

the Director, Center for Food Safety and Applied Nutrition, it is proposed that 21 CFR part 163 be amended as follows:

PART 163—CACAO PRODUCTS

1. The authority citation for 21 CFR part 163 continues to read as follows:

Authority: Secs. 201, 301, 401, 403, 409, 701, 721 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321, 331, 341, 343, 348, 371, 379e).

2. New § 163.124 is added to subpart B to read as follows:

§ 163.124 White chocolate.

(a) *Description.* (1) White chocolate is the solid or semiplastic food prepared by intimately mixing and grinding cacao fat with one or more of the optional dairy ingredients and one or more optional nutritive carbohydrate sweeteners and may contain one or more of the other optional ingredients specified in paragraph (b) of this section. White chocolate shall be free of coloring material.

(2) White chocolate contains not less than 20 percent by weight of cacao fat as calculated by subtracting from the weight of the total fat the weight of the milkfat, dividing the result by the weight of the finished white chocolate, and multiplying the quotient by 100. The finished white chocolate contains not less than 3.5 percent by weight of milkfat and not less than 14 percent by weight of total milk solids, calculated by using only those dairy ingredients specified in paragraph (b)(2) of this section, and not more than 55 percent by weight nutritive carbohydrate sweetener.

(b) *Optional ingredients.* The following safe and suitable ingredients may be used:

- (1) Nutritive carbohydrate sweeteners;
- (2) Dairy ingredients:
 - (i) Cream, milkfat, butter;
 - (ii) Milk, dry whole milk, concentrated milk, evaporated milk, sweetened condensed milk;
 - (iii) Skim milk, concentrated skim milk, evaporated skim milk, sweetened condensed skim milk, nonfat dry milk;
 - (iv) Concentrated buttermilk, dried buttermilk; and
 - (v) Malted milk;
- (3) Emulsifying agents, used singly or in combination, the total amount of which does not exceed 1 percent by weight;

(4) Spices, natural and artificial flavorings, ground whole nut meats, ground coffee, dried malted cereal extract, salt, and other seasonings that do not either singly or in combination impart a flavor that imitates the flavor of chocolate, milk, or butter; or

(5) Antioxidants.

(c) *Nomenclature.* The name of the food is "white chocolate" or "white chocolate coating." When one or more of the spices, flavorings, or seasonings specified in paragraph (b)(4) of this section are used, the label shall bear an appropriate statement, e.g., "Spice added", "Flavored with _____", or "With _____ added", the blank being filled in with the common or usual name of the spice, flavoring, or seasoning used, in accordance with § 101.22 of this chapter.

(d) *Label declaration.* Each of the ingredients used in the food shall be declared on the label as required by the applicable sections of parts 101 and 130 of this chapter.

Dated: January 6, 1997.

Fred R. Shank,
Director, Center for Food Safety and Applied Nutrition.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 982

[Docket No. FR-4149-P-01]

RIN 2577-AB73

Section 8 Rental Voucher and Certificate Programs Restrictions on Leasing to Relatives

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Proposed rule.

SUMMARY: This proposed rule would limit the circumstances under which a landlord could lease a unit with Section 8 certificate or voucher assistance to a relative of the landlord. It would permit such leasing only if an HA determines that the leasing would accommodate a person with disabilities. The rule is intended to reduce the potential for misuse of Section 8 assistance. It would reduce the likelihood of families that have the ability to assist a family member from seeking Federal rental assistance and, thereby, would help to direct scarce Federal financial assistance to the more needy.

DATES: Comment due date: May 9, 1997.

ADDRESSES: Interested persons are invited to submit comments regarding this proposed rule to the Office of the General Counsel, Rules Docket Clerk, room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-0500.

Comments should refer to the above docket number and title. Facsimile (FAX) comments are not acceptable. A copy of each communication submitted will be available for public inspection and copying during regular business hours (7:30 a.m. to 5:30 p.m. Eastern time) at the above address.

FOR FURTHER INFORMATION

CONTACT: Gerald Benoit, Director, Operations Division, Office of Rental Assistance, Public and Indian Housing, Department of Housing and Urban Development, Room 4220, 451 Seventh Street, SW., Washington, DC 20410, telephone (202) 708-0477. Hearing or speech impaired individuals may call HUD's TTY number (202) 708-4594 or 1-800-877-8399 (Federal Information Relay Service TTY). (Other than the "800" number, these are not toll-free numbers.)

SUPPLEMENTARY INFORMATION:

I. Discussion

Currently, neither the statute nor HUD regulations place any restriction on an owner leasing a unit with Section 8 certificate or voucher assistance to a relative. All parties, of course, would have to meet requirements generally applicable to any certificate or voucher assisted tenancy. These requirements include: the applicant meets income and other eligibility requirements; the applicant is selected in appropriate order from the HA's waiting list; the unit meets housing quality standards, and the rent to the owner is reasonable.

This policy of no restrictions on leasing with assistance to relatives has been in effect since the inception of the Certificate Program in the mid-1970s. Historically, it has been viewed by the Department as consistent with an overarching policy of promoting maximum housing choice for assisted families.

The Department does not have systematic data on the extent to which, or the circumstances under which, owners have been leasing to family members. Nonetheless, it must be recognized that a policy of allowing leasing between closely related individuals creates a potential for misallocation of scarce program resources. It can encourage families that can house family members to seek and obtain Federal assistance that otherwise would be available for more needy families. In short, it can shift, too readily, responsibility for housing a close relative from a relative with available housing or financial resources to the Federal Government.

Recent newspaper articles have described a number of examples of relatives leasing to other relatives with

Section 8 assistance. The Department's review of these cases did not disclose any violation of program requirements. In a number of the examples the total rent received by an owner, from the assisted tenant and the HUD subsidy, was lower than rent the owner previously charged for the unit. In addition, a number of examples involved seriously ill close family members. Other examples, however, did appear to involve owners who should have had the financial ability to assist a close family member, but were nonetheless receiving Section 8 assistance payments.

Section 982.306 of title 24 CFR sets out the restrictions on a housing agency (HA) approving a unit based on facts concerning the owner. The Department proposes to amend § 982.306 so that an HA may not approve a unit for lease if the owner is the parent, child, grandparent, grandchild, sister, or brother of the certificate or voucher holder that is seeking to rent the unit. (Under § 982.306(e), "owner" includes a principal or other interested party.) The HA, however, could still approve the unit for lease, if the HA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities. The Department specifically invites comments on whether there should be other exceptions to the general policy.

When implemented, the policy would apply to new admissions and to moves with continued assistance. HUD would add to HAP contract forms a simple certification by the owner that the owner is not a parent, child, grandparent, grandchild, sister, or brother of any member of the family. HUD would also add a comparable certification to the rental certificate and rental voucher.

II. Findings and Certifications

Environmental Impact

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR Part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Finding of No Significant Impact is available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays in the Office of the Rules Docket Clerk at the above address.

Regulatory Planning and Review

This proposed rule has been reviewed in accordance with Executive Order 12866, issued by the President on September 30, 1993 (58 FR 51735,

October 4, 1993). Any changes to the proposed rule resulting from this review are available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays in the Office of the Rules Docket Clerk at the above address.

Regulatory Flexibility Act

The Secretary has reviewed this proposed rule before publication and by approving it certifies, in accordance with 5 U.S.C. 605(b) (the Regulatory Flexibility Act), that this proposed rule does not have a significant economic impact on a substantial number of small entities because it simply restricts leasing with assistance between certain related individuals and does not otherwise restrict or impose burdens on the use or availability of Section 8 rental certificate or rental voucher assistance.

Unfunded Mandates Reform Act

The Secretary has reviewed this proposed rule before publication and by approving it certifies, in accordance with the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1532), that this proposed rule does not impose a Federal mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year.

Federalism

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, Federalism, has determined that the policies contained in this proposed rule will not have substantial direct effects on States or their political subdivisions, or the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government. The proposed rule does not alter the relationship between HUD and the HAs. Rather, it simply amends one of the conditions for receipt of Federal assistance.

Family Impact

The General Counsel, as the Designated Official under Executive Order 12606, The Family, has determined that this proposed rule does not have potential for significant impact on family formation, maintenance, and general well-being, and, thus, is not subject to review under the Order. This proposed rule furthers the purposes of the Executive Order by revising program requirements to recognize the primary right and responsibility of families themselves to assist needy family members and by increasing the likelihood that Federal assistance is

limited to those circumstances where it is most needed.

Catalog

The Catalog of Federal Domestic Assistance numbers are 14.855 and 14.857.

List of Subjects in 24 CFR Part 982

Grant programs—housing and community development, Housing, Rent subsidies, Reporting and recordkeeping requirements.

Accordingly, 24 CFR part 982 is proposed to be amended as follows:

PART 982—SECTION 8 TENANT-BASED ASSISTANCE: UNIFIED RULE FOR TENANT-BASED ASSISTANCE UNDER THE SECTION 8 RENTAL CERTIFICATE PROGRAM AND THE SECTION 8 RENTAL VOUCHER PROGRAM

1. The authority citation for part 982 continues to read as follows:

Authority: 42 U.S.C. 1437a, 1437c, 1437f, 3535(d).

2. In § 982.306, paragraphs (d) and (e) are redesignated as paragraphs (e) and (f) and a new paragraph (d) is added to read as follows:

§ 982.306 HA disapproval of owner.

* * * * *

(d) The HA must not approve a unit if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the HA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.

* * * * *

Dated: December 24, 1996.

Kevin Emanuel Marchman,
Acting Assistant Secretary for Public and Indian Housing.

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EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

29 CFR Part 1625

Waiver of Rights and Claims Under the Age Discrimination in Employment Act (ADEA)

AGENCY: Equal Employment Opportunity Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: EEOC is publishing its notice of proposed rulemaking on agreements waiving rights and claims under the Age