

Northeast Dairy Compact Commission

§ 1361.11

convene as a whole as soon as is practicable after the close of the post-hearing comment period. In accordance with the requirements of section 4 of the Compact, the Commission shall vote to decide whether to propose for referendum a Compact over-order price regulation and provision with regard to milk supply, or amendment thereof. A majority of the individual Commission members, with at least one member from each delegation, shall constitute a quorum for this deliberative meeting of the Compact Commission.

(b) *Proposed regulation.* If approved, the Compact Commission shall devise the proposed price regulation, and provision with respect to milk supply, or an amendment, by incorporating those provisions of sections 9 and 10 of the Compact as are necessary and appropriate. The regulation shall be set forth in sufficient detail so as to provide sufficient notice of its requirements to those subject to the regulation.

(c) *Proposed findings.* If a proposed regulation or amendment is approved, the Compact Commission shall prepare proposed findings of fact, in a form consistent with the requirements of section 12 of the Compact, with respect to:

(1) Whether the public interest will be served by the establishment of minimum milk prices to dairy farmers;

(2) What level of prices will assure that producers receive a price sufficient to cover their costs of production and will elicit an adequate supply of milk for the inhabitants of the regulated area and for manufacturing purposes;

(3) Whether the major provisions of the regulation or amendment, other than those establishing the Compact over-order price, are in the public interest and are reasonably designed to achieve the purposes of the regulation or amendment; and

(4) The need for a producer referendum in accordance with part 1371.

§ 1361.9 Effective date of regulation.

A Compact over-order price or amendment approved by referendum under part 1371 shall become effective in accordance with a schedule for administration established between the

Compact Commission and the applicable Federal Market Order Administrator. Notice of the substance of the approved regulation or amendment, including the effective date, shall be given in accordance with §1361.3. In addition, the Compact Commission shall ensure actual notice by certified mail, return receipt requested, to all milk processors who will be subject to the terms of the regulation on the effective date. The Compact Commission may provide notice to any other interested persons.

§ 1361.10 Handler's right to petition for administrative review; Judicial review.

(a) *Petition.* In accordance with section 16(b) of the Compact, and pursuant to the provisions of part 1381, any handler subject to an order of the Compact Commission establishing a Compact over-order price regulation may petition the Commission for hearing and review.

(b) *Judicial review.*—In accordance with the provisions of section 16(c) of the Compact, such handler shall have a right to judicial review of the Compact Commission's ruling with respect to the handler's petition for review.

§ 1361.11 Ex parte communications.

(a) Following notice of a rulemaking proceeding, pursuant to §1361.3, and prior to the conclusion of a producer referendum, or the final decision of the Commission, whichever is later, no Compact Commission member or Commission staff person shall communicate, either directly or indirectly, in connection with the merits of the rulemaking proceeding with any person having an interest in the proceeding or with any representative of such person.

(b) Following notice of a rulemaking proceeding, pursuant to §1361.3, and prior to the close of the comment period, pursuant to §1361.7, Compact Commission members shall not discuss among themselves the merits of the rulemaking proceeding.

(c) A Compact Commission member or Commission staff person who receives a written or oral communication prohibited by this section shall disclose the substance of such communication

on the record. As necessary and appropriate, the Commission may act accordingly to nullify the effect of the prohibited communication.

(d) This section shall not be construed to apply to requests for status reports or requests on other procedural matters.

[63 FR 37756, July 14, 1998, as amended at 64 FR 18324, Apr. 14, 1999]

PART 1371—PRODUCER REFERENDUM

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SOURCE: 63 FR 37758, July 14, 1998, unless otherwise noted.

§ 1371.1 Definitions.

As used in this part, and in addition to the terms defined herein, the terms defined in Article II, section 2 of the Compact and in 7 CFR part 1301 shall apply with equal force and effect.

Approved by producers means that at least two-thirds of the eligible producers who cast a vote approve the proposed order or amendment.

Cooperative block vote means a vote of approval or disapproval of a proposed order or amendment, cast in a producer referendum, by a qualified cooperative on behalf of its members or stockholders who are eligible producers.

Eligible producer means a producer who, during the representative period determined by the Commission, has been engaged in the production of milk, the price of which would be regulated under the proposed order or amendment.

Producer referendum means the balloting process by which the Commission determines whether a proposed order or amendment is approved by eligible producers.

Qualified cooperative means a cooperative association of producers, qualified under the provisions of the Act of Congress of February 18, 1922, as amended,

known as the Capper-Volstead Act, bona fide engaged in marketing milk, or in rendering services for or advancing the interests of producers of milk, but shall not include any cooperative which has been formed to act as a common marketing agency for both cooperatives and individual producers.

Representative period means that period of time designated by the Commission for the purpose of determining who is a producer eligible to participate in a producer referendum.

§ 1371.2 Purpose.

Prior to issuing, or amending, any regulation establishing a Compact over-order price regulation, including any provision with respect to milk supply, the Compact Commission shall conduct a producer referendum for the purpose of ascertaining whether the issuance or amendment of such regulation is approved by producers.

§ 1371.3 Referendum procedure.

The Commission shall certify the referendum procedure at the time it approves a final regulation. The referendum procedure shall include:

- (a) A designated representative period for determining eligible producers;
- (b) The date by which the ballots will be distributed to eligible producers and qualified cooperatives;
- (c) The date by which all qualified cooperatives must mail notices to eligible producer members as required by § 1371.9(b) and (c);
- (d) The date by which all ballots must be received at the Commission office;
- (e) A designated referendum agent; and
- (f) Any other procedures necessary for the conduct of the particular producer referendum.

§ 1371.4 Referendum agent.

The designated referendum agent shall:

- (a) Verify all ballots, cast individually or by block vote, with respect to timeliness, producer eligibility, cooperative identification, authenticity and other steps taken to avoid duplication of ballots.
- (b) Mark ballots determined to be invalid "disqualified" with a notation of