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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

9 CFR Part 319

[Docket No. 97-030A]

RIN 0583-AC41

Labeling Standards for Ovine Carcasses, Parts of Carcasses, Meat and Meat Food Products

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Advance notice of proposed rulemaking; request for comments.

SUMMARY: Pursuant to a requirement in the Farm Bill of 1996, the Department is issuing this advance notice of proposed rulemaking to determine the type of labeling standards it should establish for lamb and mutton and their meat food products. The principal issue of concern in the marketing of sheep is the identification, for the benefit of consumers, of the higher valued lamb carcasses compared to the lower valued mutton and sheep carcasses. One of the key elements of this issue is the attributes that give lamb meat products this higher value, such as flavor, texture, moisture, color, mouth feel, or portion size.

ADDRESSES: Please send an original and two copies of written comments to FSIS Docket Clerk, Room 102 Cotton Annex, 300 12th Street, SW, Washington, DC 20250. Copies of USDA guidance material cited in this notice are available for review in the FSIS Docket Room. All comments submitted in response to this advance notice of proposed rulemaking will be available for public inspection in the FSIS Docket Room, Room 102 Cotton Annex from 8:30 a.m. to 4:30 p.m. Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Dr. Alfred Liepold, Food Technologist, Regulations Development and Analysis Division, Office of Policy, Program Development and Evaluation, Food Safety and Inspection Service, U.S.

Department of Agriculture, Washington, DC 20250; (202) 205-0292.

SUPPLEMENTARY INFORMATION:

Background

Section 279 of H.R. 2854—Federal Agriculture Improvement and Reform Act of 1996 (Farm Bill) (Pub. L. 104-127, 4/4/96) reads as follows:

SEC 279. LABELING OF DOMESTIC AND IMPORTED LAMB AND MUTTON

Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

“(f) LAMB AND MUTTON.—The Secretary, consistent with United States international obligations, shall establish standards for the labeling of sheep carcasses, parts of carcasses, sheepmeat and sheepmeat food products.”

According to the legislative history (House Conference Report, No. 104-494), this provision originated in a Senate provision which also stated that the standard to be used was to be based on the break or spool joint method to differentiate lamb from mutton by the degree of calcification of bone to reflect maturity. Immature mammals have long bones composed of three bony parts—a central bony shaft and two bony plates, one at each end. The three parts are joined by cartilage and, as the animal grows more cartilage is formed and some of the existing cartilage turns to bone. As the animal matures enough of the cartilage turns to bone so that the three bony parts fuse into one. So long as the animal is immature, the bony plate at the end of the bone can be cleanly broken through the cartilage between the shaft and the end plate, leaving clean bone surfaces on both sides of the break. This is the break joint; the one used on lambs is the metacarpal bone of the foreleg between the shaft and the plate nearest the hoof. Industry terms for the metacarpal bones are canon bones or trotters. Once the bone fuses and will not cleanly separate, it is called a spool joint. It is not a true joint.

This spool joint criterion of the Senate Bill did not carry through to the Farm Bill. Accordingly, the Secretary may prescribe objective criteria, or, in accordance with the regulatory reform initiative, specify the end to be achieved (performance standard), and allow

producers to develop their own criteria to meet these performance standards.

Prior Grading Standards

In the past, the Agricultural Marketing Service (AMS) published two standards voluntarily regulating the marketing of sheep, lamb, and yearling carcasses and their meat food products on the basis, among other things, of age and/or maturity. These two publications were titled “Official United States Standards for Grades of Slaughter Lambs, Yearlings and Sheep” and “Official United States Standards for Grades of Lamb, Yearling Mutton, and Mutton Carcasses.”

The purpose of these voluntary grading standards was to develop and establish efficient marketing methods and practices for agricultural commodities so that consumers could obtain the quality of product they desire at a reasonable cost. The grade standards were developed to provide uniform language to describe the characteristics of many meat food commodities in the marketplace. However, rapid changes in consumer preferences together with associated changes in commodity characteristics, processing technology, and marketing practices outpaced the issuance of regulatory modifications or revisions, leaving the marketplace burdened with outdated grading standards. Therefore, in line with the President's regulatory review initiative, the standards were removed from Volume 7 of the Code of Federal Regulations on December 4, 1995, but have been kept available as guidelines in pamphlet form.

In the publication containing the grade standards for slaughter lambs, yearlings, and sheep, the term *lamb* is defined as: “A lamb is an immature ovine, usually under 14 months of age, that has not cut its first pair of incisor teeth.” The term *yearling* is defined as: “A yearling is an ovine usually between one and two years of age that has cut its first pair of permanent incisor teeth but has not cut the second pair.” The term *sheep* is defined as: “A sheep is an ovine, usually over 24 months of age, that has cut its second pair of permanent incisor teeth.”

In the publication containing the grade standards for lamb, yearling mutton, and mutton carcasses where the head is not available, the following criteria are used. Typical lamb carcasses tend to have slightly wide and

moderately flat rib bones and a light red color and a fine texture of lean. By contrast, typical yearling mutton carcasses have moderately wide rib bones which tend to be flat and a slightly dark red color and coarse texture of lean.

The AMS standard recites that, in the dressing of ovine carcasses, both front cannon bones (trotters) normally are left attached to the carcass although in some instances, one or both trotters may be removed. If present, trotters will terminate in perfect break joints (all ridges forming the break joints are intact and well defined), imperfect break joints or spool joints. For determining the maturity of ovine carcasses, an imperfect break joint is considered the same as a spool joint and it is assumed that there was a spool joint on any missing trotter. These variations, as indicated by the following guidelines, are important considerations in determining whether a carcass is classed as lamb, yearling mutton, or mutton.

A carcass with perfect break joints on both trotters will be classed as lamb or yearling mutton based on its other evidences of maturity.

A carcass with spool joints on both trotters will be classed as yearling mutton or mutton based on its other evidences of maturity. Mutton carcasses always have spool joints on both front trotters.

A carcass which has a perfect break joint on one trotter and has either (1) a spool joint on the other trotter, or (2) has had the other trotter removed, will be classed as a lamb if its other maturity characteristics are not more advanced than described in the grade specifications as typical of the more mature lamb group. Otherwise, such carcasses will be classed as yearling mutton. Maturity within the lamb class shall be based on the combination of lean and all skeletal characteristics.

Except for the above referenced considerations given to break joints and spool joints, when making other maturity evaluations, more consideration is given to the characteristics of the flesh than is given to the characteristics of the skeleton.

Question Concerning New Grading Standards

The criteria stated above are those used by AMS to distinguish the more valued lamb meat from the less valued meat of older ovines. The standards have been voluntary; the costs to secure grading by an authorized USDA employee have been paid for by the person requesting the service. By and large, the only grading used has been that for "lamb." If one were to set up a

labeling standard and permit the marketplace to determine its own methods of objectively identifying lamb carcasses so that they were acceptable to buyer and seller, the goal of identifying the more valued meat might be achieved by more simple and less costly means. One of the necessities of such a labeling standard would be to determine the desirable attributes that make lamb meat more valuable and whether these attributes can be determined directly and objectively. If lamb is a more desirable meat than mutton because of its attributes, e.g., it is more moist, has a finer texture, or a different chewy feeling, then some type of analysis may be able to determine objective data concerning moisture and chewiness. If the increased desirability of lamb meat results from lighter color, milder flavor, or the size of the portions, such as lamb chops, a colorimetric test may be devised. On the other hand, flavor is too subjective to be easily used for grading purposes; and too many variables other than maturity can influence portion size to make that factor of much value.

AMS has continued to grade lamb and mutton (sheep) carcasses, using the same grades as before the regulation change. The grading is on a voluntary basis, so the fact that the standards have been removed from the regulations has not affected such grading. As a practical matter, producers of lamb that they think will achieve U.S. Prime or Choice will have such lamb officially graded by AMS meat graders. But, since the program is voluntary, producers will not have other grades and classes of ovines graded. Further, although neither FSIS nor AMS has a definition of the word "lamb" in the regulations, when the term "lamb" is used on a federally inspected meat food product, the product must come from meat that meets the definition of "lamb" in the AMS standards. It is clear that if new standards are developed, they could differ from the current voluntary AMS grading standards.

This situation raises a number of practical questions: Should FSIS issue new grading standards or should AMS reissue the AMS standards in the regulations? If the standards are reissued, should compliance with such standards remain voluntary? Should the standards include the standard for yearling mutton, as the old AMS standard did? What criteria should FSIS use, if not the old AMS ones? Should FSIS only use some of these criteria, other criteria, some combination of these and other criteria, or performance standards? What would be the economic and other regulatory impacts of new standards on producers and processors?

According to a representative of the New Zealand Meat Producers Board, the break joint method of determining maturity is not used in Australia or New Zealand and would be considered a "thinly veiled attempt to erect a non-tariff trade barrier." The New Zealand representative states that the only appropriate method of defining lamb is to use a definition accepted throughout the world, namely; "young sheep under 12 months with no permanent incisors in wear." Some U.S. authorities agree with the foreign comments that the break-joint method is not sufficiently reliable.¹ However, the New Zealand definition differs from the AMS standards in the use of the term "in wear" and, more importantly, in the situation where there is no head on the carcass, the teeth method of defining is not viable. One issue there is whether the U.S. should accept the principle of grading in the export country, using the teeth method?

Other practical issues exist raised by the Farm Bill directly or indirectly, but not specifically mentioned in it; FSIS would appreciate any comments on these issues also: Attempts have been made in the past to label young ovine carcasses which had not been graded and which possibly do not meet the lamb criteria as "no-roll lamb," meaning that the grade markings have not been applied, or rolled on, the carcasses. The Agency considered this misbranding, since the phrase included the term "lamb" which could be inapplicable. Should this policy be changed? Also should the nomenclature for carcasses of one to two year old ovines be changed as has been requested from "yearling mutton" to "yearling lamb?" At present this also is considered misbranding. Further, although there is no definition for "lamb" in the regulations, FSIS, in 9 CFR 317.8 (b)(4) does define the term "spring lamb" or "genuine spring lamb" as applicable only to carcasses of new-crop lambs slaughtered during the period beginning in March and terminating not beyond the close of the week containing the first Monday of October. Should this present definition of "spring lamb;" be changed, deleted, or added to the standard? Also, as a matter of FSIS policy, sheep brains, hearts, and tongues are considered practically indistinguishable from lamb brains, hearts, and tongues, respectively; therefore, these articles from ovine carcasses may be designated as either sheep or lamb. Should this be changed?

¹ Field, Ray A., University of Wyoming, Letter to Rosemary Mucklow, Western States Meat Association, 6/1/94.

If the U.S. requires the grading of lambs, and, at the same time, permits the grading of imported lambs in the country of origin by officials of that country, the economic effects of such a compulsory grading standard on the exporting country would be lessened. If this is not permitted, the country would have to leave the bone ends on the trotters, a practice which is not routine at the present time. This would mean a change in the slaughter technique in the originating country, an increase of a few ounces in the shipping weight of each carcass, and an increased cost of having each imported carcass graded at producer expense by U.S. Department of Agriculture personnel. It appears that such mandatory grading would not materially affect the number of imported lambs, since imported lambs tend to be younger than domestic ones at time of slaughter. Under a required grading program, domestic stock would also have to be graded and some domestic producers may consider this an undesirable requirement.

Any further information on these or other economic or regulatory impacts would be welcome. If there are related issues not mentioned, but relevant, any information or comments on such issues should also be submitted for evaluation.

Done at Washington, D.C., on November 14, 1997.

Thomas J. Billy,
Administrator.

[FR Doc. 97-30569 Filed 11-20-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 230

[Release No. 33-7476; File No. S7-22-97]

RIN 3235-AH23

Equity Index Insurance Products

AGENCY: Securities and Exchange Commission.

ACTION: Concept release; extension of comment period.

SUMMARY: The Commission is extending from November 20, 1997, to January 5, 1998, the comment period for Securities Act Release No. 7438 (Aug. 20, 1997), 62 FR 45359 (Aug. 27, 1997). This release requested public comment on the structure of equity index insurance products, the manner in which they are marketed, and any other matters the Commission should consider in addressing federal securities law issues raised by equity index insurance products.

DATES: Comments must be received on or before January 5, 1998.

ADDRESSES: Comments should be submitted in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-6009. Comments also may be submitted electronically at the following E-mail address: rule-comments@sec.gov. All comment letters should refer to File No. S7-22-97; this file number should be included on the subject line if E-mail is used. All comments received will be available for public inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549-6009. Electronically submitted comments will also be posted on the Commission's internet site (<http://www.sec.gov>).

FOR FURTHER INFORMATION CONTACT: Megan L. Dunphy, Attorney, (202) 942-0670, Office of Insurance Products, Division of Investment Management, Securities and Exchange Commission, 450 Fifth Street, N.W., Mail Stop 10-6, Washington, D.C. 20549-6009.

SUPPLEMENTARY INFORMATION: On August 20, 1997, the Commission issued a concept release soliciting comment on the structure of equity index insurance products, the manner in which they are marketed, and any other matters the Commission should consider in addressing federal securities law issues raised by equity index insurance products.¹ The Commission requested that comments on the release be received by November 20, 1997.

In a letter dated November 3, 1997, the American Council of Life Insurance ("ACLI") requested a 45-day extension of time within which to comment on the concept release.² The ACLI requested the extension to provide an opportunity for careful analysis and constructive comment on the release.

To permit additional time for careful analysis and constructive comment, and in light of the importance of comments on this subject, the Commission believes that a 45-day extension of the comment period is appropriate. Therefore, the comment period for responding to Securities Act Release No. 7438 is extended to January 5, 1998.

November 17, 1997.

¹ Securities Act Rel. No. 7438 (Aug. 20, 1997) [62 FR 45359 (Aug. 27, 1997)].

² Letter from Carl B. Wilkerson, Senior Counsel, American Council of Life Insurance, to Jonathan G. Katz, Secretary, U.S. Securities and Exchange Commission (Nov. 3, 1997).

By the Commission.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-30629 Filed 11-20-97; 8:45 am]

BILLING CODE 8010-01-P

DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

30 CFR Part 920

[MD-042-FOR]

Maryland Regulatory Program

AGENCY: Office of Surface Mining Reclamation and Enforcement (OSM), Interior.

ACTION: Proposed rule; public comment period and opportunity for public hearing.

SUMMARY: OSM is announcing receipt of proposed amendments to the Maryland regulatory program (hereinafter the "Maryland program") under the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The proposed amendments consist of revision to the Maryland regulations regarding a reduced bond liability period for lands remined. The amendments are intended to revise the Maryland program to be consistent with the corresponding Federal regulations.

DATES: Written comments must be received by 4:00 p.m., E.S.T., December 22, 1997. If requested, a public hearing on the proposed amendment will be held on December 16, 1997. Requests to speak at the hearing must be received by 4:00 p.m., E.S.T., on December 8, 1997.

ADDRESSES: Written comments and requests to speak at the hearing should be mailed or hand delivered to George Rieger, Field Branch Chief, at the address listed below.

Copies of the Maryland program, the proposed amendment, a listing of any scheduled public hearings, and all written comments received in response to this document will be available for public review at the addresses listed below during normal business hours, Monday through Friday, excluding holidays. Each requester may receive one free copy of the proposed amendment by contacting OSM's Appalachian Regional Coordinating Center.

George Rieger, Field Branch Chief,
Appalachian Regional Coordinating
Center, Office of Surface Mining
Reclamation and Enforcement, 3
Parkway Center, Pittsburgh PA 15220
Telephone: (412) 937-2153