

UNITED STATES DEPARTMENT OF AGRICULTURE

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May 28, 2003

TO: Interested Parties – Pacific Northwest, Arizona-Las Vegas and Western Marketing Area

FROM: Market Administrator, Bothell, Washington
Pacific Northwest, Arizona-Las Vegas and Western Orders

SUBJECT: Invitation to Submit Proposals for a Public Hearing to Amend Provisions of the Northeast and Other Milk Marketing Orders

O-AT-KA Milk Products Cooperative, Inc., has requested that the Department of Agriculture (USDA) hold an emergency public hearing to consider a proposal to amend all 11 Federal milk marketing orders.

O-AT-KA's proposal would reclassify evaporated milk in consumer-type packages from a Class III product to a Class IV product. Milnot Holding Corporation and Diehl, Inc., also have asked that sweetened condensed milk in consumer-type packages be reclassified from Class III to Class IV.

Copies of the proposals may be obtained from Antoinette Carter, Marketing Specialist, USDA/AMS/Dairy Programs, Order Formulation and Enforcement Branch, STOP 0231–Room 2971, 1400 Independence Avenue, SW, Washington, DC 20250-0231, (202) 690-3465, e-mail: Antoinette.Carter@usda.gov.

These proposals have not yet been approved for inclusion in a Notice of Hearing. Before deciding whether a hearing should be held, USDA is providing interested parties an opportunity to submit additional proposals regarding the reclassification of products in Class III and Class IV.

The proposals should be mailed to: Deputy Administrator, USDA/AMS/Dairy Programs, STOP 0225–Room 2968, 1400 Independence Avenue, SW, Washington, DC 20250-0225, by June 30, 2003. Each proposal should be accompanied by a brief but comprehensive statement on the need for the proposal. The statement will be used in deciding whether the proposals should be considered if a hearing to amend the orders is to be held.

A hearing would be limited to proposals included in a hearing notice. However, appropriate modifications of the proposals included in the notice also may be considered at the hearing if the

modifications would not enlarge the marketing area or regulate persons not now subject to the order. Any proposals that would extend regulation should be accompanied by the names and addresses of persons who proponents believe would be affected by the proposed extension, and an estimate of the number of additional dairy farmers involved.

Actions under the Federal milk order program are subject to the "Regulatory Flexibility Act." This Act seeks to ensure that, within the statutory authority of a program, the regulatory and informational requirements are tailored to the size and nature of small businesses. For the purpose of the Federal order program, a dairy farm is a "small business" if it has an annual gross revenue of less than \$750,000 resulting in a production guideline of 500,000 pounds per month. A handler is a "small business" if it has fewer than 500 employees. If the plant is part of a larger company operating multiple plants that collectively exceed the 500-employee limit, the plant will be considered a large business even if the local plant has fewer than 500 employees. Interested persons are invited to submit hearing proposals that would carry out the intent of the "Regulatory Flexibility" Act.

If USDA concludes that a hearing should be held, all known interested persons will be mailed a copy of the hearing notice. Anyone who desires to present evidence on proposals set forth in the hearing notice will have an opportunity to do so at the hearing.

Once a hearing notice is issued and until the issuance of a final decision, USDA employees involved in the decisional process may not discuss the merits of a proceeding on an ex parte basis with any persons having an interest in the proceeding. For this purpose, the Market Administrators and their staffs are considered to be involved in the decisional process. Thus, it is suggested that any discussions that you may wish to have with USDA personnel regarding hearing proposals be initiated soon. Procedural matters may be discussed at any time.

If you have any questions concerning the filing of the proposals or desire a copy of the present order, please contact this office.

/s/ James R. Daugherty
Market Administrator