In 2003, Namibia exported agricultural products worth a total $199,000, of which $21,000 was for hides and skins, and imported $5.443 million worth of agricultural products, of which $40,000 was for beef and veal. (*Sources:* FAO, FAOSTAT, 2004; UN/FAO, FAOSTAT Data, 2004; Hilda Hampweya, April 2005, personal communication, Namibia Division of Trade and Statistics.)

Possible economic effects of imports from Namibia would differ for beef and for sheep and goat meat imports. For beef imports, approximately 22 million pounds of beef could be imported annually from Namibia as a result of this rule (again, assuming FSIS approval) based on data collected from the Central Bureau of Statistics-Trade Statistics Division of Namibia. Based on 10-year average U.S. domestic supply, an import of about 22 million pounds of beef would result in a price decrease of less than $0.002 per pound at the wholesale level. If 50 percent of Namibia's 10-year average beef exports (29.6 million pounds) were diverted to the U.S. market, the result would be a price decline of only $0.0024 per pound (table 1).

As for sheep and goats, the estimated potential exports to the United States of these meats are about 15.43 million pounds per year according to data collected from the Central Bureau of Statistics-Trade Statistics Division of Namibia. If this supply were realized, U.S. sheep and goat meat prices could decline and sheep producers could be negatively affected, as the above figure represents about 4.35 percent of U.S. domestic supply. This could result in a

[1] To view the proposed rule, go to *http://www.regulations.gov,* click on the ''Advanced Search'' tab, and select ''Docket Search.'' In the Docket ID field, enter APHIS–2006–0037, then click ''Submit.'' Clicking on the Docket ID link in the search results page will produce a list of all documents in the docket.

price decline of $0.07 per pound (table 1). However, it is questionable whether Namibia would have the capacity to export this amount and maintain its trade with its established South African and European markets. Although several markets in the European Union are accessible to Namibia, the Republic of South Africa continues to be its major trading partner. Namibia exported 15.66 million pounds of sheep and goat meat to all countries in 2003, so to meet this goal of 15.43 million pounds exported to the United States, nearly all of the current exports would have to be diverted. Between 1994 and 2003, Namibian exports of sheep and goats have fluctuated, with a negative export growth rate in every year except for four: 1995, 1998, 1999, and 2001. The impact is not as large when based on the 10-year average quantity exported of 5.73 million pounds. Assuming this level of export to the United States, the estimated decline in price is between $0.02 and $0.03 per pound.

TABLE 1.—THE IMPACT OF THE IMPORTATION OF BEEF, SHEEP, AND GOAT MEAT FROM NAMIBIA TO THE UNITED STATES

Percentage diverted to U.S. market [1]	Beef				Sheep and goat meat			
	Million pounds	Change in price (%)	Decline in price (cents/pound)	Domestic producer loss (millions of $)	Million pounds	Change in price (%)	Decline in price (cents/pound)	Domestic producer loss (millions of $)
10	5.92	−0.0291	−0.0483	−11.902	0.573	−0.231	−0.261	−0.435
20	11.84	−0.0582	−0.0966	−23.795	1.146	−0.461	−0.521	−0.871
40	23.68	−0.1164	−0.1932	−47.586	2.293	−0.922	−1.042	−1.742
50	29.6	−0.1454	−0.2414	−59.479	2.865	−1.153	−1.303	−2.177
Designated	[2] 22.05	−0.1083	−0.1799	−44.309	[2] 15.43	−6.209	−7.016	−11.725

[1] The percentages are based on the 10-year average exports: 59.2 million pounds for beef and 5.73 million pounds for sheep and goat meat.
[2] Denotes the estimated amount indicated by Namibian agricultural specialists and the industry as being available for export to the United States.

The impacts depicted in table 1 are further considered in terms of effects for large and small entities in table 2 (beef producers) and table 3 (sheep and goat producers). In each case, impacts at various import levels are apportioned between large and small establishments by inventory share, according to the 2002 Census of Agriculture. Average effects per establishment are calculated based on numbers of large and small establishments with reported sales (2002 Census of Agriculture). As shown in table 2, if Namibia were to divert to the United States 22.05 million pounds of beef exports per year, as projected by that country's agricultural specialists, the average annual decline in revenue for U.S. small entities would be about $28. Similarly, if 15.43 million pounds of sheep and goat meat exports per year were diverted to the United States, as projected by Namibia, the average annual decline in revenue for U.S. small entities would be about $108.

TABLE 2.—POTENTIAL EFFECTS FOR LARGE AND SMALL BEEF CATTLE PRODUCERS

Percentage diverted to the U.S. market [1]	U.S. producer revenue loss (millions of $)	Large [2]		Small [2]	
		Revenue loss (millions of $)	Average revenue loss ($)	Revenue loss (millions of $)	Average revenue loss ($)
10	−11.902	−5.571	−860	−6.331	−8
20	−23.795	−11.138	−1,719	−12.657	−15
40	−47.586	−22.275	−3,437	−25.311	−30
50	−59.479	−27.642	−4,265	−31.637	−38
Designated	−44.309	−20.741	−3,200	−23.568	−28

[1] The percentages are based on the 10-year average exports: 59.2 million pounds for beef and 5.73 million pounds for sheep and goat meat.
[2] Revenue losses to large and small establishments are distributed according to inventory share (46.81 percent for large and 53.19 percent for small establishments). Averaged revenue losses are calculated by dividing by the number of establishments (845,490 and 6,481 for small and large establishments, respectively).

TABLE 3.—POTENTIAL EFFECTS FOR LARGE AND SMALL SHEEP AND GOAT PRODUCERS

Percentage diverted to the U.S. market [1]	U.S. producer revenue loss (millions of $)	Large [2]		Small [2]	
		Revenue loss (millions of $)	Average revenue loss ($)	Revenue loss (millions of $)	Average revenue loss ($)
10	−0.435	−0.114	−765	−0.321	−4
20	−0.871	−0.229	−1,537	−0.642	−8
40	−1.742	−0.458	−3,074	−1.284	−16
50	−2.177	−0.573	−3,846	−1.604	−20
Designated	−11.725	−3.084	−20,698	−8.641	−108

[1] The percentages are based on the 10-year average exports: 59.2 million pounds for beef and 5.73 million pounds for sheep and goat meat.
[2] Revenue losses to large and small establishments are distributed according to inventory share (26.3 percent for large and 73.7 percent for small establishments). Average revenue losses are calculated by dividing by the number of establishments (80,443 and 149 for small and large establishments, respectively).

According to the size standards established by the Small Business Administration (SBA) for livestock and animal specialties, producers of cattle and calves (North American Industry Classification System [NAICS] code 112111), game animals (NAICS 112990), sheep (NAICS 112410), and goats (NAICS 112420) with not more than $750,000 annual sales qualify as small entities. Based on data from the 2002 Census of Agriculture, 851,971 operations in the U.S. raised and sold 73 million cattle and calves in 2002. Small operations (over 99 percent of the farms) had an average of 68 cattle and an average income of $24,067, well below the SBA criterion of $750,000 in annual sales for businesses primarily engaged in cattle farming. Large operations had an annual income of $3,821,440. Similarly, over 99 percent of sheep and goat producers (80,443) are small. Small sheep and lamb producers had an average income of $7,520, while large ones had an average income of $1.042 million.

Meat processing entities (NAICS 311612), and meat and meat product merchant wholesalers (NAICS 424470) may be affected by this rule (Source: U.S. Census Bureau, 2002 Economic Census, Wholesale Trade-Subject Series, August 2006). Under SBA standards, meat processing establishments with no more than 500 employees and meat and meat product wholesalers with no more than 100 employees are considered small. In 2002, there were 1,335 companies in the United States that processed and sold meat. More than 97 percent of these establishments are considered to be small entities and had average sales of $15.4 million, while large meat processors had average sales of $188 million. In 2002, there were 2,535 meat and meat product wholesalers in the United States. (*Source:* SBA and 2002 Economic Census.) Of these establishments, 2,456 (97 percent) employed not more than 100 employees and are, thus, considered small by SBA standards. Small wholesalers had average sales of $9.3 million, while large entities had average sales of $131 million.[2]

The only alternative to the rule would involve not changing the current regulations regarding the importation of beef, sheep, and goat meat and game meat from Namibia. This alternative would not be appropriate in light of the findings of our risk analysis and our conclusion that the Namibian government has the laws, policies, and infrastructure to detect, respond to, and eliminate any reoccurrence of FMD. The rule provides the safeguarding measures appropriate to the animal disease risk associated with importation of this type of animal product. The rule also enhances a positive trade environment between Namibia and the United States. We note again that Namibia is not currently eligible to export ruminant meat products to the United States under the FSIS regulations cited earlier in this document; there would, therefore, be no economic effects on U.S. entities until establishments in Namibia were approved to export ruminant meat and other products to the United States.

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

[2] U.S. Census Bureau, 2002 Economic Census: Manufacturing-Industries Series, Wholesale Trade-Subject Series and Transportation and Warehousing-Subject Series, Issued December 2005.

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 7 CFR part 3015, subpart V.)

Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule: (1) Preempts all State and local laws and regulations that are in conflict with this rule; (2) has no retroactive effect; and (3) does not require administrative proceedings before parties may file suit in court challenging this rule.

Paperwork Reduction Act

This final rule contains no information collection or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

List of Subjects in 9 CFR Part 94

Animal diseases, Imports, Livestock, Meat and meat products, Milk, Poultry and poultry products, Reporting and recordkeeping requirements.

■ Accordingly, we are amending 9 CFR part 94 as follows:

PART 94—RINDERPEST, FOOT-AND-MOUTH DISEASE, FOWL PEST (FOWL PLAGUE), EXOTIC NEWCASTLE DISEASE, AFRICAN SWINE FEVER, CLASSICAL SWINE FEVER, AND BOVINE SPONGIFORM ENCEPHALOPATHY: PROHIBITED AND RESTRICTED IMPORTATIONS

■ 1. The authority citation for part 94 continues to read as follows:

Authority: 7 U.S.C. 450, 7701–7772, 7781–7786, and 8301–8317; 21 U.S.C. 136 and 136a; 31 U.S.C. 9701; 7 CFR 2.22, 2.80, and 371.4.

§ 94.1 [Amended]

■ 2. Section 94.1 is amended as follows:

■ a. In paragraph (a)(2), by adding the words ''Namibia (excluding the region north of the Veterinary Cordon Fence),'' after the word ''Mexico,''.

■ b. In paragraph (a)(3), by removing the words ''The Republic'' and adding the words ''Namibia and the Republic'' in their place.

§ 94.11 [Amended]

■ 3. In § 94.11, paragraph (a) is amended by adding the words ''Namibia (excluding the region north of the Veterinary Cordon Fence),'' before the words ''The Netherlands''.

Done in Washington, DC, this 18th day of October 2006.

Kevin Shea,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. E6–17776 Filed 10–23–06; 8:45 am]

BILLING CODE 3410–34–P

FEDERAL RESERVE SYSTEM

12 CFR Part 204

[Regulation D; Docket No. R–1268]

Reserve Requirements of Depository Institutions

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board is amending Regulation D, Reserve Requirements of Depository Institutions, to reflect the annual indexing of the reserve requirement exemption amount and the low reserve tranche for 2007. The Regulation D amendments set the amount of total reservable liabilities of each depository institution that is subject to a zero percent reserve requirement in 2007 at $8.5 million, up from $7.8 million in 2006. This amount is known as the reserve requirement exemption amount. The Regulation D amendment also sets the amount of net