

grantees in other areas. By implementing the regulations as a final rule for the 1993 fiscal year only, it will permit FmHA to expeditiously process loans to low- and very low-income families to purchase safe, sanitary, and decent housing. Concurrently with publication of this rule, FmHA is publishing a proposed rule which would make these emergency changes for subsequent fiscal years.

Section 510 of the Housing Act of 1949 requires that fee appraisers be used in any county or district office where loan applications can not be expeditiously processed and to include the cost of the appraisal services in the loan or grant. By including the fee in the loan, when necessary, and amortizing the loan over 33 to 38 years the borrower's payment for this cost will be minimal and repayment ability should not be affected.

Environmental Impact Statement

This document has been reviewed in accordance with 7 CFR part 1940, subpart G, "Environmental Program." It is the determination of FmHA that this proposed action does not constitute a major Federal Action significantly affecting the quality of the human environment, and in accordance with the National Environmental Policy Act of 1969, Public Law 91-190, an Environmental Impact Statement is not required.

Civil Justice Reform

This document has been reviewed in accordance with Executive Order (EO) 12778. It is the determination of FmHA that this action does not unduly burden the Federal Court Systems in that it meets all applicable standards provided in section 2 of the EO.

Programs Affected

This program is listed in the catalog of Federal Domestic Assistance under 10.410, Low-Income Housing Loans.

Intergovernmental Consultation

For the reason set forth in the final rule and related Notice to 7 CFR part 3015, subpart V, 48 FR 29115, June 24, 1983, this program/activity is excluded from the scope of Executive Order 12372 which requires intergovernmental consultation with State and local officials.

List of Subjects in 7 CFR Part 1944

Home improvement, Loan programs—housing and community development, Low and moderate income housing—rental, Mobile homes, Mortgages, Rural housing, Subsidies.

Therefore, chapter XVIII, title 7, Code of Federal Regulations is amended as follows:

PART 1944—HOUSING

1. The authority citation for part 1944 continues to read as follows:

Authority: 7 U.S.C. 1989, 42 U.S.C. 1480; 5 U.S.C. 301; 7 CFR 2.23 and 7 CFR 2.70.

Subpart A—Section 502 Rural Housing Loan Policies, Procedures, and Authorizations

2. In § 1944.3 paragraph (b)(9) is suspended from December 30, 1992, through September 30, 1993, a new paragraph (b)(9) is added, and paragraph (b)(14) is revised to read as follows:

§ 1944.3 Loan purposes.

* * * * *
(b) * * *
* * * * *

(9) Pay incidental expenses such as fees for tax monitoring service, legal, title clearance, loan closing, architectural, appraisal, surveying, environmental, and other technical services and incidental expenses authorized in Exhibit F of this subpart.

* * * * *

(14) Provide living area for all members of the applicant's household including "extended family" as provided in § 1944.16(b).

3. In § 1944.17 the introductory text of paragraph (a) is suspended from (date of publication in the Federal Register) through September 30, 1993, and a new introductory text of paragraph (a) is added to read as follows:

§ 1944.17 Maximum loan amounts.

(a) An RH loan to buy or build a dwelling may be made up to the market value of the security plus an appraisal fee (the appraisal fee can only be added to the market value of the security through September 30, 1993) less the unpaid principal balance and past-due interest of any other liens against the security property for:

* * * * *

Dated: November 9, 1992.

La Verne Ausman,
Administrator, Farmers Home
Administration.

[FR Doc. 92-31672 Filed 12-29-92; 8:45 am]

BILLING CODE 3410-07-M

Animal and Plant Health Inspection Service

9 CFR Part 11

[Docket No. 91-108]

Horse Protection Inspection Guidelines

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: We are amending the Horse Protection regulations by revising the procedures to be followed by Designated Qualified Persons in conducting inspections at horse shows, exhibitions, and sales or auctions. This action is warranted to provide practicable inspection procedures that protect horses under the Horse Protection Act.

EFFECTIVE DATE: January 29, 1993.

FOR FURTHER INFORMATION CONTACT: Dr. R. L. Crawford, Director, Animal Care Staff, Regulatory Enforcement and Animal Care, APHIS, USDA, room 565, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782, (301) 436-7833.

SUPPLEMENTARY INFORMATION:

Background

The practice known as "soring" is the causing of suffering in show horses to affect their performance in the show ring. In 1970, Congress passed the Horse Protection Act (15 U.S.C. 1821-1831), referred to below as the Act, to eliminate the practice of soring, by prohibiting the showing or selling of sored horses. Exercising our rulemaking power under the Act, we issued regulations published at 9 CFR part 11, referred to below as the regulations, that prohibit devices and methods that might sore horses. In 1979, in response to an amendment to the Act, we established regulations under which show managements must, to avoid liability for any sore horses that are shown, hire individuals trained to conduct preshow inspections. These individuals, referred to as Designated Qualified Persons (DQP'S), are trained and licensed under industry-sponsored DQP programs that we certify and monitor.

The requirements for DQP licensing are set forth in § 11.7 of the regulations. As part of the licensing process, prospective DQP's are trained in procedures we have established for examining a horse prior to exhibition or sale. The inspection procedures include, but are not limited to, the examination by palpation of the horse's pasterns and visual examination of the horse.

On June 6, 1991, we published in the Federal Register (56 FR 26043-26044,

Docket No. 91-025) a proposal to amend the regulations to revise the procedures to be followed by DQP's in conducting inspections at horse shows, exhibitions, and sales or auctions.

Comments on the proposed rule were required to be received on or before July 8, 1991. We received 49 comments. The comments were from State officials, horse industry associations, a veterinary medical association, and the general public. Forty-four commenters supported the proposal as written. One commenter opposed the rule in its entirety. The remainder of the commenters suggested changes to the proposed provisions, as discussed below.

Inspection of Horses

We proposed to amend § 11.21(a)(2) to leave it to the discretion of the DQP whether to examine the rear limbs of all horses inspected after showing, and the rear limbs of horses examined preshow or on the showgrounds. However, we proposed to continue to require examination of the rear limbs of horses exhibiting lesions on the rear legs or unusual movement of the rear legs. In discussing our proposal not to require rear limb examination of all horses after showing, we cited the apparent low incidence of rear limb soring and the potential danger to DQP's from such examinations.

One commenter recommended that no fewer than all first-placed horses have their rear limbs inspected for edema, hair loss, scars, thickening of tissue, open lesions and bleeding in the rear limbs. Another stated that the existing rule requiring rear-limb examination in postshow inspections is the minimum necessary for effective enforcement of the Act. The commenter disagreed that inspecting the rear limbs of horses is potentially dangerous, because, according to the commenter, a properly trained DQP does not face any discernible risk of injury from the inspection. We are making no changes based on these comments. As we discussed in our proposal, the incidence of rear-limb soring does not justify requiring examination of all horses after showing, especially since the objective of soring is to get more weight on the hind limbs and elevate the front. We consider the regulations as proposed to be adequate to detect whatever soring might be done to the rear limbs of horses. Further, when examining the rear limbs of a horse, or doing anything around its rear limbs, there is always a danger of being kicked. Although there is less danger for experienced individuals, we believe rear-limb examination in post show inspections

should not be required unless absolutely necessary.

One commenter requested that we clarify what constitutes "unusual movement," stating that training for the "big lick" show gait deliberately strives for an exaggerated, arguably "unusual," overstride in the rear limbs. We are making no changes based on this comment. We consider it clear that the regulations refer to movement that is unusual in comparison to the gait customarily used at shows.

We also proposed to amend § 11.21(a)(3) to require (1) that all action devices, pads and other equipment be observed and/or examined to assure they are in compliance with the regulations, and (2) that all horses examined postshow (which includes all Tennessee Walking Horses and racking horses tied first in their class or event), and all horses examined preshow that are not clearly in compliance, have their pads and action devices weighed and/or measured.

Two commenters opposed the change, stating that a visual examination is not accurate. These commenters recommended that all action devices be weighed and all pads measured. We are making no changes based on these comments. An experienced observer can visually detect questionable pads or devices. When detected, questionable pads and devices will be weighed and/or measured.

We proposed to amend § 11.21(b) to (1) provide that the DQP inspect horses no more than three classes ahead of the time the inspected horses are to be shown, except in smaller shows (those with fewer than 150 horses), where a horse would have to be inspected no more than two classes ahead of the time it is to be shown; and (2) amend the regulations to allow the rider, groom, and trainer to be present in the holding area, and to specify that DQP's and Animal and Plant Health Inspection Service (APHIS) representatives may also be present in the holding area.

One commenter recommended that the requirement for inspection three classes ahead be applied to all shows, not just to those with 150 or more horses. Another commenter opposed our proposed change, stating that numbing agents are sometimes used on sore horses before they are brought to inspection, and that these agents would wear off in time to produce the desired effect in the show ring if inspections are carried out three classes ahead. The commenter stated that maintaining the current requirement for inspections one class ahead would stop this abuse of the regulations. A third commenter stated that the proposed change is based on a

perception that the current regulations will delay shows and rush DQP's and not on actual evidence that delays will occur. The commenter also expressed concern that requiring inspections three classes ahead would increase the number of people and horses in the holding area, making observation difficult and increasing the possibility of horses being sore after inspection.

We are making no changes based on these comments. We consider the proposal to offer the best balance between undesirable time constraints on trainers and DQP's and long waiting periods between inspection and entering the show ring. Although changing to three classes ahead will likely increase the number of individuals in the holding area compared to the number allowed under the one-class limit, we are confident it will not create an unmanageable situation. With regard to any use of numbing agents that might be occurring, we will gather additional information on the use of numbing agents and take whatever action we consider appropriate.

A number of commenters addressed the issue of who should be permitted in the holding area after a horse is inspected. One commenter recommended that we retain the current provisions permitting only the rider and one other person in the holding area. Several commenters requested that, in addition to the rider, groom, and trainer, other individuals, including private veterinarians, be allowed in the holding area. One commenter requested that the regulations specify that when the rider and trainer are the same person, no individuals other than that person and the groom be permitted in the holding area.

We are making no changes based on these comments. We continue to consider it appropriate to permit a rider, trainer, and groom—one individual more than currently permitted—in the holding area, specifying that DQP's and APHIS representatives may also be present, to allow for proper preparation of a horse for showing. We do not consider it appropriate or necessary to allow any additional individuals in the holding area. In order to allow for adequate monitoring of the holding area by DQP's, the number of individuals in that area must be limited to the minimum necessary. We also do not consider it necessary to reduce the number of individuals in the holding area in cases where a rider might also be a trainer. Identifying such situations would be difficult, and would be unnecessary in limiting the individuals

in the holding area to a manageable number.

Required Number of DQP's

We proposed to require that at least two DQP's be designated and appointed when more than 150 horses are entered in a show. Several commenters stated that inspecting more than 100 horses would be unworkable for one DQP because most horses are entered in more than one class, which the commenters estimated could result in approximately 400 entries to be inspected. Other commenters stated that the threshold should be raised to 200 horses before two DQP's are required. One of these commenters suggested as an alternative that we consider the number of horses shown during each 24-hour period at a multi-night show, rather than the total number of horses entered at the show.

Each horse entered in a class represents one entry—*i.e.*, if the same horse is entered in three classes, that represents three entries. A DQP must inspect a horse each time it is entered. We expect that at most one-night shows approximately 100 horses will enter 2–4 classes, resulting in approximately 200–400 entries. At multi-day shows, the same horse that entered three classes in a one-night show may enter those three classes each day, or, alternatively, enter them over a period of several days. Based on this projection, one DQP should be able to handle 150 horses without being overworked in either situation. However, based on our experience enforcing the regulations, we do not agree that one DQP would be able to conduct adequate inspections at shows at which close to 200 horses are entered. Finally, although we agree that the number of horses entered each day at a multi-day show may be fewer than the total number of horses entered in the show, for practical scheduling purposes, we consider it necessary to base the number of DQP's needed on the total number of horses entered at a show.

One commenter recommended that we allow time for the current regulations to be tested before we amend them. We are making no changes based on this recommendation. We developed our proposal in response to evidence presented to us by the horse industry, which we continue to consider compelling enough to warrant the changes as proposed.

A number of commenters raised issues outside the scope of our proposal, including APHIS staffing levels, a recommendation that action devices be prohibited, and a recommendation that tackboxes and towels be prohibited from the holding area. Although we are making no changes to our proposal

based on these comments, we will carefully consider them and, if warranted, take appropriate action.

Based on the rationale set forth in the proposal and in this document, we are adopting the provisions of the proposed rule as a final rule.

Executive Order 12291, Executive Order 12278 and Regulatory Flexibility Act

We are issuing this rule in conformance with Executive Order 12291 and Departmental Regulation 1512–1, and have determined that it is not a "major rule." Based on information compiled by the Department, we have determined that this rule will have an effect on the economy of less than \$100 million; will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and will not cause a significant adverse effect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

This final rule has been reviewed under Executive Order 12778, Civil Justice Reform. It is not intended to have retroactive effect. This rule would not preempt any state or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule. The Act does not provide administrative procedures which must be exhausted prior to a judicial challenge to the provisions of this rule.

The change in inspection procedures will provide for practicable, safe inspection procedures. We expect that the implementation of these regulations will not cause a significant change in the number of shows inspected by DQP's.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act

This rule contains no information collection or recordkeeping requirements under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*).

List of Subjects in 9 CFR Part 11

Animal welfare, Horses, Humane animal handling, Soring of horses.

Accordingly, 9 CFR part 11 is amended as follows:

PART 11—HORSE PROTECTION REGULATIONS

1. The authority citation for part 11 continues to read as follows:

Authority: 15 U.S.C. 1823, 1824, 1825, and 1828; 44 U.S.C. 3506.

§ 11.20 [Amended]

2. In § 11.20, paragraph (c), the number "100" is removed and the number "150" is added in its place.

§ 11.21 [Amended]

3. In § 11.21, paragraph (a)(2), the fifth sentence is revised to read as follows: "The DQP may examine the rear limbs of all horses inspected after showing, and may examine the rear limbs of any horse examined preshow or on the showgrounds when he deems it necessary, except that the DQP shall examine the rear limbs of all horses exhibiting lesions on, or unusual movement of, the rear legs."

§ 11.21 [Amended]

4. In § 11.21, paragraph (a)(3), the second sentence is revised to read as follows: "All action devices, pads, and other equipment shall be observed and/or examined to assure that they are in compliance with the regulations. All such equipment on horses examined postshow, and on horses examined preshow that are not clearly in compliance, shall be weighed and/or measured."

§ 11.21 [Amended]

5. In § 11.21, paragraph (b), the first sentence is revised to read as follows: "The DQP shall inspect horses no more than three classes ahead of the time the inspected horses are to be shown, except that, in shows with fewer than 150 horses, the DQP shall inspect horses no more than 2 classes ahead of the time the inspected horses are to be shown."; and the last sentence is revised to read as follows: "Only the horse, the rider, the groom, the trainer, the DQP(s) and APHIS representatives shall be allowed in the designated area."

Done in Washington, DC, this 21st day of December 1992.

Lonnie J. King,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 92–31493 Filed 12–29–92; 8:45 am]

BILLING CODE 3410–34–M