

UNITED STATES GOVERNMENT
AGRICULTURAL COMMODITY FOREIGN DONATION AGREEMENT
(SECTION 416)

The Agency for International Development (A.I.D.), the Commodity Credit Corporation (CCC) and Government of Honduras (the Cooperating Sponsor) agree as follows:

1. CCC agrees to donate to the Cooperating Sponsor agricultural commodities of the kind and amounts specified in Section 2 pursuant to the authority of Section 416 (b) of the Agricultural Act of 1949, as amended. CCC shall deliver such commodities in accordance with the delivery schedule specified in Section 2.
2. Agricultural commodities to be donated to the Cooperating Sponsor are as follows:

<u>Package</u>	<u>Package</u>	<u>Quantity (MT)</u>	<u>Delivery to U.S. Port</u>	<u>Foreign Port Destination</u>
Wheat*	In bulk	5,000	March, 1987	Cortes
"	"	14,369	April/May 1987	

*The requested classes of wheat to be delivered are indicated in the attached Plan of Operation. CCC shall endeavor to comply with the requests of the Cooperating Sponsor regarding the class and quantity of wheat to be delivered each month set forth in the Plan of Operation.

NOTE: Should the above schedule change, the Cooperating Sponsor will promptly inform CCC and coordinate a revised delivery schedule. The person to contact is Chief, Export Operations Branch, Agricultural Stabilization and Conservation Service/USDA, Kansas City Commodity Office (KCCO), P.O. Box 205, Kansas City, Missouri 64141, Telephone (816) 926-6723.

3. The payment of all costs associated with the processing, packaging, transporting, handling and other charges incurred in the distribution of the commodities will be apportioned as follows
 - A. CCC agrees to donate the agricultural commodities without charge and to pay the following costs. Ocean transportation, survey fees, and repackaging of damaged commodities, processing, handling and transport costs to U.S. port(s) of allocation.

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B. The Cooperating Sponsor agrees to pay the following costs, inland transportation, handling and distribution within Honduras. The Cooperating Sponsor agrees to arrange freight forwarding and booking.

4. Notwithstanding Section 210.5 (d) (2) (1), A.I.D. Regulation 10, the Cooperating Sponsor will arrange ocean transportation and freight forwarding so as to comply with the requirements of CCC regarding the quantities of commodities made available under this Agreement that must be carried on U.S. flag vessels.
5. The quality of agricultural commodities to be donated by the CCC and the packaging descriptions will be in accordance with the specifications in Attachment B to this Agreement as further specified in Section 2.
6. The terms and conditions set forth in the approved Plan of Operation (Attachment A) are incorporated into and made a part of this Agreement.
7. Except as otherwise provided herein, the terms and conditions set forth in A.I.D. Regulation 10 are incorporated into and made a part of this Agreement, and all references therein to "dairy products" shall be deemed to apply to the donation of wheat under this Agreement.
8. In lieu of Section 210.10(g), A.I.D. Regulation 10, the following shall apply:

The amount to be paid for wheat misused, lost or damaged, shall be determined on the basis of the market price at the time and place of the misuse, loss or damage occurred or, in cases where it is not feasible to obtain or determine such market price, the F.O.B. commercial export price of the commodity at the time and place of export, plus ocean freight charges and other costs incurred by the Government of United States in making delivery to the Cooperating Sponsor. When the value is determined on a cost basis, the Cooperating Sponsor may add to the value any provable costs they have incurred prior to delivery by the ocean carrier. In preparing the claim statement, these costs shall be clearly segregated from costs incurred by the Government of the United States. With respect to the claims other than ocean carrier loss and/or damage claims, the value of misused, lost or damaged commodities may be determined on some other justifiable basis, at the request of the Cooperating Sponsor and/or upon the approval of the USAID or Diplomatic Post, and/or AID/Washington.

9. In lieu of Sections 210.6 (b)(4), (b)(5), or (b)(6), or any other provisions of A.I.D. Regulation 10 prohibiting the sale of agricultural commodities donated under this Agreement, the Cooperating Sponsor may sell such commodities within Honduras for the purpose of generating local currency to be used in accordance with the approved Plan of Operation (Attachment A).

10. The provisions of Section 210.6 (a), A.I.D. Regulation 10, to the extent such provisions are not reflected in the Plan of Operation (Attachment A), are deemed waived, in accordance with Section 210.14 (a), A.I.D. Regulation 10.
11. This Agreement shall be subject to suspension or termination upon finding by CCC that (1) adequate storage facilities are not available in the recipient country at the time of export to prevent spoilage or waste of the donated commodity, or that (2) the distribution of the commodity in the recipient country will result in a substantial disincentive to or interference with domestic production or marketing in that country.
12. In lieu of Section 210.11 (a) and (c) of A.I.D. Regulation 10, the following shall apply:
 - A. The Cooperating Sponsor shall maintain a special account in which it shall deposit the proceeds generated from the sale of commodities provided under this Agreement and maintain records and documents for a period of three years from the date of the export of the agricultural commodities in a manner which will accurately reflect all transactions pertaining to the receipt, storage, distribution, and sales of the agricultural commodities.
 - B. The Cooperating Sponsor shall submit on a quarterly basis a report to the U.S. Embassy, Tegucigalpa for forwarding to the Chief, Title II Division, Food for Peace (AID) covering the receipt of agricultural commodities made available by the CCC under this Agreement. The first report shall be submitted by June 30, 1987, and cover the period from the date of the Agreement and quarterly thereafter until funds are completely disbursed from the special account. The report must contain the following data:
 - (1) Receipts of agricultural commodity including the name of each vessel, discharge port(s), the date discharge was completed, the condition of the commodities on arrival, any significant loss or damage in transit, advise of any claim for, or recovery of, or reduction of freight charges due to loss or damage in transit on United States flag vessels;
 - (2) Quantity of agricultural commodities sold, proceeds generated, and proceeds deposited into the special account during the reporting period;
 - (3) Estimated commodity inventory at the end of the reporting period;
 - (4) Quantity of commodity on order and in transit during the reporting period;

- (5) Status of claims for commodity losses both resolved and unresolved during the reporting period;
 - (6) Quantity of commodity damaged or declared unfit during the reporting period, and
 - (7) Disbursements from the special account for the purposes specified in the Plan of Operation.
13. Section 210.7 (h), A.I.D. Regulation 10, is deleted in its entirety. This waives the requirement that repackaging Section 416 agricultural commodities must be packed in containers marked furnished by the people of the United States of America and not to be sold or exchanged.

THE GOVERNMENT OF THE UNITED STATES

By: *Everett E. Briggs*
Title: Everett E. Briggs
Ambassador

By: *Melvin E. Sims*
Title: Melvin E. Sims
General Sales Manager
FAS, and Vice President
Commodity Credit Corporation

Date: Jan 30 1986

Date: January 14, 1987

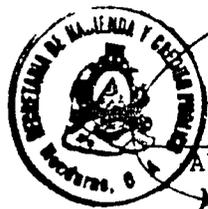
John A. Sanbrailo
John A. Sanbrailo
Mission Director

Date: 1/30/87

FOR THE GOVERNMENT OF HONDURAS

Request and Acceptance

The assistance described in this Agreement is requested and the terms and conditions of this Agreement and of A.I.D. Regulation 10, except as otherwise specifically provided herein, are accepted.



Efraín Bú Girón
Abogado Efraín Bú Girón
Ministry of Finance
and Public Credit

Date: Jan 30 1986

SECTION 416 PROGRAM
HONDURAS

PLAN OF OPERATION

1. Name and address of Cooperating Sponsor:

Government of Honduras (GOH) (Cooperating Sponsor) has designated the Honduran Agricultural Marketing Institute (IHMA) as the agency for the importation of wheat under whose name all documents will be drafted. For transportation purposes the Government of Honduras has designated the Pacific Cargo Corporation to manage the operations derived from this Agreement.

2. Country: Honduras3. Kind and quantity of commodities:

Wheat, bulk -

(A) Classes: Northern spring/dark northern spring(NS/DNS) No. 2 or better, Soft red winter (SRW) No. 2 or better, hard amber durum (HAD) No. 2 or better.

(B) Quantity: 19,369 metric tons

4. Delivery schedule:

<u>Importer</u>	<u>Port</u>	<u>Type</u>	<u>Grade</u>	<u>QT. (M.T.)</u>	<u>Date</u>
IHMA	Cortes	NS/DNS	No. 2 or better	5,000	March, 1987
IHMA	"	"	"	7,000	April/May, 1987
IHMA	"	SRW	"	6,869	April/May, 1987
IHMA	"	HAD	"	500	April/May, 1987

5. Description of Program:

A. Use of Generated Currencies: The Government of Honduras commits itself to utilize the funds generated through this Agreement in the financing of projects that contribute to the development of poor rural areas and that permit greater accessibility of the population to the benefits of development.

The specific project will be determined by mutual agreement between the Governments of Honduras and the United States.

B. Monetization: 1) The Government of Honduras commits itself to sell the wheat donated through this Agreement to local wheat mills, regulating the details of this sale by means of contracts between the Honduran Agricultural Marketing Institute (IHMA) and the wheat mills. The funds generated will be deposited in favor of the Ministry of Finance and Public Credit of the Government of Honduras in a special account in the Central Bank of Honduras. 2) The Government of Honduras agrees to submit to the U.S. Government quarterly reports verifying that the local currencies have been used for the projects outlined.

6. Usual marketing requirements: UMR

The UMR has been set at zero for wheat.

7. Record keeping, accountability, and reporting procedures:

The Government of Honduras will furnish the U.S. Embassy in Tegucigalpa such information and reports relating to this Agreement as they may reasonably request.

8. Assurances:

The Government of Honduras assures that all commodities received through this program will be received and consumed within the country and that no export of wheat will be allowed.

Wheat
(Whole Grain)

U.S. Grade No. 2 or better wheat, maximum 13.5% moisture.

STANDARDS

Grade	Minimum test weight per bushel (pounds)		Percent maximum limits of -						
	Hard Red Spring wheat or White Club ^{1/} wheat ^{1/}	All other classes and sub- classes	Heat damaged kernels	Damaged Kernels ^{2/} (total)	Foreign material	Shrunken and broken kernels	Defects ^{3/} (total)	Wheat of other classes ^{4/} Con- trasting classes	Wheat of other ^{5/} classes ^{5/} (total)
U.S. No. 2	57.0	58.0	.2	4.0	1.0	5.0	5.0	2.0	5.0

^{1/} These requirements also apply when Hard Red Spring wheat or White Club wheat predominate in a sample of Mixed wheat.

^{2/} Includes heat-damaged kernels.

^{3/} Defects (total) include damaged kernels (total), foreign material, and shrunken and broken kernels. The sum of these three factors may not exceed the limit for defects.

^{4/} Unclassed Wheat of any grade may contain not more than 10 percent of wheat of other classes.

^{5/} Includes contrasting classes.

Packaging (per 50 kg) (If requested)

Woven Polypropylene or
Polyethylene

Fabric contains an inhibitor to resist ultra-violet
absorption, along with an anti-skid coating.

Attachment B is a generic standard. In light of the recent decision to be responsive to requests for various classes of wheat, the classes of wheat specified in the Plan of Operation, (Attachment A) will be controlling for grain shipments.

8

Thursday
May 24, 1984

REGULATION 10

Part III

**International
Development
Cooperation Agency**

Agency for International Development

22 CFR Part 210

Donation of Dairy Products To Assist
Needy Persons Overseas (416 Program)
Interim Rule of Requirements



**INTERNATIONAL DEVELOPMENT
COOPERATION AGENCY**

Agency for International Development

22 CFR Part 210

AID Reg. 101

**Donation of Dairy Products To Assist
Needy Persons Overseas (416
Program), Interim Rule of
Requirements**

AGENCY: Agency for International
Development, IDCA.

ACTION: Interim rule

SUMMARY: This interim rule sets forth procedures for the dairy products overseas donation program to be administered by the Agency for International Development (AID), an agent for the Commodity Credit Corporation (CCC) under the authority of Section 416 of the Agricultural Act of 1945 as amended (Section 416). This program is now being conducted by CCC, an agency within the United States Department of Agriculture (USDA), pursuant to the regulations at 7 CFR Part 1497. Upon publication of this Interim Rule, those regulations will be terminated by CCC. The foreign donation of dairy products will assist needy persons overseas and reduce surplus stocks of dairy products in CCC inventory.

DATE: Effective Date: Interim rule effective May 24, 1984.

Comments on these Interim rules must be received on or before July 23, 1984.

ADDRESS: Comments should be submitted to Ms. Jessie C. Vogler, Office of Food for Peace, Bureau for Food for Peace and Voluntary Assistance, Agency for International Development, Washington, D.C. 20523 Telephone: (703) 235-9173.

FOR FURTHER INFORMATION CONTACT: Ms. Peggy A. Sheehan, Chief Food Donations Division, Office of Food for Peace, Bureau for Food for Peace and Voluntary Assistance, Agency for International Development, Washington, D.C. 20523 Telephone: (703) 235-9173.

SUPPLEMENTARY INFORMATION: This notice has been reviewed under AID's required procedures. It has been determined that these program provisions will not result in any significant adverse effects 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. It has been determined that the Regulatory Flexibility Act is not applicable to this notice since AID is not required by 5 U.S.C. 553 or any other provision of law to publish a notice of proposed rulemaking with respect to the subject matter of this notice.

Section 416 of the Agricultural Act of 1949 (Section 416) authorizes the donation of surplus dairy products acquired through the Commodity Credit Corporation (CCC) price support operation for food assistance overseas. CCC may pay, with respect to the commodities donated, certain costs including reprocessing, packaging, transporting, handling, and costs of overseas delivery. Section 416 provides that the foreign donation of commodities thereunder shall be in addition to assistance provided under the Agricultural Trade Development and Assistance Act of 1954 as amended (Pub. L. 480).

Regulations were issued by CCC on December 2, 1982 (47 FR 54285, 7 CFR Part 1497) setting forth procedures for the donation by CCC pursuant to Section 416 of dairy products to assist needy people overseas. As this program was being implemented, it was realized that the various responsibilities involved in its operation could best be met by the sharing of functions between the USDA and AID, which agency has for many years been handling foreign donation under Pub. L. 480 and other legislation. Accordingly, on August 9, 1983 a Memorandum of Understanding was entered into by CCC and AID which provided for the designation of AID as agent for CCC in performing certain services for CCC in connection with making dairy products available to needy people overseas under the authority of Section 416. The Memorandum sets forth the various responsibilities to be shared between AID and CCC. Under this rule the Section 416 Foreign Donation Program Agreements with the cooperating sponsors will be signed by both AID and CCC.

This rule is being issued pursuant to the Memorandum of Understanding between CCC and AID which was entered into prior to the recent amendments to Section 416 made by the Agricultural Program Adjustment Act of 1984 (Pub. L. 98-258 approved April 10, 1984). In view of these amendments, changes in the Memorandum and the AID regulations are presently under study.

Regulation 10 which has been concurred in by CCC, sets forth general guidelines and procedures applicable to overseas donations of dairy products under Section 416. It is intended that

specific details regarding the donation of dairy products such as commodity types, processing and transportation requirements, delivery schedule, recipients and apportionment of costs and responsibilities related to the donation, will be arranged with cooperating sponsors following submission of a program proposal by such sponsors. Cooperating sponsors as defined in the regulations are encouraged to contact the Chief, Title II Food Donation Division, Office of Food for Peace (FVA/FFP/II), Agency for International Development for information and assistance in preparing proposals and thereby expedite consideration of the proposals. Telephone: (AC 703) 235-9173.

The Director, Office of Food for Peace, Bureau for Food for Peace and Voluntary Assistance (FVA/D/FF) or his/her designee and the General Sales Manager, U.S.D.A. and Vice President, CCC, or his/her designee will be responsible for approving program agreement/proposals.

It has been determined that the provisions of 5 U.S.C. 553 do not apply to this rule since the subject matter of the rule involves foreign affairs functions of the United States and a matter relating to grants. Accordingly, the regulation will be made effective upon publication in the Federal Register. Nevertheless, comments are requested within 60 days after publication and the interim rule will be scheduled for review in order that a final document discussing any comments received and any desirable amendments may be published in the Federal Register.

List of Subjects in 22 CFR Part 210

Dairy products, Exports, Foreign aid.
22 CFR Ch. II is amended by establishing a new Part 210 as A.I.D. Regulation 10 to read as follows.

**PART 210—DONATION OF DAIRY
PRODUCTS TO ASSIST NEEDY
PERSONS OVERSEAS (SECTION 416
FOREIGN DONATION PROGRAM)**

Sec.	
210.1	General purpose and scope
210.2	Definitions
210.3	Eligibility requirements for nonprofit private humanitarian organizations
210.4	Cooperating sponsor agreements
210.5	Availability of commodities
210.6	Obligations of cooperating sponsor
210.7	Processing, repackaging and labeling of commodities
210.8	Arrangements for entry and handling in foreign country
210.9	Disposition of commodities unfit for authorized use

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 210 10 Liability for loss and damage or improper distribution of commodity—claims and procedures
 210 11 Records and reporting requirements of cooperating sponsor
 210 12 Additional responsibilities of cooperating sponsor
 210 13 Termination of program
 210 14 Waiver and amendment authority
 210 15 OMB control number assigned pursuant to the Paperwork Reduction Act

Appendix I—Dairy Product Foreign Donation Program Proposed Plan of Operation (Section 416)

Appendix II—Dairy Product Donation Agreement (Section 416)

Authority Sec. 416 of the Agricultural Act of 1949 as amended, 7 U.S.C. 1431 (Section 416 Foreign Donation Program)

§ 210.1 General purpose and scope.

(a) *Terms and conditions* This Part 210 contains the regulations prescribing the terms and conditions governing the donation of dairy products for use outside the United States through foreign governments and public and nonprofit private humanitarian organizations such as U.S. nonprofit voluntary agencies or intergovernmental organizations (the World Food Program and United Nations Relief and Works Agency shall not be subject to these regulations except as may be specifically provided herein) pursuant to Section 416 of the Agricultural Act of 1949 as amended (Section 416)

(b) *Legislation* The legislation implemented by the regulation (Section 416) provides that dairy products acquired by Commodity Credit Corporation (CCC) may be "donated through foreign governments and public and nonprofit private humanitarian organizations for assistance of needy persons outside the United States, and the Commodity Credit Corporation may pay with respect to commodities so donated, reprocessing, packaging, transporting, handling and other charges including the cost of overseas delivery"

(c) These regulations are promulgated pursuant to the designation by CCC of the Agency for International Development (AID) as its agent to carry out certain responsibilities pertaining to the administration of the program to donate CCC dairy products outside the U.S. under the authority of Section 416

§ 210.2 Definitions.

"AID" means the Agency for International Development or any successor agency including when applicable each USAID "USAID" means an office of AID located in a foreign country "AID/W" means the

office of AID located in Washington D.C.

"CCC" means the Commodity Credit Corporation a corporate agency and instrumentality of the United States within the U.S. Department of Agriculture

"Cooperating Sponsor" means a foreign government, or a public or nonprofit private humanitarian organization, including the American Red Cross, and humanitarian intergovernmental organizations that enters into an agreement with the U.S. Government for the use of Section 416 Foreign Donation Program commodities and which is directly responsible under the agreement for administration and implementation of and reporting on the use of the commodities made available for the program. The Cooperating Sponsor, except a foreign government and intergovernmental organizations must be organized under the laws of the U.S. and maintain an office in the U.S.

"Diplomatic Posts" means the offices of the Department of State located in foreign countries, and may include Embassies, Legations, and Consular offices.

"Duty Free" means exempt from all customs duties, tolls, taxes or governmental impositions levied on the act of importation.

"Humanitarian" means an organization that is carrying out or intends to carry out activities designed to provide assistance to needy people.

"Non-profit" means that the residue of income over operating expenses accruing in any activity, project, or program is used solely for the operation of such activity, project or program.

"Private" means a non-governmental organization that receives private funding

"Recipients" means persons who are in need of food assistance because of their economic condition.

"USDA" means the U.S. Department of Agriculture.

§ 210.3 Eligibility requirements for nonprofit private humanitarian organizations.

(a) All private and voluntary organizations registered with the Agency for International Development under AID Regulation 3, 22 CFR Part 203 are eligible to participate in the Section 416 Foreign Donation Program.

(b) All organizations that have received dairy products for overseas distribution outside the U.S. from the Commodity Credit Corporation under the authority of Section 416 prior to the issuance of these regulations are eligible to continue to participate in the Section 416 Foreign Donation Program.

(c) Organizations not eligible under (a) or (b) above may apply for registration by contacting the Registration Officer Office of Private and Voluntary Cooperation (FVA/PVC), Bureau for Food for Peace and Voluntary Assistance, Agency for International Development (AID), Washington, D.C. 20523.

(d) In exceptional circumstances, one or more Conditions of Registration (AID Regulation 3, 22 CFR Part 203) may be waived by the Assistant Administrator, Bureau for Food for Peace and Voluntary Assistance (FVA), of AID, on the recommendation of the Office of Food for Peace following the registration review by the Office of Private and Voluntary Cooperation (FVA/PVC).

(e) Certain categories of organizations engaged exclusively in religious activities and private foundations, which do not meet Condition No. 1 of AID Regulation 3 will not be registered but may in exceptional circumstances, become participants in the Section 416 program. The Office of Food for Peace will conduct a review of such applications, and forward recommendations to the Assistant Administrator of the Bureau for Food for Peace and Voluntary Assistance (FVA) for a decision regarding participation.

(f) Organizations approved for participation in the Section 416 Foreign Donation Program or foreign governments must submit to AID, a program plan of operation. For details see Appendix I—Sample Format of a Dairy Product Foreign Donation Proposed Plan of Operation (Section 416)

§ 210.4 Cooperating Sponsor agreements.

(a) The Cooperating Sponsor shall enter into a written agreement with AID and CCC by signing a Section 416 Foreign Donation Program Agreement which shall incorporate by reference the terms and conditions set forth in this part.

(b) Appendix II of this Regulation is a Sample Format of the Section 416 Foreign Donation Program Agreement.

§ 210.5 Availability of commodities.

(a) Commodities shall be available for distribution and use in accordance with the provisions of the Section 416 Foreign Donation Program Agreement and this part. Unless provided otherwise in the Section 416 Foreign Donation Program Agreement, the quality of dairy products donated by the CCC and the packaging description will be in accordance with dairy product specifications determined by CCC and such specifications shall be

made a part of the Section 416 Foreign Donation Program Agreement

(b) Unless the Section 416 Foreign Donation Program Agreement provides otherwise, title to the dairy products shall pass to the Cooperating Sponsor at the time and place of delivery of a vessel at the U.S. ports

(c)(1) The Commodity Credit Corporation (CCC) will pay reprocessing, packaging, transporting, handling, and other charges incurred in making commodities available to Cooperating Sponsors as agreed upon in the Section 416 Foreign Donation Program Agreement.

(2) All costs and expenses incurred subsequent to the transfer of title to Cooperating Sponsors shall be borne by them except that CCC may pay or make reimbursement for transportation costs from U.S. ports to designated ports or points of entry abroad when specifically provided in the Section 416 Foreign Donation Program Agreement or upon the determination by CCC that it is in the best interest of the program to do so

(d) Shipment of commodities and the payment of ocean freight shall be made in accordance with the following procedures

(1)(i) When the Cooperating Sponsor agrees to pay ocean transportation costs and perform freight forwarding and booking functions, the Kansas City Commodity Office (KCCO) USDA will furnish the Cooperating Sponsor with a Notice of Commodity Availability (CCC-512) which will name the receiving country, quantity, and date at U.S. port. The Cooperating Sponsor will arrange ocean transportation and freight forwarding in compliance with the Cargo Preference Act of 1954, Public Law 664 which requires that at least 50 percent of the cargo tonnage under this agreement be carried on U.S.-flag vessels. Non-Vessel Operating Common Carriers (NVOCC) may not be employed to carry U.S.-flag shipments. Approval of ocean transportation arrangements shall be obtained from ASCS/KCCO/USDA, P.O. Box 205, Kansas City, Mo 64141 Telephone (913) 236-3057

(ii) The Cooperating Sponsor will also complete the CCC-512 indicating name of steamship company, vessel name, vessel flag and estimated time of arrival at U.S. port, sign and return the completed form to KCCO/USDA, with a copy to P.L. 480 Operations Division, Foreign Agricultural Service, USDA. KCCO/USDA will then issue instructions to have the commodity shipped free alongside vessel to U.S. port for consignment to the Cooperating Sponsor as specified in the CCC-512. Unless provided for otherwise in Section 3 of the Section 416 Foreign Donation

Program Agreement U.S. ports will be selected on the basis of the lowest cost to CCC except where mutually agreeable to both the Cooperating Sponsor and KCCO/USDA.

(2)(i) When CCC agrees to pay ocean transportation costs and the Cooperating Sponsor agrees to perform freight forwarding and booking functions, the KCCO/USDA will furnish the Cooperating Sponsor with a Notice of Commodity Availability (CCC-512) which will name the receiving country, quantity and date at U.S. port. The Cooperating Sponsor will arrange ocean transportation and freight forwarding in compliance with the Cargo Preference Act of 1954, which requires that at least 50 percent of the cargo tonnage under this agreement be carried on U.S.-flag vessels. Non-Vessel Operating Common Carriers (NVOCC) may not be employed to carry U.S.-flag shipments. Approval of ocean transportation arrangements shall be obtained from ASCS/KCCO/USDA, P.O. Box 205, K.C., Mo 64141, Telephone: (913) 236-3057

(ii) The Cooperating Sponsor will also complete the CCC-512 indicating ocean freight rate as stated in the Federal Maritime Commission (FMC) tariff (with tariff identification), name of steamship company, name of vessel, flag of vessel and estimated time of arrival at U.S. port, sign, and return the completed form to KCCO/USDA, with a copy to P.L. 480 Operations Division, Foreign Agricultural Service, USDA. KCCO/USDA will then issue instructions to have the commodity shipped free alongside vessel to U.S. port for consignment to the Cooperating Sponsor as specified in the CCC-512. Unless provided for otherwise in Section 3 of the Section 416 Foreign Donation Program Agreement, U.S. ports will be selected on the basis of lowest landed cost to CCC, except where mutually agreeable to the Cooperating Sponsor and KCCO/USDA.

(iii) CCC will pay the Cooperating Sponsor or the ocean carrier as may be agreed upon, for ocean transportation costs within 30 days of receipt of the following documentation: (A) one copy of completed CCC-512 (as indicated above); (B) three copies of freighted "on board" bill of lading signed by originating carrier; (C) two copies of booking note and/or contract covering ocean transportation of subject cargo; (D) request for payment, indicating amount due and certification that payment has been made to ocean carrier or request for direct payment to ocean carrier.

(3) When CCC agrees to pay ocean transportation costs and to perform freight forwarding and booking

functions, CCC will arrange to ship at least 50 percent of the cargo on U.S. flag vessels in accordance with the Cargo Preference Act of 1954.

§ 2106 Obligations of the cooperating sponsor.

(a) *Plan of Operation* Each cooperating sponsor shall submit to the AID or Diplomatic Post a description of the programs it is sponsoring or proposes to sponsor. This description will, when approved, provide the basic information for preparation of the Section 416 Foreign Donation Program Agreements and will be incorporated into such an agreement by reference. Within the overall objectives of the approved program, elements of the program may be changed by written agreement of authorized representatives of the Cooperating Sponsor, AID, and CCC. In case of conflict between the Agreement and the approved plan of operation, the Agreement shall prevail. The plan of operation should clearly specify how a given Section 416 Foreign Donation Program is to be conducted. In addition to any other requirements of law or regulation, the plan will include the following information:

(1) A description of program goals and criteria for measuring progress toward reaching the goals

(2) A geographic, economic, medical or other appropriate description of the recipient target group that is sufficient to readily determine recipient eligibility to receive Section 416 commodities and to assure that commodities provided under Section 416 will not displace or substitute for commercial sales in the recipient country

(3) Statements as to what public recognition and container markings will be employed in the distribution of the commodities

(4) A logistics plan that demonstrates the adequacy of port facilities, transportation facilities and storage/warehousing facilities to handle the flow of commodities to recipient's without undue risk of spoilage or waste

(5) Sufficient information concerning the plan of distribution and the target group of recipients so that a determination can be made as to whether the proposed food distribution would result in a substantial disincentive to domestic food production

(6) Statements detailing the support of the Host Government of the country accruing the commodity or any other support for the proposed program

(7) Kind and quantity of dairy products requested and delivery schedule

(8) Explanation of the methods of educating recipients on the source of dairy products, program requirements and preparation and use of dairy products, particularly steps to be taken to assure that there will be no unintended harmful effects from the distribution of the dairy products. Therefore, examples of educational materials for the field or guidelines should be presented which include food handling precautions to prevent contamination and spoilage such as refrigeration of cheese and butter products, immediate preparation of foods before eating, discarding of leftovers if no refrigeration is available, and information about proper use and preparation of NFDM in its dry and reconstituted form. Specifically in child feeding programs where NFDM is distributed in bulk directly to families, projects at a minimum should include education on (i) promotion of exclusive breastfeeding for 4-6 months and continuation of breastfeeding after solid foods are introduced, (ii) use of NFDM as a protein supplement, (iii) the importance of combining NFDM with energy rich foods, i.e. oil, fats, porridges, stews, etc., and (iv) precautions to be taken to prevent contamination of foods prepared with NFDM and (v) precautions to be taken when NFDM is reconstituted as a milk drink when there is evidence that it may be used this way.

(9) Description of the method to be used to supervise and monitor the distribution of the dairy products to assure that they are distributed to the intended needy recipients.

(10) Provide information to show approval of foreign government to import the donated dairy products duty free.

(b) Other Requirements.

(1) The terms and conditions of the Section 416 Foreign Donation Program Agreement and of this part, except as otherwise specifically provided, are deemed to be accepted by the Cooperating Sponsor in submitting the program plan of operation.

(2) The Cooperating Sponsor agrees to use the dairy products only in accordance with the Section 416 Foreign Donation Program Agreement, and this regulation.

(3) The donation of the dairy products by CCC and the payment by CCC of any costs specified in Section 3 of the Section 416 Foreign Donation Program Agreement is made with the understanding that the Cooperating Sponsor will carry out its obligations as provided in the Agreement and this part. The Cooperating Sponsor shall be liable to CCC for any failure to export the

dairy products from the U.S. the reentry of any of the dairy products into the United States or any use of the dairy products which is inconsistent with the Section 416 Foreign Donation Program Agreement. For any such failure, the Cooperating Sponsor shall reimburse CCC for all costs paid by CCC in making the dairy products available to the Cooperating Sponsor, including the acquisition cost to CCC at the time CCC acquired the dairy products under its dairy price support program. However, the Cooperating Sponsor shall not be liable to CCC with respect to any dairy products which, before or after export from the United States, are lost or damaged, destroyed or deteriorated to the extent that the dairy products cannot be used for the purposes described in the Section 416 Foreign Donation Program Agreement unless such loss or damage was due to the fault or negligence of the Cooperating Sponsor.

(4) Cooperating Sponsors shall distribute dairy products only to eligible recipients. Distribution shall be made without regard to nationality, race, color, sex, or religious or political beliefs of recipients.

(5) Funds derived from voluntary contributions by recipients may be used for payment of program costs by Cooperating Sponsors. Contributions may not be required by a Cooperating Sponsor from a recipient as a condition for participation in a program. Funds accruing from contributions shall be used for payment of program costs such as transportation, storage, handling, insect and rodent control, rebagging of damaged or infested commodities and other program expenses specifically authorized by AID to carry out the program for which the commodities were furnished.

(6) Overseas donations of dairy products under Section 416 are intended as food aid. Dairy products may not be donated under circumstances resulting in more than incidental commercial sales of the products after they have been donated, nor may the commodities be sold in order to generate funds for any purpose.

(7) In the case of foreign government Cooperating Sponsors, data showing commercial and non-commercial imports of dairy products for the past five years by country of origin shall be provided. A Section 416 Foreign Donation Program Agreement with a foreign government may include a usual marketing requirement.

(8) In the case of landlocked countries, transportation in the intermediate country to a designated inland point of entry in the recipient country shall be

arranged by the Cooperating Sponsor unless otherwise provided in the Section 416 Foreign Donation Program Agreement.

(9) If a Cooperating Sponsor books cargo for ocean transportation and is unable to have a vessel at U.S. port of export for loading in accordance with the agreed shipping schedule and CCC thereby incurs additional expenses, the Cooperating Sponsor shall reimburse CCC for such expenses if CCC determines that the expenses were incurred as a result of the fault or negligence of the Cooperating Sponsor.

§ 210.7 Processing and repackaging and labeling of commodities.

(a) Cooperating Sponsors may arrange for processing dairy products into different end products and for packaging or repackaging dairy products prior to distribution. When commercial facilities are used for processing, packaging or repackaging, Cooperating Sponsors shall enter into written agreements for such services. Copies of the executed agreements shall be provided to the USAID or Diplomatic Post in the country of distribution. No part of the commodities delivered to the processing, packaging, or repackaging company shall be used to defray costs of processing, packaging or repackaging.

(b) If prior to distribution the Cooperating Sponsor arranges for packaging or repackaging donated dairy products, the cartons, sacks, or other containers in which the dairy products are packed shall be plainly labeled in the language of the country in which the commodities are to be distributed with the following information:

(1) Name of Commodity.

(2) Furnished by the people of the United States of America.

(3) Not to be sold or exchanged. Emblems or other identification of cooperating sponsors may also be added.

§ 210.8 Arrangements for entry and handling in foreign country.

(a) Dairy products shall be admitted duty free and exempt from all taxes.

(b) Cooperating Sponsors shall make all necessary arrangements for receiving the dairy products and assume full responsibility for storage and maintenance of dairy products from time of delivery at port or point of entry abroad. The Cooperating Sponsor shall be responsible for the maintenance of commodities in such manner as to assure distribution of the dairy products in good condition to needy recipients.

(c) If the packages of dairy products are damaged prior to or during

Section 416 Foreign Donation Program Agreement

§ 210.13 Termination of program.

All or any part of the assistance provided under the Section 416 Foreign Donation Program including commodities in transit, may be terminated by the United States Government at its discretion if the Cooperating Sponsor fails to comply with the provisions of the Section 416 Foreign Donation Program Agreement or this part, or if it is determined by AID that the continuation of such assistance is no longer necessary.

§ 210.14 Waiver and amendment authority.

(a) A.I.D., with the concurrence of CCC, may waive, withdraw, or amend, at any time, any or all of the provisions of this part if such provision is not statutory and it is determined to be in the best interest of the U.S. Government to do so.

(b) The Section 416 Foreign Donation Program Agreement may be amended upon written agreement by AID, CCC, and the Cooperating Sponsor.

§ 210.15 OMB control number assigned pursuant to the Paperwork Reduction Act.

The information collection requirements in Part 210 have been approved by the Office of Management and Budget under control number 0412-0517.

Appendix I—Dairy Product Foreign Donation Proposed Plan of Operation (Section 416)

Agency for International Development, Bureau for Food for Peace and Voluntary Assistance, Office of Food for Peace, Title II Food Donation Division, Washington, D.C.

Dairy Product Foreign Donation Proposed Plan of Operation (Section 416)

Public and private nonprofit humanitarian organizations (applicant) must submit to the Agency for International Development, Bureau for Food for Peace and Voluntary Assistance, Office of Food for Peace, Title II Food Donation Division, Washington, D.C. 20523, a program plan giving the following information:

1. Name and address of applicant. The applicant must be organized under the laws of the United States and must maintain an office in the United States.

2. Country in which the dairy products will be used to assist needy people. (Submit a separate proposal for each country.)

3. Kind of dairy products requested. (The quality specifications and packing description of the dairy products will be the specifications and packing description shown in Attachment B, unless Commodity Credit Corporation (CCC) and the applicant agree to the reprocessing or repackaging of the dairy products.)

4. Quantity of dairy products requested stated in pounds. The quantity requested shall be limited to the amount to be shipped

from the U.S. during a twelve month period beginning with the first proposed shipment.

5. Delivery schedule. (Show amount of dairy products for each delivery period, i.e. January—40,000 pounds, March—40,000 pounds, etc.)

6. Intended use of the dairy products.

a. Describe each program (i.e., maternal child health, school feeding, other child feeding, etc.), the problem that the program addresses, and the program's proposed response to this problem.

b. Describe overall objectives and purpose of each program.

c. Will the program be country-wide or limited to certain provinces, states, cities, or other administrative or geographical areas?

d. Describe the distribution method to be used to make the dairy products available to needy recipients.

7. Describe participation in the program by any other organization or government agency of the foreign country.

8. Explain arrangements to be used to assure that the dairy products donated under Section 416 will (a) be in addition to the level of assistance programmed under the Agricultural Trade Development and Assistance Act of 1954 (Title II of Pub. L. 480) and (b) not displace dairy products normally purchased on the commercial market for use by the proposed recipients.

9. Describe records to be used to control distribution of the dairy products to provide accountability from the time title is transferred to the applicant until it reaches the eligible recipient.

10. Describe the port facilities in the country through which the dairy products will be received. Describe in such detail to show that adequate facilities are available to handle the dairy product.

11. Describe the transportation and storage system which will be used to move the dairy products from the receiving port to the point distribution is made in the recipient State. If applicant will retain control of dairy products during transportation and storage, if not, describe controls to assure delivery of the dairy products from time of unloading at port to the distribution point where products will be made available to the recipients.

12. Describe any reprocessing or repacking that will occur in the country, giving location and name of firm that will perform the reprocessing or packing.

13. Explain how costs of administration, storage, transportation, processing, repackaging, special labels, issuance of informative materials, etc. will be financed.

14. Explain methods of educating recipients on the source of the dairy products, program requirements, and preparation and use of the dairy products. Include plans for program publicity, including factors that may adversely affect publicity. Therefore examples of educational materials for the field or guidelines should be presented which include food handling precautions to prevent contamination and spoilage such as refrigeration of cheese and butter products, immediate preparation of foods before eating, discarding of leftovers if no refrigeration is available, and information about proper use and preparation of NFDM in its dry and reconstituted form. Specifically in child

feeding programs where NFDM is distributed in bulk directly to families, projects of a minimum should include education on (a) promotion of exclusive breastfeeding for 4-6 months and continuation of breastfeeding after solid foods are introduced, (b) use of NFDM as a protein supplement, (c) the importance of combining NFDM with energy rich foods, rice oil, fats, porridges, stews, etc., and (d) precautions to be taken to prevent contamination of foods prepared with NFDM and (e) precautions to be taken when NFDM is reconstituted as a milk drink, when there is evidence that it may be used this way.

15. Describe other contributions such as financial, human resources, other food commodities, etc., including the source, estimates of the amount and role the contributions will play in the program.

16. Describe method to be used to supervise and monitor distribution of the dairy products to assure that the intended use of dairy products is accomplished.

17. Provide information to show that the applicant has received approval from the government in the country to import the donated dairy products free from all customs duties, tolls, taxes, etc.

Appendix II—Dairy Product Foreign Donation Program Agreement (Section 416)

Country _____

United States Government—Dairy Product Foreign Donation Program Agreement (Section 416)

In order to effect the distribution of dairy products for the assistance of needy persons outside the United States, the Agency for International Development (AID), the Commodity Credit Corporation (CCC), and the (Cooperating Sponsor) agree as follows:

1. CCC agrees to donate to the Cooperating Sponsor dairy products of the kind and amounts specified in Section 2 of this agreement pursuant to the authority of Section 416 of the Agricultural Act of 1954, as amended. CCC shall deliver such dairy products in accordance with the delivery schedule specified in Section 2.

2. Dairy products to be donated to the Cooperating Sponsor are as follows:

Commodity	Quantity pounds/metric tons	Delivery month to U.S. port*	Foreign dairy

* Port where title transfers if other than U.S. port.

Note—Should the above schedule of the Cooperating Sponsor will promptly inform and coordinate a revised delivery schedule by contacting the Agricultural Stabilization and Conservation Service, Kansas City Commodity Office, USDA, Box 205, Kansas City, Missouri, 64141, Telephone: (913) 238-3057.

3. The payments of all costs associated with the reprocessing, packaging, transporting, handling and other charges incurred in the distribution of the dairy products will be apportioned as follows:

A. CCC agrees to donate the dairy products without charge and to pay the following:

14

discharge, and therefore must be repackaged to ensure that the dairy products arrive at the distribution point in whole some condition CCC will only reimburse Cooperating Sponsors who are private nonprofit organizations for approved expenses incurred for such repackaging. No prior approval is required for costs equaling \$500 or less.

§ 210.9 Disposition of commodities unfit for authorized use

Damaged commodities are to be disposed of in accordance with AID Regulation 11 § 211.8 (22 CFR Part 211). Such a disposition should be reported to the Chief Claims and Collections Division, KCMO, P.O. Box 205, Kansas City, Missouri 64141.

§ 210.10 Liability for loss and damage or improper distribution of commodity—claims and procedures.

(a) Notwithstanding the transfer of title to the Cooperating Sponsor (i.e., vessel), CCC shall have the right to file, pursue and retain the proceeds of collections from claims arising from ocean transportation cargo loss and damage including loss and damage occurring between the time of transfer of title and loading aboard a vessel. CCC assumes general average contributions in all valid general average incidents which may arise from the movement of commodity to the destination port. CCC shall receive and retain all allowances in general average. The Cooperating Sponsor shall promptly notify CCC of any situation involving the loss, damage, or deterioration of the dairy product, and of any declaration of general average. Instructions shall be issued by and all loss documents should be forwarded to Chief Claims and Collections Division, Kansas City Management Office, P.O. Box 205, Kansas City, Missouri 64141. These instructions must be followed by the Cooperating Sponsor. The Cooperating Sponsor shall promptly furnish such office any assignment or rights which may be requested. Where the Cooperating Sponsor pays the ocean freight or a portion thereof, it shall be entitled to pro rata reimbursement received from only claims related to ocean freight charged.

(b) The Cooperating Sponsor shall promptly provide written notice to AID or the Diplomatic Post of the circumstances pertaining to any loss, damage or misuse of commodities occurring within the recipient country or intermediate country. Proceeds from any resultant claims actions shall be forwarded to AID for the account of CCC.

CCC referred to in paragraph (a) of this section provide otherwise for certain designated Cooperating Sponsors. CCC, Claims and Collections Division, will arrange for the services of an independent cargo surveyor to survey the discharge of Section 416 commodities at the foreign discharge port.

(d) Cooperating Sponsors shall send copies of all reports and documents pertaining to the discharge of commodities to Chief Claims and Collections Division, Kansas City Management Office, P.O. Box 205, Kansas City, Missouri 64141.

(e) CCC will reimburse Cooperating Sponsors for the costs incurred by them in obtaining the services of an independent surveyor to conduct examinations of the cargo and render their report.

(f) The handling of claims prior to loading of the dairy products on ocean vessels and claims against ocean carriers shall be handled according to procedures established by CCC. Claims arising after discharge shall be handled according to procedures established by AID for handling inland Pub. L. 480 Title II claims (AID Regulation 11, 22 CFR Part 211.9).

(g) When payment is made for commodities misused, lost or damaged, the value shall be determined on the basis of the General Agreement on Tariffs and Trade (GATT) minimum prices for dairy products in question, plus ocean freight charges and other costs incurred by the Government of the United States in making delivery to the Cooperating Sponsor. When the value is determined on a cost basis, the Cooperating Sponsor may add to the value any provable costs they have incurred prior to delivery by the ocean carrier. In preparing the claim statement, these costs shall be clearly segregated from costs incurred by the Government of the United States. With respect to claims other than ocean carrier loss and/or damage claims, the value of misused, lost or damaged commodities may be determined on some other justifiable basis, at the request of the Cooperating Sponsor and/or upon the approval of the USAID or Diplomatic Post, AID/W.

§ 210.11 Records and reporting requirements of cooperating sponsor.

(a) The Cooperating Sponsor shall maintain records and documents for a period of three years from the date of export of the dairy products in a manner which will accurately reflect all transactions pertaining to the receipt,

in the dairy products.

(b) The Cooperating sponsor shall cooperate with and give reasonable assistance to United States Government representatives to enable them at any reasonable time to examine any activities and transactions of the Cooperating Sponsor pertaining to the receipt, processing, repackaging, distribution and use of the dairy products under this program.

(c) The Cooperating Sponsor shall submit a report semi-annually covering the receipt and distribution of dairy products made available by CCC under the Section 416 Foreign Donation Program Agreement. The first report should cover the first full six months following the date of the Section 416 Foreign Donation Program Agreement and reports thereafter should cover each subsequent six month period. A report is not required if dairy products are not received or distributed during any six month reporting period. This report must contain the following data:

- (1) Receipts of each type of commodity
- (2) Quantity of each type of commodity distributed.
- (3) Inventory of each type of commodity at the end of the reporting period.
- (4) Numbers of recipients
- (5) Beginning inventory of each type of commodity
- (6) Quantity of each type of commodity on order or in transit.
- (7) Status of claims for commodity losses both resolved and unresolved.
- (8) Quantities of each type of commodity damaged or declared unfit.

§ 210.12 Additional responsibilities of cooperating sponsor.

(a) The Cooperating Sponsor shall, within thirty (30) days after export, furnish evidence of export of the dairy products. If export is by water or air, two copies of the onboard carrier bill of lading or consignee's receipt authenticated by a representative of the U.S. Customs Service shall be furnished. The evidence of export must show the kind and quantity of dairy products exported, the date of export and the destination country.

(b) The Cooperating Sponsor warrants that it has not employed any person to solicit or secure the Section 416 Foreign Donation Program Agreement upon any agreement for a commission, percentage, brokerage, or contingent fee and that no consideration or payment has been made or will be made. Breach of this warranty shall give the United States Government the right to annul the

Section 416 Foreign Donation Program Agreement

§ 210.13 Termination of program.

All or any part of the assistance provided under the Section 416 Foreign Donation Program including commodities in transit, may be terminated by the United States Government at its discretion if the Cooperating Sponsor fails to comply with the provisions of the Section 416 Foreign Donation Program Agreement or this part, or if it is determined by A.I.D. that the continuation of such assistance is no longer necessary.

§ 210.14 Waiver and amendment authority.

(a) A.I.D., with the concurrence of CCC, may waive, withdraw, or amend, at any time, any or all of the provisions of this part if such provisions are not statutory and it is determined to be in the best interest of the U.S. Government to do so.

(b) The Section 416 Foreign Donation Program Agreement may be amended upon written agreement by A.I.D., CCC, and the Cooperating Sponsor.

§ 210.15 OMB control number assigned pursuant to the Paperwork Reduction Act.

The information collection requirements in Part 210 have been approved by the Office of Management and Budget under control number 0-112-0517.

Appendix I—Dairy Product Foreign Donation Proposed Plan of Operation (Section 416)

Agency for International Development, Bureau for Food for Peace and Voluntary Assistance, Office of Food for Peace, Title II Food Donation Division, Washington, D.C.

Dairy Product Foreign Donation Proposed Plan of Operation (Section 416)

Public and private nonprofit humanitarian organizations (applicant) must submit to the Agency for International Development, Bureau for Food for Peace and Voluntary Assistance, Office of Food for Peace, Title II Food Donation Division, Washington, D.C. 20521, a program plan giving the following information:

1 Name and address of applicant. The applicant must be organized under the laws of the United States and must maintain an office in the United States.

2 Country in which the dairy products will be used to assist needy people. (Submit a separate proposal for each country.)

3 Kind of dairy products requested. (The quality specifications and packing description of the dairy products will be the specifications and packing description shown in Attachment B, unless Commodity Credit Corporation (CCC) and the applicant agree to the reprocessing or repackaging of the dairy products.)

4 Quantity of dairy products requested stated in pounds. The quantity requested shall be limited to the amount to be shipped

from the U.S. during a twelve month period beginning with the first proposed shipment.

5 Delivery schedule. (Show amount of dairy products for each delivery period, i.e. January—40,000 pounds, March—40,000 pounds, etc.)

6 Intended use of the dairy products.

a Describe each program (i.e., maternal child health, school feeding, other child feeding, etc.) the problem that the program addresses, and the program's proposed response to this problem.

b Describe overall objectives and purpose of each program.

c Will the program be countrywide or limited to certain provinces, states, cities, or other administrative or geographical areas?

d Describe the distribution method to be used to make the dairy products available to needy recipients.

7 Describe participation in the program by any other organization or government agency of the foreign country.

8 Explain arrangements to be used to assure that the dairy products donated under Section 416 will (a) be in addition to the level of assistance programmed under the Agricultural Trade Development and Assistance Act of 1954 (Title II of Pub. L. 480) and (b) not displace dairy products normally purchased on the commercial market for use by the proposed recipients.

9 Describe records to be used to control distribution of the dairy products to provide accountability from the time title is transferred to the applicant until it reaches the eligible recipient.

10 Describe the port facilities in the country through which the dairy products will be received. Describe in such detail to show that adequate facilities are available to handle the dairy product.

11 Describe the transportation and storage system which will be used to move the dairy products from the receiving port to the point distribution is made to the recipient. State if applicant will retain control of dairy products during transportation and storage. If not, describe controls to assure delivery of the dairy products from time of unloading at port to the distribution point where products will be made available to the recipients.

12 Describe any reprocessing or repacking that will occur in the country, giving location and name of firm that will perform the reprocessing or packing.

13 Explain how costs of administration, storage, transportation, processing, repackaging, special labels, issuance of informative materials, etc. will be financed.

14 Explain methods of educating recipients on the source of the dairy products, program requirements, and preparation and use of the dairy products. Include plans for program publicity, including factors that may adversely affect publicity. Therefore, examples of educational materials for the field or guidelines should be presented which include food handling precautions to prevent contamination and spoilage such as refrigeration of cheese and butter products, immediate preparation of foods before eating, discarding of leftovers if no refrigeration is available, and information about proper use and preparation of NFDM in its dry and reconstituted form. Specifically in child

feeding programs where NFDM is distributed in bulk directly to families, projects of a minimum should include education on (a) promotion of exclusive breastfeeding for 4-6 months and continuation of breastfeeding after solid foods are introduced, (b) use of NFDM as a protein supplement, (c) the importance of combining NFDM with energy rich foods, i.e., fat, porridges, stews, etc., and (d) precautions to be taken to prevent contamination of foods prepared with NFDM and (e) precautions to be taken when NFDM is reconstituted as a milk drink, when there is evidence that it may be used this way.

15 Describe other contributions such as financial, human resources, other food commodities, etc., including the source, estimates of the amount and role the contributions will play in the program.

16 Describe method to be used to supervise and monitor distribution of the dairy products to assure that the intended use of dairy products is accomplished.

17 Provide information to show that the applicant has received approval from the government in the country to import the donated dairy products free from all customs duties, taxes, etc.

Appendix II—Dairy Product Foreign Donation Program Agreement (Section 416)

Country

United States Government—Dairy Product Foreign Donation Program Agreement (Section 416)

In order to effect the distribution of dairy products for the assistance of needy persons outside the United States, the Agency for International Development (A.I.D.), the Commodity Credit Corporation (CCC), and the Cooperating Sponsor agree as follows:

1 CCC agrees to donate to the Cooperating Sponsor dairy products of the kind and amounts specified in Section 2 of this agreement pursuant to the authority of Section 416 of the Agricultural Act of 1954, as amended. CCC shall deliver such dairy products in accordance with the delivery schedule specified in Section 2.

2 Dairy products to be donated to the Cooperating Sponsor are as follows:

Commodity	Quantity (pounds/ metric tons)	Delivery month to U.S. port*	Foreign destination

* Port where title transfers if other than U.S. port.

Note—Should the above schedule of the Cooperating Sponsor will promptly inform and coordinate a revised delivery schedule by contacting the Agricultural Stabilization and Conservation Service, Kansas City Commodity Office, USDA, Box 225, Kansas City, Missouri, 64141, Telephone: (913) 238-3057.

3 The payments of all costs associated with the reprocessing, packaging, transporting, handling and other charge incurred in the distribution of the dairy products will be apportioned as follows:

A CCC agrees to donate the dairy products without charge and to pay the following:

The edition of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are issued to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the FEDERAL REGISTER issue of each week.

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

7 CFR Part 1497

Donation of Dairy Products Overseas

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Final rule.

SUMMARY: This rule will remove the interim rule (47 FR 54285, 7 CFR Part 1497) published by Commodity Credit Corporation (CCC) on December 2, 1982, setting forth the procedures for the donation of dairy products to assist needy persons overseas. Under an agreement with CCC, AID as agent for CCC will perform certain services for CCC in connection with the donation of dairy products overseas. AID's regulation, which replaces CCC's regulation on this subject, appears in this Federal Register in Part III of this issue.

EFFECTIVE DATE: May 24, 1984.

FOR FURTHER INFORMATION CONTACT: Mary T. Chambuss, Director, Program Analysis Division, Export Credits, Foreign Agriculture Service, U.S. Department of Agriculture, Washington, D.C. 20250, Telephone: (202) 447-3573.

SUPPLEMENTARY INFORMATION: On December 2, 1982, CCC published an Interim Rule (47 FR 54285, 7 CFR Part 1497) setting forth procedures for the donation of dairy products to assist needy persons overseas under the authority of Section 416 of the Agricultural Act of 1948, as amended (Section 416). On August 9, 1983, a Memorandum of Understanding was entered into between CCC and the Agency for International Development (AID) which provided for the designation of AID as the agent for CCC in performing certain services for CCC

in connection with making dairy products available to needy people overseas under the authority of Section 416. Pursuant to the Memorandum of Understanding, AID has published an Interim Rule which appears in Part III of this Federal Register, setting forth detailed procedures relating to the implementation of the Section 416 foreign donation program. This AID regulation, concurred in by CCC, will now govern the Section 416 foreign donation program. Accordingly, CCC is hereby removing 7 CFR Part 1497.

This rule has been reviewed under USDA procedures required by Executive Order 12291 and Departmental Regulation 1512-1 and has been classified as "not major." It has been determined that this rule will not result in: (1) An annual effect on the economy of \$100 million or more; (2) a major increase in costs or prices for consumers, individual industries, Federal, State or local governments, or geographical regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

It has been determined that the Regulatory Flexibility Act is not applicable to this notice, since CCC is not required by 5 U.S.C. 553 or any other provision of law to publish a notice of proposed rulemaking with respect to the subject matter of this rule.

Since the Section 416 foreign donation program will now be implemented pursuant to the AID regulations, 7 CFR Part 1497 no longer serves any functional purpose and is unnecessary. Therefore, CCC finds upon good cause that compliance with the public comment and delayed effectiveness provisions of 5 U.S.C. 553 is unnecessary, impracticable and contrary to the public interest.

List of Subjects in 7 CFR Part 1497

Dairy products, Exports, Foreign aid. Accordingly, Title 7 of the Code of Federal Regulations is amended as follows:

PART 1497—[REMOVED]

1. Part 1497 is removed.

Authority: Sec. 416 of the Agricultural Act of 1948, as amended (7 U.S.C. 1431)

Signed at Washington, D.C. on May 8, 1984.
Richard A. Smith,
Administrator, Foreign Agricultural Service
and Vice President of the Commodity Credit Corporation.

(FR Doc. 84-115-36 Filed 5-24-84; 84 pages)
BILLING CODE 3410-05-0

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 29

[Docket No. 84-115-36-AD; Amendment 29-4672]

Airworthiness Directives; Boeing Model 737 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD) which requires inspection of the auxiliary power unit (APU) feeder cable on certain Boeing 737 aircraft. This action is necessary to detect interference with the elevator control cable which could result in a severed primary control cable. A severed elevator control cable combined with another elevator system failure could result in loss of the airplane.

DATE: Effective June 4, 1984.

ADDRESSES: The referenced service documents may be obtained upon request from the Boeing Commercial Airplane Company, P.O. Box 3707, Seattle, Washington 98124, or may be examined at the address shown below.

FOR FURTHER INFORMATION CONTACT: Mr. Carlton Holmes, Airframe Branch, ANM-120S, Federal Aviation Administration, Northwest Mountain Region, Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington, telephone (206) 431-2923. Mailing Address: FAA, Northwest Mountain Region, 27900 Pacific Highway South, C-68266, Seattle, Washington 98168.

SUPPLEMENTARY INFORMATION: There have been five reported cases of interference between the elevator control cable and the APU feeder cable all of which have resulted in abrasion and arcing between the two, leading to cable severance.

GOBIERNO DE LOS ESTADOS UNIDOS DE AMERICA
CONVENIO DONACION DE PRODUCTOS AGRICOLAS
(SECCION 416)

La Agencia para el Desarrollo Internacional (AID), la "Commodity Credit Corporation (CCC)" y el Gobierno de Honduras (Pais Cooperante) acuerdan lo siguiente:

1. La CCC acuerda donar al Pais Cooperante productos agricolas del tipo y cantidad especificadas en la Sección 2 conforme autorizaci3n contenida en la Sección 416(B) del Acta Agrícola de 1949, y sus enmiendas. La CCC deber3 enviar tales productos de conformidad con el calendario de envios especificado en la Sección 2.

2. Los productos agricolas a ser donados al Pais Cooperante son los siguientes:

Producto	Empaque	Cantidad (TM)	Fecha de Envio al Puerto en EZUU	Puerto Extranjero de Arribo
Trigo	Granel	5,000	Marzo, 1987	Puerto Cort3s
		14,369	Abril/o Mayo, 1987	"

* Las clases de trigo solicitadas para ser enviadas est3n indicadas en el Plan de Operaci3n adjunto. La CCC deber3 esforzarse por cumplir con las solicitudes del Pais Cooperante con respecto a la clase y cantidad de trigo a ser enviado cada mes, establecido en el Plan de Operaci3n.

NOTA: En caso de que el horario anterior cambiase, el Pais Cooperante informar3 inmediatamente a la CCC y coordinar3 un horario de envios revisado. La persona que debe contactarse es el Jefe de la Rama de Operaciones de Exportaci3n, Servicio de Estabilizaci3n Agrícola y Conservaci3n/USDA, Oficina de Mercaderías de Kansas City, Apdo. 205, Kansas City, Missouri 64141, Tel3fono (816) 926-6723.

3. El pago de todos los costos asociados con el procesamiento, empaque, transporte, manejo y otros gastos incurridos en la distribuci3n de los productos ser3n repartidos como sigue:

A. La CCC acuerda donar los productos agricolas sin costo alguno y pagar los siguientes costos: transporte marítimo, honorarios de inspecci3n, reempaque de productos dañados, costos de procesamiento, manejo y transporte al puerto(s) de colocaci3n en los Estados Unidos.

B. El Pais Cooperante acuerda cubrir los siguientes costos: transporte terrestre, manejo y distribuci3n dentro de Honduras. El Pais Cooperante acuerda efectuar los arreglos para envio de la carga y su inscripci3n.

4. No obstante la Sección 210.5 (d) (2) (1), de la Regulaci3n 10 de la AID, el Pais Cooperante har3 los arreglos para el transporte marítimo y envio de la carga para cumplir con los requisitos de la CCC referente a las cantidades de productos disponibles bajo este Convenio que ser3n transportados en barcos con bandera estadounidense.

5. La calidad de los productos agrícolas a ser donados por la CCC y las descripciones de empaque serán de conformidad con las especificaciones del Anexo B de este Convenio, especificadas posteriormente en la Sección 2.
6. Los términos y condiciones expuestos en el Plan de Operación aprobado (Anexo A) están incorporados y formarán parte de este Convenio.
7. Excepto lo que de otra manera aquí se indique, los términos y condiciones expuestos en la Regulación 10 de la AID están incorporados y forman parte de este Convenio, y todas las referencias que en ella se hacen con respecto a "productos lácteos" deberán aplicarse a la donación de trigo bajo de este Convenio.
8. En lugar de la Sección 210.10(g), de la Regulación 10 de la AID, se aplicará lo siguiente:

La cantidad a pagar por trigo mal utilizado, perdido o dañado deberá determinarse en base al precio de mercado del momento y lugar en que ocurra el mal uso, pérdida o daño o, en los casos en los cuales no sea posible determinar u obtener dicho precio de mercado, se utilizará el precio comercial de exportación F.O.B. del producto en el momento y lugar de exportación, más los cargos por flete marítimo y otros costos incurridos por el Gobierno de los Estados Unidos al efectuar el envío al País Cooperante. Cuando el valor se determine en base al costo, el País Cooperante puede agregar al valor cualquier costo comprobable en el que hayan incurrido antes del envío por parte del agente naviero. Al preparar el reclamo, estos costos deberán estar claramente separados de los costos incurridos por el Gobierno de los Estados Unidos. Con respecto a otros reclamos además de reclamos por pérdida y/o daño durante el transporte marítimo, el valor de los productos mal utilizados, perdidos o dañados puede ser determinado en otras bases justificables, a solicitud del País Cooperante y/o sujeto a aprobación de la USAID o el Puesto Diplomático y/o la AID/Washington.

9. En lugar de las Secciones 210.6 (b)(4), (b)(5) o (b)(6), u otras estipulaciones de la Regulación 10 de la AID, que prohíbe la venta de productos agrícolas donados bajo este Convenio, el País Cooperante podrá vender estos productos dentro de Honduras con el propósito de generar moneda local a ser utilizada de conformidad con el Plan de Operación aprobado (Anexo A).
10. Las estipulaciones de la Sección 210.6(a), de la Regulación 10 de la AID, hasta el punto que tales estipulaciones no se reflejen en el Plan de Operación (Anexo A), serán consideradas sin valor, de conformidad con la Sección 210.14(a), de la Regulación 10 de la AID.
11. Este Convenio estará sujeto a suspensión o terminación si la CCC encuentra que (1) las facilidades de almacenamiento adecuadas no están disponibles en el país receptor al momento de la exportación para prevenir daños o desperdicio del producto donado, o que (2) la distribución del producto en el país receptor se convirtiera en un desincentivo considerable, o un obstáculo a la producción doméstica o al mercadeo en ese país.

12. En lugar de la Sección 210.11 (a) y (c) de la Regulación 10 de la A.I.D., deberá aplicarse lo siguiente:

A. El País Cooperante mantendrá una cuenta especial en la que depositará las ganancias generadas por la venta de los productos provistos bajo este Convenio y mantendrá registros y documentos por un periodo de tres años a partir de la fecha de exportación de los productos agrícolas que reflejen de una manera exacta todas las transacciones pertinentes al recibo, almacenamiento, distribución y ventas de los productos agrícolas.

B. El País Cooperante presentará trimestralmente un reporte a la Embajada Americana, en Tegucigalpa, dirigido al Jefe, División Título II, Alimentos para la Paz (A.I.D.) cubriendo el recibo de los productos agrícolas proporcionados por la CCC bajo este convenio. El primer reporte se presentará el 30 de Junio de 1987, cubriendo el periodo desde el inicio de este Convenio y después trimestralmente hasta que los fondos sean completamente desembolsados de la cuenta especial. El reporte deberá contener los siguientes datos:

(1) Recibos del producto agrícola incluyendo el nombre del barco, puerto(s) de descarga, la fecha en que el descarga fue finalizado, la condición en que llegaron los productos, cualesquier pérdidas significativas o daño en el viaje, aviso de cualquier reclamo, recuperación, o reducción de cargos por flete causados por pérdidas o daños en el viaje en barcos con bandera estadounidense;

(2) Cantidad de productos agrícolas vendidos, ganancias generadas y ganancias depositadas en la cuenta especial durante el periodo del reporte;

(3) Inventario estimado del producto al final del periodo del reporte;

(4) Cantidad del producto ordenado y en vía de entrega durante el periodo del reporte;

(5) Estado de reclamos por pérdidas del producto tanto resueltos como no resueltos durante el periodo del reporte;

(6) Cantidad del producto dañado o declarado inservible durante el periodo del reporte; y

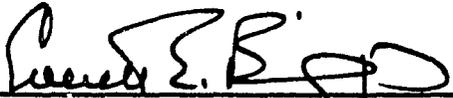
(7) Desembolsos de la cuenta especial para propósitos especificados en el Plan de Operación.

13. La sección 210.7 (b), de la Regulación 10 de la A.I.D., se suprime en su totalidad. Esto invalidará el requerimiento de reempaque, Sección 416, de que

los productos agrícolas deben empacarse en recipientes marcados "suministrados por el pueblo de los Estados Unidos de América y no deben ser vendidos o cambiados".

GOBIERNO DE LOS ESTADOS UNIDOS

COMMODITY CREDIT CORPORATION



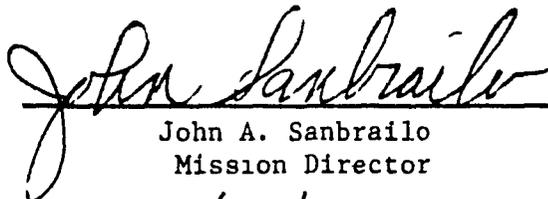
Everett E. Briggs
Embajador



Melvin E. Sims
Gerente General de Ventas FAS,
y Vice-Presidente de la
Commodity Credit Corporation
y/o como Delegado

Fecha: JAN 30 1986

Fecha: _____



John A. Sanbrailo
Mission Director

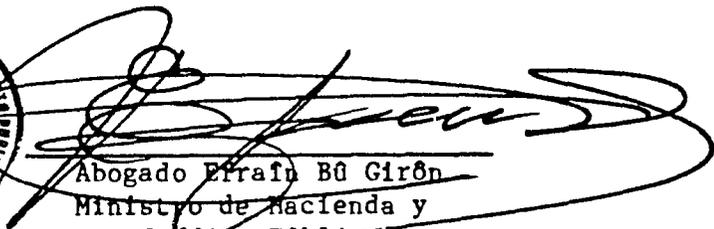
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POR EL GOBIERNO DE HONDURAS:

Petición y Aceptación

Se solicita la asistencia descrita en este Convenio, y los términos y condiciones de este Convenio y de la Regulación 10 de la A.I.D., a excepción de lo que de otra manera aquí se especifique, son aceptados.





Abogado Efraín B. Girón
Ministro de Hacienda y
Crédito Público

Fecha: JAN 30 1986

PROGRAMA SECCION 416
HONDURAS

Anexo A

Plan de Operación:

1. Nombre y Dirección del País Cooperante:

El Gobierno de Honduras (GdeH) (País Cooperante) ha designado al Instituto Hondureño de Mercadeo Agrícola (IHMA) como la agencia para la importación de trigo a cuyo nombre será emitida toda documentación. Para propósitos de transporte, el Gobierno de Honduras ha designado a la Pacific Cargo Corporation para manejar las operaciones derivadas de este Convenio.

2. País: Honduras

3. Clase y Cantidad de Productos

Trigo, bulto

(A) Clases:

Primavera del Norte/Primavera Oscura del Norte (PN/PON) No. 2 o mejor
Invierno Rojo Suave (IRS) No. 2 o mejor
Ambar Duro Oscuro (ADO) No. 2 o mejor

(B) Cantidad: 19,369 TM

4. Calendario de Envíos:

Importador	Puerto	Tipo	Grado	Cantidad (TM)	Fecha
IHMA	Cortés	PN/PON (NS/DNS)	No. 2 o Mejor	5,000	Marzo, 1987
IHMA	"	PN/PON (NS/DNS)	No. 2 o Mejor	7,000	Abril/Mayo, 1987
IHMA	"	IRS (SRW)	No. 2 o Mejor	6,869	Abril/Mayo, 1987
IHMA	"	ADO (HAD)	No. 2 o Mejor	500	Abril/Mayo, 1987

5. Descripción del Programa:

A. Uso de los Fondos Generados:

El Gobierno de Honduras se compromete a utilizar los fondos generados por medio de este Convenio para financiar proyectos que contribuyan al desarrollo de las áreas rurales pobres y permitir un mayor acceso de la población a los beneficios del desarrollo.

Los proyectos específicos serán determinados por mutuo acuerdo entre los Gobiernos de Honduras y de los Estados Unidos.

B. Monetización:

1) El Gobierno de Honduras se compromete a vender el trigo donado a través de este Convenio a molinos de trigo locales, regulando los detalles de las ventas por medio de contratos entre el Instituto Hondureño de Mercadeo Agrícola (IHMA) y los molinos de trigo. Los fondos generados serán depositados a favor del Ministerio de Hacienda y Crédito Público del Gobierno de Honduras en una cuenta especial en el Banco Central de Honduras. 2) El Gobierno de Honduras acuerda presentar reportes trimestrales al Gobierno de los Estados Unidos verificando que los fondos locales hayan sido utilizados en los proyectos descritos.

6. Requerimientos Usuales de Mercadeo: (RUM)

Para trigo, los RUM han sido fijados en cero.

7. Procedimientos de Archivo, Contabilidad y Reportes.

El Gobierno de Honduras enviará a la Embajada Americana, en Tegucigalpa, información y reportes relacionados con este Convenio tal como le sean razonablemente solicitados.

8. Aseveraciones:

El Gobierno de Honduras asegura que todos los productos recibidos a través de este Programa serán recibidos y consumidos dentro del país y que no se permitirá exportación alguna de trigo.

Anexo B
Trigo

Trigo de los Estados Unidos Grado No. 2 o Mejor
Máximo 13.5% de Humedad

Patrón

Test Peso Mfimo (Por Medidas de Aridos)(Lbs)		Porcentaje Límites Máximos de:							
Grado	Trigo Prima- vera Rojo Duro o Trigo Club Blanco	Otras Clases y Sub- Clases	Granos Dañados	Granos Dañados	Granos Pequeños y			Trigo de Otras Clases ^{4/}	
U.S. No.2	57.0	58.0	0.2	4.0	1.0	5.0	5.0	2.0	5.0

- 1/ Estos requerimientos también son aplicables cuando el Trigo Primavera Rojo o el Trigo Club Blanco predomina en una muestra de combinación de trigo.
 2/ Incluye Granos de Trigo Dañados
 3/ Defectuosas (total) incluye Granos Dañados (total), Material Extranjero, y Granos Pequeños y Quebrados. La suma de estos tres factores no podrán exceder el límite por ser defectuosas.
 4/ Trigo no clasificado de cualquier grado contendrá no más del 10 por ciento de otras clases de trigo.
 5/ Incluye Clases Contrastantes

Empaque (por 50 kg) (Si se solicita)

Papel de Polipropileno o Polietileno

La fabrica cuenta con un retardador para resistir la absorción ultravioleta, junto con un revestimiento anti-deslizante.

El Anexo B es un patrón genérico. En vista de la reciente decisión de despachar las solicitudes de varias clases de trigo, las clases de trigo especificadas en el Plan de Operación, (Anexo A), será un control para embarques de granos.

ML