

1930-220th St. S.E., Ste. 102
Bothell, WA 98021-8471
Phone: (425) 487-6009
Fax: (425) 487-2775
E-mail: fmmaseattle@fmmaseattle.com

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Dairy Programs
FEDERAL MILK ORDERS 124, 131 & 135

10050 N. 25th Ave., Ste. 302
Phoenix, AZ 85021-1664
Phone: (602) 547-2909
Fax: (602) 547-2906
E-mail: ma@fmma.net

April 14, 2003

TO: Interested Parties - Arizona-Las Vegas 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 Arizona-Las Vegas Marketing Order

United Dairymen of Arizona (UDA) has requested that the Department of Agriculture (USDA) hold a public hearing to consider proposals to amend provisions of the Arizona-Las Vegas milk order.

The first UDA proposal seeks to end the regulatory exemption for producer-handlers whose route disposition exceeds three million pounds per month. This proposal also seeks to amend the designation criteria for producer-handlers in the Arizona-Las Vegas order. A second proposal seeks to amend the producer milk definition by requiring that at least 5 day's milk production of a producer be received at a pool plant. The proposal also would exclude milk from the pool that is classified and priced under a State operated regulatory system. The third proposal would amend the pool plant definition by adjusting qualifying shipment standards for pooling.

Copies of the entire UDA proposal may be obtained from the Market Administrator at USDA/AMS/Dairy Programs, 10050 North 25th Avenue, Suite 302, Phoenix, Arizona 85021-1664, (602) 547-2909.

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 this opportunity to submit additional proposals.

The proposals should be mailed to: Deputy Administrator, USDA/AMS/Dairy Programs, STOP 0225, Room 2968-S, 1400 Independence Avenue, SW, Washington, DC 20250, by May 16, 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 proposal should be considered if a hearing to amend the order is to be held.

If a hearing is held, it would be limited to proposals included in the hearing notice. However, appropriate modifications of the proposals included in the notice 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 Administrator and the staff 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
James R. Daugherty
Market Administrator