



DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[AMS-CN-16-0108]

Cotton Research and Promotion Program: Request for Comments to be Used in a Review of 1990 Amendments to the Cotton Research and Promotion Act

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Notice.

SUMMARY: As provided for by the Cotton Research and Promotion Act Amendments of 1990, the Agricultural Marketing Service (AMS) is announcing its intention to conduct a review to ascertain whether a referendum is needed to determine whether producers and importers favor continuation of amendments to the Cotton Research and Promotion Order (Order). This notice invites all interested parties to submit written comments to the Department of Agriculture (USDA). USDA will consider these comments in determining whether a referendum is warranted.

DATES: Comments must be received on or before (Insert date 60 days after date of publication in the FEDERAL REGISTER).

ADDRESSES: Written comments may be submitted to the addresses specified below. All comments will be made available to the public. Please do not include personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publically disclosed. All comments may be posted on the Internet and can be retrieved by most Internet search engines. Comments may be submitted anonymously.

Comments, identified by AMS-CN-16-0108, may be submitted electronically through the *Federal eRulemaking Portal* at <http://www.regulations.gov>. Please follow the instructions for submitting comments. In addition, comments may be submitted by *mail or hand delivery* to Cotton Research and Promotion, Cotton and Tobacco Program, AMS, USDA, 100 Riverside Parkway, Suite 101, Fredericksburg, Virginia, 22406. Written comments should be submitted in triplicate. All comments received will be made available for public inspection at Cotton and Tobacco Program, AMS, USDA, 100 Riverside Parkway, Suite 101, Fredericksburg, Virginia, 22406. A copy of this document may be found at: www.regulations.gov.

FOR FURTHER INFORMATION CONTACT: Shethir M. Riva, Director, Research and Promotion, Cotton and Tobacco Program, AMS, USDA, 100 Riverside Parkway, Suite 101, Fredericksburg, Virginia, 22406, telephone (540) 361-2726, facsimile (540) 361-1199, or email at Shethir.Riva@ams.usda.gov.

SUPPLEMENTARY INFORMATION: The Cotton Research and Promotion Act of 1966 (7 U.S.C. 2101-2118) authorized a national Cotton Research and Promotion Program which is industry operated and funded, with oversight by USDA. The program's objective is to enable cotton growers and importers to establish, finance, and carry out a coordinated program of research and promotion to improve the competitive position of, and to expand markets for cotton.

The program became effective on December 31, 1966, when the Cotton Research and Promotion Order (7 CFR Part 1205) was issued. Assessments began with the 1967 cotton crop. The Order was amended and a supplemental assessment initiated, effective January 26, 1977.

The program is currently financed through assessments levied on domestic and imported cotton and cotton-containing products. Assessments under this program are used to fund

promotional campaigns and to conduct research in the areas of U.S. marketing, international marketing, cotton production and processing, and textile research and implementation.

The program is administered by the Cotton Board, which has 37 members, 37 alternate members and four advisors. The Cotton Board is composed of representatives of cotton producers and cotton importers, each of whom has an alternate selected by the Secretary of Agriculture from nominations submitted by eligible producer and importer organizations. All members and their alternates serve terms of 3 years. The Cotton Board's responsibility is to administer the provisions of the Cotton Research and Promotion Order issued pursuant to the Act. These responsibilities include collecting, holding and safeguarding funds; making refunds when refunds are a provision of the Order; contracting with an organization for the development and implementation of programs of research and promotion; reviewing and making recommendations to the Secretary of Agriculture on proposed programs and budgets; and making funds available for such programs when approved. The objective of the Cotton Research and Promotion Program is to strengthen cotton's competitive position and to maintain and expand domestic and foreign markets and uses for cotton. The Cotton Board is prohibited from participating in any matters influencing governmental policies or action except making recommendations for amendments to the Order.

Amendments to the Act were enacted under subtitle G of title XIX of the Food, Agriculture, Conservation, and Trade Act of 1990 (Pub. L. 101-624, 104 Stat. 3909, November 28, 1990). These amendments provided for: (1) Importer representation on the Cotton Board; (2) the assessment of imported cotton and cotton products; (3) increasing the amount the Secretary of Agriculture can be reimbursed for conduct of a referendum from \$200,000 to \$300,000; (4) reimbursing government agencies who assist in administering the collection of assessments on

imported cotton and cotton products; and (5) terminating the right of a producer to demand a refund of assessments. The Act Amendments of 1990 were approved by a majority (60 percent) of importers and producers of cotton voting in a referendum conducted July 17–26, 1991, as required by the Act. Results of this referendum were announced in a nationally distributed press release dated August 2, 1991.

The Cotton Research and Promotion Act Amendment of 1990, Section 8(c)(1) provides that once every 5 years after the July 1991 referendum, the Secretary of Agriculture is to conduct a review to ascertain whether a referendum is needed. In such a referendum, producers and importers would determine whether they favor continuation of the amendments to the Order provided for in the Cotton Research and Promotion Act Amendments of 1990. These amendments to the Order were promulgated in final rules published in the **Federal Register** on December 10, 1991 (56 FR 64470), corrected at 56 FR 66670.

The results of the most recent review report of the Cotton Research and Promotion Program were issued on May 29, 2013. USDA announced its view (78 FR 32228) not to conduct a referendum regarding the 1991 amendments to the Order. In accordance with Section 8(c)(2) of the Act, USDA provided an opportunity for all eligible persons to request a continuance referendum on the 1991 amendments by making such a request during a sign-up period. During the period of August 3 – August 14, 2015, the Department conducted a sign-up period for all eligible persons to request a continuance referendum on the 1990 Act amendments. The announced results of the sign-up period (80 FR 76654) did not meet the criteria established for a continuance referendum by the Cotton Research and Promotion Act and therefore, a referendum was not conducted.

In 2017, in accordance with the provisions of the Act, the Secretary of Agriculture will conduct its review of the Cotton Research and Promotion Program Act amendments to ascertain whether a referendum is needed to determine whether producers and importers support continuation of the amendments to the Order, as provided for by the 1990 Act amendments. The Secretary of Agriculture will make a public announcement of the results of the review. Pursuant to the Act, if the Secretary of Agriculture determines that a referendum is needed, the Secretary of Agriculture will conduct the referendum within 12 months after a public announcement of the determination to conduct the referendum.

If the Secretary determines that a referendum is not warranted, a sign-up period to request such a referendum will be made available to cotton producers and importers. A referendum will be held if requested by 10 percent or more of those voting in the most recent referendum as long as not more than 20 percent are from any one State or importers of cotton. This sign-up period would be announced in the **Federal Register**. A 60-day comment period is provided for interested persons to provide comments to be used by USDA in its review. All interested persons are invited to submit written comments.

Authority: 7 U.S.C. 2101-2118.

Dated: February 21, 2017

Bruce Summers
Acting Administrator
Agricultural Marketing Service

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