§ 145.3 [Amended]

3. In § 145.3, in the introductory text of paragraph (c), the second sentence is amended by adding the words ''or, in the case of ostriches, before the birds reach 20 months of age'' immediately after the word ''age''.

§ 145.5 [Amended]

4. In § 145.5, paragraph (c) is amended by removing the words ''or E'' and adding the words ''E, or F'' in their place.

§ 145.10 [Amended]

5. In § 145.10, the introductory text of the section is amended by removing the words ''or E'' and adding the words ''E, or F'' in their place, and paragraph (b) is amended by removing the words ''and § 145.53(b)'' and adding the words ''§ 145.53(b), and § 145.63(a)'' in their place.

§ 145.14 [Amended]

6. In § 145.14, in the introductory text of the section, the first sentence is amended by adding the words '', and ostriches blood tested under subpart F must be more than 12 months of age'' immediately after the word ''first''.

7. In § 145.14, paragraph (a)(5) is amended by removing the words ''and 145.53'' and adding the words '', 145.53, and 145.63'' in their place.

8. A new subpart F is added to read as follows:

Subpart F—Special Provisions for Ostrich Breeding Flocks and Products

145.61 Definitions.
145.62 Participation.
145.63 Terminology and classification; flocks and products.

Subpart F—Special Provisions for Ostrich Breeding Flocks and Products

§ 145.61 Definitions.

Except where the context otherwise requires, for the purposes of this subpart the following terms shall be construed, respectively, to mean:

Ostrich. Birds of the species *Struthio camelus,* including all subspecies and subspecies hybrids.

§ 145.62 Participation.

Participating flocks of ostriches, and the eggs and chicks produced from them, shall comply with the applicable general provisions of subpart A of this part and the special provisions of this subpart.

(a) Started poultry shall lose their identity under Plan terminology when not maintained by Plan participants under the conditions prescribed in § 145.5(a).

(b) Hatching eggs produced by primary breeding flocks shall be fumigated or otherwise sanitized (see § 147.22 of this chapter).

§ 145.63 Terminology and classification; flocks and products.

Participating flocks, and the eggs and baby poultry produced from them, that have met the respective requirements specified in this section may be designated by the following terms and their corresponding designs illustrated in § 145.10.

(a) *U.S. Pullorum-Typhoid Clean.* A flock in which freedom from pullorum and typhoid has been demonstrated to the Official State Agency under the criteria in paragraph (a)(1) or (a)(2) of this section. (See § 145.14(a) relating to the official blood test for pullorum-typhoid where applicable.)

(1) It has been officially blood tested within the past 12 months with no reactors.

(2) It is a multiplier or primary breeding flock in which a sample of each bird in flocks of 30 or fewer birds, a minimum of 30 birds from flocks up to 300 birds, or 10 percent of all birds from flocks exceeding 300 birds has been officially tested for pullorum-typhoid within the past 12 months with no reactors: *Provided,* That a bacteriological examination monitoring program for ostriches acceptable to the Official State Agency and approved by the Service may be used in lieu of annual blood testing: *And provided further,* That when a flock is a multiplier breeding flock located in a State which has been deemed to be a U.S. Pullorum-Typhoid Clean State for the past 3 years, and during which time no isolation of pullorum or typhoid has been made that can be traced to a source in that State, a bacteriological examination monitoring program or a serological examination monitoring program acceptable to the Official State Agency and approved by the Service may be used in lieu of annual blood testing.

(b) [Reserved]

Done in Washington, DC, this 22nd day of July 1998.

Charles P. Schwalbe,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 98–19997 Filed 7–24–98; 8:45 am]

BILLING CODE 3410–34–P

DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

9 CFR Parts 391 and 381

[Docket No. 98–030N]

Meat, Poultry, and Egg Products Labeling Review Process; Elimination of Appointments With Label Courier/ Expediting Firms

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Notice of procedural change; request for comments.

SUMMARY: The Food Safety and Inspection Service (FSIS) is announcing a procedural change for reviewing labeling submitted to the Labeling Review Branch (LRB) of the Labeling and Compounds Review Division (LCRD). The new procedure will eliminate routine, daily, time-set, face-to-face appointments with label courier/ expediting firms. Elimination of the daily, face-to-face appointments will not change the present system of labeling review and will not limit access to all LCRD staff. The labeling review staff will continue to receive and approve labels for meat, poultry, and egg products in a timely and orderly manner. However, the procedural change will lead to a more effective and efficient use of LRB staff time and enable staff to perform labeling reviews and other duties concurrently.

DATES: The change in procedures for labeling review will be effective September 10, 1998.

FOR FURTHER INFORMATION CONTACT: Mr. William J. Hudnall, Assistant Deputy Administrator, Office of Policy, Planning and Evaluation; telephone (202) 205–0495 or FAX (202) 401–1760.

SUPPLEMENTARY INFORMATION: FSIS has stated repeatedly its intent to increase the proportional share of its resources that are devoted to food safety. The Agency reorganization of 1996 reduced the number of administrative support positions, eliminated several management levels, improved supervisor-to-employee ratios, and restructured an expanded front line inspection workforce to perform more effectively. The Agency continues to seek ways to improve the efficiency with which it carries out its consumer protection activities that are not related to food safety. Therefore, FSIS is reviewing all operations in an effort to achieve greater efficiency while improving the level of consumer protection.

The Prior Label Approval System (PLAS) is conducted as part of the

Agency's mandate to ensure that labeling for meat, poultry, and egg products is truthful, not misleading, and in compliance with the misbranding provisions of the Federal Meat Inspection Act, the Poultry Products Inspection Act, the Egg Products Inspection Act, and implementing regulations. FSIS streamlined the system in a final rule issued on December 29, 1995, (60 FR 67444) that became effective July 1, 1996, by expanding the categories of products for which labeling can be approved generically by industry. For example, the rule allows Federal establishments to design and use labeling that conforms to the regulatory requirements for meat, poultry, and egg products that have standards of identity and composition defined in the regulations (9 CFR 319 and 381) or in the Food Standards and Labeling Policy Book. The Agency also maintains a prior label approval system for reviewing and approving sketches and temporary labeling for certain categories of meat and poultry products that are not defined by standards of identity and composition; products that are prepared using novel production methods; products that are formulated with novel additives or ingredients; or products whose labeling bears nutrition, health, quality, or other types of claims.

The final rule on PLAS also indicated that the Agency would implement a Generic Labeling Audit System (GLAS) to determine the extent to which Federal establishments are applying labeling regulations and policies in approving generic labeling, in compliance with the regulations. The Agency is currently developing this audit system. The prospective goals of PLAS include developing and implementing GLAS simultaneously to conducting PLAS, and to devote more time to devising a prior approval system that will be more consistent with Hazard Analysis and Critical Control Point (HACCP) systems and the labeling concepts of the future. The changes to PLAS and the development of a generic labeling system are based on concepts that are consistent with the Agency's effort to proportionally shift resources to food safety and to afford processors flexibility in preparing and modifying their labeling to fit their marketing needs.

Presently, labeling for meat, poultry, or egg products that requires prior approval is submitted daily for review and approval to the LCRD via regular mail; expedited mail and delivery services (such as Federal Express); personal visits to the division by company and trade representatives; and through the services provided by courier firms/expediter services located in the Washington, DC area. Labeling reviews for courier firms/expediter services are conducted during routine, daily, time-set, face-to-face appointments with labeling review staff during a 4-hour core time period each workday.

Representatives of courier firms/expediter services submit labeling for meat, poultry, or egg products for processors who choose to use their services. Each courier firm has a designated time period in a day to have its labeling reviewed by members of the Labeling Review Branch. During these time periods, courier firms could meet with up to four FSIS staff members in 1-hour intervals. FSIS believes that operating in this manner is no longer consistent with the efforts to better use personnel resources. The following factors compel the need to alter the current process:

- An increase in the submission of labeling with complex technical issues has occurred. Greater concentration and more time are needed by the labeling review staff to evaluate labeling that reflects new initiatives within the industry. The current process of reviewing, approving, or rejecting labeling during daily, face-to-face labeling reviews does not allow this time.
- Greater time is needed to research labeling policy issues, such as use of the novel additives not currently approved for use in meat, poultry, or egg products; chemical analysis reviews; variations in nutrition labeling claims; and labeling with animal production claims. Such comprehensive reviews require interaction among the division staff, and with other parts of the Agency, other Federal Agencies, and experts outside FSIS. However, daily appointments with courier firms have taken precedence over the other duties of the staff. Therefore, the effective use of labeling review staff time is restricted because half of the workday of the labeling review staff is devoted to the structured allotment of time for courier service.
- Maintaining a fixed, daily schedule of face-to-face labeling reviews is no longer critical because the immediacy of the need for an on-the-spot labeling approval provided by someone on the labeling review staff has diminished. Before the December 1995 final rule on PLAS took effect, the division was responsible for approving essentially all labeling in both sketch and final form. However, effective July 1, 1996, this requirement changed. Of the labeling that must be submitted for prior approval now, only sketch labeling needs to be submitted. The industry need not submit such labeling in final form. This has shifted the issue of the timeliness of the approvals of final labeling to meet industry's marketing needs to one controlled by industry.
- Given the diminished need for immediate, on-the-spot approval of labeling by labeling review staff, continuing the existing procedure is unfair to companies choosing to mail their labeling to the division or have company employees deliver it for them for review in person. Currently, labeling submitted by mail or submitted personally by processors is not given time for review that is equal to that given to labeling submitted by labeling courier firms/expediter services during face-to-face reviews. It is necessary that staff time be more equitably arranged to review labeling that is mailed to the branch or division or delivered by processors themselves by individuals representing meat, poultry, or egg processors. This can only be done by eliminating face-to-face reviews.

The division will continue to review and approve labeling in a timely and efficient manner and accommodate representatives of industry and other representatives who wish to meet with staff members for consultation on any issues relating to labeling, standards, or ingredients. Labeling approvals will be handled on a first-come, first-served basis, as they are delivered to the LCRD, including expedited labeling, labeling mailed directly to the division, and labeling delivered in person by representatives of the industry. As needed, representatives of industry and other representatives will have the opportunity to arrange appointments with division staff on a time-available basis to discuss novel product and ingredient issues and appeals, and to receive regulatory guidance. The LRB will continue, to the extent possible, to accommodate emergency situations regarding labeling approvals on a case-by-case basis. The Agency believes this procedural change will result in a more productive use of LCRD staffing resources, and most importantly, improve the quality of meat, poultry, and egg products labeling.

It is the Agency's intent to implement the policy described in this notice 45 days from the date it is published. However, the Agency is interested in receiving substantive comments within 30 days of publication on how it can better implement the procedural changes contained in the notice.

Done at Washington DC, on: July 14, 1998.

Thomas J. Billy,

Administrator.

[FR Doc. 98–20002 Filed 7–24–98; 8:45 am]

BILLING CODE 3410–DM–P

FEDERAL RESERVE SYSTEM

12 CFR Parts 220 and 224

Regulations T and X

Securities Credit Transactions; List of Marginable OTC Stocks; List of Foreign Margin Stocks

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; determination of applicability of regulations.

SUMMARY: The List of Marginable OTC Stocks (OTC List) is composed of stocks traded over-the-counter (OTC) in the United States that qualify as *margin securities* under Regulation T, Credit by Brokers and Dealers. The List of Foreign Margin Stocks (Foreign List) is composed of foreign equity securities that qualify as *margin securities* under Regulation T. The OTC List and the Foreign List are published four times a year by the Board. This document sets forth additions to and deletions from the previous OTC List and a complete edition of the Foreign List.

EFFECTIVE DATE: August 10, 1998.

FOR FURTHER INFORMATION CONTACT: Peggy Wolffrum, Securities Regulation Analyst, Division of Banking Supervision and Regulation, (202) 452–2837, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. For the hearing impaired only, contact Diane Jenkins, Telecommunications Device for the Deaf (TDD) at (202) 452–3544.

SUPPLEMENTARY INFORMATION: Listed below are the deletions from and additions to the Board's OTC List, which was last published on April 28, 1998 (63 FR 23195), and became effective May 11, 1998. A copy of the complete OTC List is available from the Federal Reserve Banks.

The OTC List includes those stocks traded over-the-counter in the United States that qualify as *OTC margin stock* under Regulation T (12 CFR Part 220) by meeting the requirements of section 220.11. This determination also affects the applicability of Regulation X (12 CFR Part 224). These stocks have the degree of national investor interest, the depth and breadth of market, and the availability of information respecting the stock and its issuer to warrant regulation in the same fashion as exchange-traded securities. The OTC List also includes any OTC stock designated for trading in the national market system (NMS security) under rules approved by the Securities and Exchange Commission (SEC). Additional OTC stocks may be designated as NMS securities in the interim between the Board's quarterly publications. They will become automatically marginable upon the effective date of their NMS designation. The names of these stocks are available at the SEC and at the National Association of Securities Dealers, Inc.

Pursuant to amendments recently adopted by the Board (see, 63 FR 2805, January 16, 1998), the definition of *OTC margin stock* in § 220.2 and the eligibility criteria for these stocks in § 220.11(a) and (b) will be removed from Regulation T on January 1, 1999, and broker-dealers will be permitted to extend margin credit against all equity securities listed in the Nasdaq Stock Market. Lenders subject to Regulation T and borrowers subject to Regulation X who are required under § 224.3(a) to conform credit they obtain to Regulation T will use the OTC List until publication of the next OTC List, anticipated for November, 1998. The November 1998 OTC List will expire on January 1, 1999.

Also listed below is a complete edition of the Foreign List. This supercedes the previous Foreign List, which was last published on April 28, 1998, (63 FR 23195), and became effective May 11, 1998. Pursuant to amendments recently adopted by the Board that became effective for all broker-dealers on July 1, 1998 (see, 63 FR 2805, January 16, 1998), the Foreign List is composed of those foreign equity securities that qualify as *margin securities* because they have been found to meet the criteria in section 220.11 of Regulation T. Additional foreign equity securities qualify as *margin securities* if they are deemed by the Securities and Exchange Commission to have a ''ready market'' for purposes of SEC Rule 15c3–1. This includes all foreign stocks listed on the Financial Times/Standard & Poor's Actuaries World Indices. Although the Board has included these stocks on its Foreign List since 1996, the recent amendments allow broker-dealers to extend credit on such stocks without regard to the Foreign List.

Public Comment and Deferred Effective Date

The requirements of 5 U.S.C. 553 with respect to notice and public participation were not followed in connection with the issuance of this amendment due to the objective character of the criteria for inclusion and continued inclusion on the Lists specified in 12 CFR 220.17(a), (b), (c) and (d). No additional useful information would be gained by public participation. The full requirements of 5 U.S.C. 553 with respect to deferred effective date have not been followed in connection with the issuance of this amendment because the Board finds that it is in the public interest to facilitate investment and credit decisions based in whole or in part upon the composition of these Lists as soon as possible. The Board has responded to a request by the public and allowed approximately a two-week delay before the Lists are effective.

List of Subjects

12 CFR Part 220

Banks, Banking, Brokers, Credit, Margin, Margin requirements, Investments, National Market System (NMS Security), Reporting and recordkeeping requirements, Securities.

12 CFR Part 224

Banks, Banking, Borrowers, Credit, Margin, Margin requirements, Reporting and recordkeeping requirements, Securities.

Accordingly, pursuant to the authority of sections 7 and 23 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78g and 78w), and in accordance with 12 CFR 220.2 and 220.11, there is set forth below a listing of deletions from and additions to the OTC List and a complete edition of the Foreign List.

Deletions From the List of Marginable OTC Stocks

Stocks Removed For Failing Continued Listing Requirements

ALTRIS SOFTWARE, INC.
No par common
AMERICAN CINEMASTORES INC.
$.001 par common
AMERICAN INTERNATIONAL PETROLEUM CORP.
Class A, warrants (expire 04–09–1998)
AQUAGENIX INC.
$.01 par common
Warrants (expire 09–13–1999)
ARIELY ADVERTISING, LIMITED
Ordinary Shares
ATKINSON, GUY F., COMPANY OF CALIFORNIA
No par common
AUTOINFO, INC.
$.01 par common
BIOCIRCUITS CORPORATION
$.001 par common
BPI PACKAGING TECHNOLOGIES, INC.
Series A, $.01 par redeemable