

# Proposed Rules

Federal Register

Vol. 61, No. 171

Tuesday, September 3, 1996

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF AGRICULTURE

### Federal Crop Insurance Corporation

#### 7 CFR Part 457

RIN 0563-AB53

#### Common Crop Insurance Regulations; Cotton Crop Insurance Provisions

**AGENCY:** Federal Crop Insurance Corporation.

**ACTION:** Proposed rule.

**SUMMARY:** The Federal Crop Insurance Corporation (FCIC) proposes to amend the Cotton Crop Insurance Provisions. The intended effect of this action is to provide policy changes to better meet the needs of the insured and implement changes made to the Federal Crop Insurance Act by the Federal Crop Insurance Reform Act of 1994.

**DATES:** Written comments, data, and opinions on this proposed rule will be accepted until close of business October 3, 1996 and will be considered when the rule is to be made final. The comment period for information collection under the Paperwork Reduction Act of 1995 continues through October 29, 1996.

**ADDRESSES:** Interested persons are invited to submit written comments to the Chief, Product Development Branch, Federal Crop Insurance Corporation, U.S. Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131. Written comments will be available for public inspection and copying in room 0324, South Building, 14th and Independence Avenue, S.W., Washington, D.C., 8:15 a.m.-5:45 p.m., Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** Stephen Hoy, Program Analyst, Research and Development Division, Product Development Branch, FCIC, at 9435 Holmes Road, Kansas City, MO 64131, telephone (816) 926-7730.

#### SUPPLEMENTARY INFORMATION:

Executive Order No. 12866 and Departmental Regulation 1512-1

This action has been reviewed under United States Department of Agriculture (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 March 1, 1999.

This rule has been determined to be not significant for the purposes of Executive Order No. 12866 and, therefore, has not been reviewed by the Office of Management and Budget (OMB).

#### Paperwork Reduction Act of 1995

The information collection requirements contained in the regulations were previously approved by OMB pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35) under OMB control number 0563-0003 through September 30, 1998.

The amendments set forth in this proposed rule do not contain additional information collections that require clearance by the OMB under the provisions of 44 U.S.C. chapter 35.

The title of this information collection is "Catastrophic Risk Protection Plan and Related Requirements including, Common Crop Insurance Regulations; Cotton Crop Provisions." The information to be collected includes: a crop insurance acreage report, an insurance application, and continuous contract. Information collected from the acreage report and application is electronically submitted to FCIC by the reinsured companies. Potential respondents to this information collection are producers of cotton that are eligible for Federal crop insurance.

The information requested is necessary for the insurance company and FCIC to provide insurance, provide reinsurance, determine eligibility, determine the correct parties to the agreement or contract, determine and collect premiums or other monetary amounts, and pay benefits.

All information is reported annually. The reporting burden for this collection of information is estimated to average 16.9 minutes per response for each of the 3.6 responses from approximately

1,755,015 respondents. The total annual burden on the public for this information collection is 2,676,932 hours.

The comment period for information collections under the Paperwork Reduction Act of 1995 continues for the following: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information gathering technology.

Comments regarding paperwork reduction should be submitted to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503 and to Bonnie Hart, Advisory and Corporate Operations Staff, Regulatory Review Group, Farm Service Agency, P.O. Box 2415, Ag Box 0570, U.S. Department of Agriculture, Washington, D.C. 20013-2415. Telephone (202)690-2857. Copies of the information collection may be obtained from Bonnie Hart at the above-stated address.

#### Unfunded Mandate Reform Act of 1995

Title II of the Unfunded Mandate Reform of 1995 (UMRA), Pub. L. 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 1 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 section 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 implications 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 an application and acreage report. 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. If the insured elects to use actual records of acreage and production as the basis for the production guarantee, the insured may elect to report this information on a yearly basis. This regulation does not alter those requirements. Therefore, the amount of work required of the insurance companies 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 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.

#### National Performance Review

This regulatory action is being taken as part of the National Performance Review Initiative to eliminate unnecessary or duplicative regulations and improve those that remain in force.

#### Background

FCIC proposes to amend the Common Crop Insurance Regulations (7 CFR part 457) by revising 7 CFR Section 457.104 effective for the 1997 and succeeding crop years. The principal changes to the provisions for insuring cotton are as follows:

1. *Section 1*—Specify that the yield conversion factor normally applied to non-irrigated skip-row cotton acreage will not be used if the land between the rows of cotton is planted to any other spring-planted crop. Current regulations specify that the yield conversion factor cannot be applied if the land between the rows of cotton is planted to any crop. This conflicts with the definition of "skip-row" in section 1(q)(1), which allows a planting pattern of alternating rows of cotton and land planted to another crop the previous fall. Change "ASCS" to "Farm Service Agency (FSA)" to conform with the United States Department of Agriculture Reorganization Act of 1994. Amend the definition of "written agreement" to move the substantive provision to section 13.

2. *Sections 2(d) (1) and (2)*—Change "ASCS" to "FSA."

3. *Section 2(d)(2)*—Clarify unit division for non-irrigated corners of center-pivot irrigation systems.

4. *Section 5*—Change the cancellation and termination dates of February 15 to January 15. This change is necessary to correspond with the requirement of the Federal Crop Insurance Reform Act of 1994 that moved the sales closing dates for spring-planted crops to 30 days

earlier. Those areas with the present cancellation and termination dates of February 28 and March 15 will remain the same because these dates have already been moved 30 days earlier in the 1995 crop year.

#### List of Subjects in 7 CFR Part 457

Cotton, Crop insurance.

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 proposes to amend the Common Crop Insurance Regulations (7 CFR part 457), effective for the 1997 and succeeding crop years, to read as follows:

#### PART 457—[AMENDED]

1. The authority citation for 7 CFR part 457 continues to read as follows:

Authority: 7 U.S.C. 1506(1) and 1506(p)

2. Section 457.104 is amended by revising 1(l) as follows:

#### § 457.104 Cotton crop insurance provisions.

\* \* \* \* \*

##### 1. Definitions

\* \* \* \* \*

(l) *Planted acreage*—Land in which seed has been placed by a machine appropriate for the insured crop and planting method, at the correct depth, into a seedbed which has been properly prepared for the planting method and production practice. Cotton must be planted in rows to be considered planted. Planting in any other manner will be considered as a failure to follow recognized good farming practices and any loss of production will not be insured unless otherwise provided by the Special Provisions or by written agreement to insure such crop. The yield conversion factor normally applied to non-irrigated skip-row cotton acreage will not be used if the land between the rows of cotton is planted to any other spring-planted crop.

\* \* \* \* \*

3. Subsection 1(q)(2) is revised to read as follows:

(q) \* \* \*

(1) \* \* \*

(2) Qualifies as a skip-row planting pattern as defined by the Farm Service Agency (FSA).

\* \* \* \* \*

4. Subsection 1(s) is revised to read as follows:

(s) *Written agreement*—A written document that alters designated terms of a policy in accordance with section 13.

\* \* \* \* \*

5. Subsection 2(d)(1) is amended by removing "ASCS" and inserting in its place "FSA."

\* \* \* \* \*

6. Subsection 2(d)2 is revised to read as follows:

2. Unit Division

\* \* \* \* \*

(d) \* \* \*

(1) \* \* \*

(2) *Optional Units on Acreage*

*Including Both Irrigated and Non-Irrigated Practices:* In addition to, or instead of, establishing optional units by Section, section equivalent, or FSA Farm Serial Number, optional units may be based on irrigated acreage or non-irrigated acreage if both are located in the same section, section equivalent, or

FSA Farm Serial Number. To qualify as separate irrigated and non-irrigated optional units, the non-irrigated acreage may not continue into the irrigated acreage in the same rows or planting pattern. The irrigated acreage may not extend beyond the point at which the irrigation system can deliver the quantity of water needed to produce the yield on which the guarantee is based, except that the corners of a field in which a center-pivot irrigation system is used will be considered as irrigated acreage unless separate acceptable records of production from the corners are provided indicating otherwise. If the corners of a field in which a center-pivot irrigation system is used do not qualify as a separate non-irrigated

optional unit, they will be considered part of the unit containing the irrigated acreage. Non-irrigated acreage that is not a part of a field in which a center-pivot irrigation system is used may qualify as a separate optional unit provided that all other requirements of this section are met.

\* \* \* \* \*

7. Section 5 is revised to read as follows:

5. Cancellation and Termination Dates

In accordance with section 2 (Life of Policy, Cancellation, and Termination) of the Common Crop Insurance Policy (\$ 457.8), the cancellation and termination dates are:

State and county	Cancellation and termination dates
Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof.	January 15.
Alabama; Arizona; Arkansas; California; Florida; Georgia; Louisiana; Mississippi; Nevada; North Carolina; South Carolina; El Paso, Hudspeth, Culberson, Reeves, Loving, Winkler, Ector, Upton, Reagon, Sterling, Coke, Tom Green, Concho, McCulloch, San Saba, Mills, Hamilton, Bosque, Johnson, Tarrant, Wise, and Cooke Counties, Texas, and all Texas counties lying south and east thereof to and including Terrell, Crockett, Sutton, Kimble, Gillespie, Blanco, Comal, Guadalupe, Gonzales, De Witt, Lavaca, Colorado, Wharton, Matagorda Counties, Texas.	February 28.
All other Texas counties and all other States .....	March 15.

\* \* \* \* \*

8. Section 13 is added to read as follows:

13. Written Agreements

Designated terms of this policy may be altered by written agreement. The following conditions will apply:

(a) You must apply in writing for each written agreement no later than the sales closing date, except as provided in section 13(e).

(b) The application for written agreement must contain all terms of the contract between the insurance provider and the insured that will be in effect if the written agreement is not approved.

(c) If approved, the written agreement will include all variable terms of the contract, including, but not limited to, crop type or variety, the guarantee, premium rate, and price election.

(d) Each written agreement will only be valid for 1 year. If the written agreement is not specifically renewed the following year, insurance coverage for subsequent crop years will be in accordance with the printed policy.

(e) An application for written agreement submitted after the sales closing date may be approved if, after physical inspection of the acreage, it is determined that no loss has occurred and the crop is insurable in accordance with the policy and written agreement provisions.

Signed in Washington, D.C., on August 23, 1996.

Kenneth D. Ackerman,  
*Manager, Federal Crop Insurance Corporation.*

[FR Doc. 96-22320 Filed 8-30-96; 8:45 am]

BILLING CODE 3410-FA-P

## DEPARTMENT OF THE TREASURY

### Bureau of Alcohol, Tobacco and Firearms

#### 27 CFR Part 9

[Notice No. 838]

RIN 1512-AA07

#### Redwood Valley Viticultural Area (95R-053P)

**AGENCY:** Bureau of Alcohol, Tobacco and Firearms (ATF), Treasury.

**ACTION:** Notice of Proposed Rulemaking.

**SUMMARY:** The Bureau of Alcohol, Tobacco and Firearms (ATF), has received a petition for the establishment of a viticultural area located within the east central interior portion of Mendocino County, California to be known as "Redwood Valley," under 27 CFR part 9. This proposal is the result of a petition submitted by Mr. Timothy R. Buckner and prepared by Mr. Buckner, Mr. Jefferson Hinchliffe, Mr.

Ulysses Lolonis, and Rudolph H. Light. The petition was signed by 20 growers and winemakers in "Redwood Valley." In addition, 4 letters of support for the proposed area have been received from growers and winemakers in the proposed area. "Redwood Valley" is an unincorporated rural community in Mendocino County of northwestern California with approximately 6,000 people spread out over about 35 square miles. It is currently the home of seven wineries that produce varietal wines distributed around the world. There are 66 vineyard owners farming 2,371 acres of wine grapes.

**DATES:** Written comments must be received by October 18, 1996.

**ADDRESS:** Send written comments to: Chief, Wine, Beer, and Spirits Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, PO Box 50221, Washington, DC 20091-0221 (Attn: Notice No. 838). Copies of the petition, the proposed regulations, the appropriate maps, and written comments will be available for public inspection during normal business hours at: ATF Public Reading Room, Office of Public Affairs and Disclosure, Room 6480, 650 Massachusetts Avenue, NW, Washington, DC.

**FOR FURTHER INFORMATION CONTACT:** David W. Brokaw, Wine, Beer, and Spirits Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, 650