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DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 400

RIN 0563-AB59

General Administrative Regulations; Food Security Act of 1985, Implementation; Denial of Benefits

AGENCY: Federal Crop Insurance Corporation.

ACTION: Interim rule.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) amends the General Administrative Regulations located at 7 CFR part 400. The intended effect of this interim rule is to remove restrictions mandated by the Food Security Act of 1985 that preclude eligibility for crop insurance for any person who in any crop year produces an agricultural commodity on a field which is classified as predominantly highly erodible land (sodbuster provision) or converted wetland (swampbuster provision). The Federal Agriculture Improvement and Reform Act of 1996 (the 1996 Act) amends the crop insurance restriction, so producers who are in violation of the sodbuster/swampbuster provisions will be eligible for crop insurance coverage on or after July 3, 1996.

DATES: Effective July 3, 1996. Written comments, data, and opinions on this rule will be accepted until close of business September 20, 1996.

ADDRESSES: Interested persons are invited to submit written comments to the Chief, Product Development Branch, Federal Crop Insurance Corporation, United States Department of Agriculture (USDA), 9435 Holmes Road, Kansas City, MO 64131. Written comments will be available for public inspection and copying in room 0324, South Building, USDA, 14th and Independence Avenue, SW., Washington, DC., 8:15 a.m.-4:45

p.m., Monday through Friday, except holidays.

FOR FURTHER INFORMATION CONTACT: Stephen Hoy, Program Analyst, Research and Development Division, Product Development Branch, FCIC, at the Kansas City, MO, address listed above, telephone (816) 926-7730.

SUPPLEMENTARY INFORMATION:

Executive Order No. 12866 and Departmental Regulation 1512-1

This action has been reviewed under USDA procedures established by Executive Order No. 12866 and Departmental Regulation 1512-1.

This action constitutes a review as to the need, currency, clarity, and effectiveness of these regulations under those procedures. The sunset review date established for these regulations is June 30, 2001.

This rule has been determined to be significant for the purposes of Executive Order No. 12866 and therefore has been reviewed by the Office of Management and Budget (OMB).

Cost-Benefit Analysis

A Cost-Benefit Analysis has been completed and is available to interested persons at the address listed above. In summary, the analysis finds that the removal of sanctions affecting a producer's eligibility for Federal crop insurance as specified in the sodbuster and swampbuster provisions will result in two types of costs. First, environmental costs, in some cases, will be incurred as the elimination of crop insurance from the list of denied benefits reduces the sanctions associated with violating sodbuster/swampbuster provisions. Second, if acres affected by the sodbuster/swampbuster provisions are increasingly planted and insured, the costs to the Federal Crop Insurance Corporation will rise. The environmental and Federal costs associated with elimination of crop insurance as a sodbuster/swampbuster sanction are, however, largely unknown.

Environmental costs will depend on the extent farmers produce insurable crops (or alter practices or structures) on sodbuster/swampbuster acreage when such activity would not otherwise occur. Many variables will affect a producer's decision, including the amount of land affected by sodbuster/swampbuster relative to the producer's

total acreage receiving benefits, expected prices and yields, the loss of USDA benefits (other than crop insurance), expected crop insurance benefits, and the expected environmental impact.

Federal costs associated with the elimination of crop insurance as a sodbuster/swampbuster sanction are unknown because the number of producers who will violate sodbuster/swampbuster provisions, and insure crops produced on their farms, is impossible to judge. The actual realized cost will depend to a large extent on FCIC's appropriately rating sodbuster and swampbuster acreage that is planted and insured. Between \$500,000 and \$1 million in crop insurance benefits were denied annually due to sodbuster/swampbuster violations in recent years. Benefits of a similar magnitude to the recent denials will probably be paid in future years.

Paperwork Reduction Act of 1995

In accordance with the Paperwork Reduction Act of 1995, the information collection requirements contained in these regulations have been previously approved by OMB and assigned OMB control numbers 0563-0003, 0563-0016 and 0560-0004. Copies of the information collections may be obtained from Bonnie Hart, USDA, FSA, Advisory and Corporate Operations Staff, Regulatory Review Group, PO Box 2415, Ag Box 0572, Washington, DC 20013-2415, 8:15 a.m.-4:45 p.m., Monday through Friday, except holidays, telephone (202) 690-2857.

Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandate Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. Under section 202 of the UMRA, FCIC generally must prepare a written statement, including a cost-benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures of State, local, or tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any one year. When such a statement is needed for a rule, section 205 of the UMRA generally requires FCIC to identify and consider a reasonable number of regulatory alternatives and

adopt the least costly, more cost-effective or least burdensome alternative that achieves the objectives of the rule.

This rule contains no Federal mandates (under the regulatory provisions of Title II of the UMRA) for State, local, and tribal governments or the private sector. Thus, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Executive Order No. 12612

It has been determined under section 6(a) of Executive Order No. 12612, Federalism, that this rule does not have sufficient Federalism implication to warrant the preparation of a Federalism Assessment. The provisions contained in this rule will not have a substantial direct effect on States or their political subdivisions, or on the distribution of power and responsibilities among the various levels of Government.

Regulatory Flexibility Act

This regulation will not have a significant impact on a substantial number of small entities. Under the current regulations, a producer is required to complete a crop insurance acreage report, an insurance application and a continuous contract. If the crop is damaged or destroyed, the insured is required to give notice of loss and provide the necessary information to complete a claim for indemnity. The insured may use actual records of production or receive a transitional yield which does not require the maintenance of production records. If the insured elects to use actual records of acreage and production as the basis for the production guarantee, the insured must report this information on a yearly basis. This regulation does not alter those requirements. Therefore, the amount of work required of the insurance companies and Farm Service agency (FSA) offices delivering and servicing these policies will not increase significantly from the amount of work currently required. This rule does not have any greater or lesser impact on the producer. Therefore, this action is determined to be exempt from the provisions of the Regulatory Flexibility Act (5 U.S.C. 605), and no Regulatory Flexibility Analysis was prepared.

Federal Assistance Program

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.450.

Executive Order No. 12372

This program is not subject to the provisions of Executive Order No. 12372, which require intergovernmental consultation with state and local

officials. See the Notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115, June 24, 1983.

Executive Order No. 12778

The Office of the General Counsel has determined that these regulations meet the applicable standards provided in sections 2(a) and 2(b)(2) of Executive Order No. 12778. The provisions of this rule will not have a retroactive effect prior to the effective date. The provisions of this rule will preempt State and local laws to the extent such state and local laws are inconsistent herewith. The administrative appeal provisions in 7 CFR parts 11 and 780 must be exhausted before any action for judicial review may be brought.

Environmental Evaluation

This action is not expected to have a significant impact on the quality of the human environment, health, and safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

Background

This final rule amends the General Administrative Regulations (7 CFR part 400) as mandated by the Federal Agriculture Improvement and Reform Act of 1996. The 1996 Act removes the sodbuster/swampbuster restrictions of Title XII of the Food Security Act of 1985 (Pub. L. 99-198) which preclude eligibility for crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 *et seq.*), to any person who in any crop year produces an agricultural commodity on highly erodible land or converted wetland. On or after the effective date of July 3, 1996, a person who produces an agricultural commodity on a field which is classified as predominantly highly erodible land or a converted wetland may apply for crop insurance if the sales closing date has not passed. Until the effective date, crop insurance policyholders must remain in compliance with the sodbuster/swampbuster provisions. Since these provisions are mandated by statute and planting decisions for the 1996 crop year have been or will shortly be made, it is impracticable and contrary to the public interest to publish this rule for notice and comment prior to making the rule effective. However, comments are solicited for 60 days after the date of publication in the Federal Register and will be considered by FCIC before this rule is made final.

List of Subjects in 7 CFR Part 400

Crop insurance.

Final Rule

Pursuant to the authority contained in the Federal Crop Insurance Act, as amended (7 U.S.C. 1501 *et seq.*), the Federal Crop Insurance Corporation hereby amends the General Administrative Regulations, (7 CFR part 400), effective July 3, 1996, to read as follows:

PART 400—[AMENDED]

1. The authority citation for 7 CFR part 400, subpart F, continues to read as follows:

Authority: Secs. 1506, 1516, Pub. L. 75-430, 52 Stat. 73, 77, as amended (7 U.S.C. 1501 *et seq.*); sec. 1244, Pub. L. 99-198.

§ 400.47 [Amended]

2. Section 400.47, *Denial of crop insurance*, is amended by removing paragraphs (b), (c), and (e) and redesignating paragraph (d) as paragraph (b), paragraph (f) as paragraph (c), and paragraph (g) as paragraph (d);

§ 400.48 [Amended]

3. Section 400.48, *Protection of interests of tenants landlords, or producers*, is amended by removing paragraph (b) and redesignating paragraph (c) as paragraph (b);

§ 400.49 [Removed and Reserved]

4. Section 400.49, *Certification*, is removed and reserved; and

§ 400.50 [Removed and Reserved]

5. Section 400.50, *Graduated sanctions*, is removed and reserved.

Signed in Washington, DC, on July 16, 1996.

Suzette M. Ditttrick,

Deputy Manager, Federal Crop Insurance Corporation.

[FR Doc. 96-18615 Filed 7-22-96; 8:45 am]

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NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

14 CFR Part 1260

RIN 2700-AA95

Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, Uniform Administrative Requirements (OMB A-110 Implementation)

AGENCY: Office of Procurement, National Aeronautics and Space Administration (NASA).

ACTION: Interim rule.

SUMMARY: This rule revises NASA's grant regulations in order to adopt