

Proposed Rules

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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 400

RIN 0563-AB10

General Administrative Regulations; Sanctions

AGENCY: Federal Crop Insurance Corporation, Agriculture.

ACTION: Proposed rule.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) hereby proposes to amend its regulations by setting out the additional sanctions made available under the Federal Crop Insurance Act as amended by the Federal Crop Insurance Reform Act of 1994 with respect to fines and disqualification for willfully and intentionally providing false or inaccurate information and ineligibility for the adoption of a material scheme or device to obtain benefits.

DATES: Written comments, data, and opinions on this rule must be submitted no later than March 14, 1995 to be sure of consideration.

ADDRESSES: Written comments, data, and opinion on this proposed rule should be sent to Diana Moslak, Regulatory and Procedural Development Staff, Federal Crop Insurance Corporation, USDA, Washington, D.C. 20250. Hand or messenger delivery should be made to Suite 500, 2101 L Street NW., Washington D.C. Written comments will be available for public inspection and copying in the Office of the Manager, 2101 L Street NW., 5th Floor, Washington, DC, during regular business hours, Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Diana Moslak, Federal Crop Insurance Corporation, U.S. Department of Agriculture, Washington, D.C. 20250. Telephone (202) 254-8314.

SUPPLEMENTARY INFORMATION: This action has been reviewed under United States Department of Agriculture (USDA) procedures established by Executive Order 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 December 1, 1999.

This rule has been determined to be "not significant" for the purposes of Executive Order 12866, and therefore, has not been reviewed by the Office of Management and Budget (OMB).

In accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.), no information collection or record-keeping requirements are found in this rule.

It has been determined under section 6(a) of Executive Order 12612, Federalism, that this rule does not have sufficient federalism implication to warrant the preparation of a Federalism Assessment. The requirements and procedures contained in this rule will not have substantial direct effects on states or their political subdivisions, or on the distribution of power and responsibilities among the various levels of government.

Under section 605 of the Regulatory Flexibility Act (5 U.S.C. 601-612), this regulation will not have a significant impact on a substantial number of small entities. This action does not increase the paperwork burden on the insured producer or the reinsured company. Therefore, this action is determined to be exempt from the provisions of the Regulatory Flexibility Act and no Regulatory Flexibility Analysis was prepared.

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

This program is not subject to the provisions of Executive Order 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.

The Office of the General Counsel has determined that these regulations meet the applicable standards provided in subsections 2(a) and 2(b)(2) of Executive Order 12778. The provisions of this rule will preempt state and local laws to the extent such state and local laws are inconsistent herewith. This rule does not have retroactive effect and administrative appeals as established under 7 CFR part 400 subpart J or under

regulations established under subtitle H of the Department of Agriculture Reorganization Act of 1994 (Pub. L. 103-354) must be exhausted before judicial action may be brought.

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

The Federal Crop Insurance Act (FCI Act) was amended by the Federal Crop Insurance Reform Act of 1994 ("Reform Act") on October 13, 1994. The Reform Act added a provision to the FCI Act providing that any participant in the program who knowingly adopts a material scheme or device should lose all benefits under the program for that crop year. This provision roughly parallels similar provisions found in USDA commodity programs. Eligibility for those programs are now linked to the crop insurance program. The Reform Act also amended the FCI Act to revise the penalty for giving false or inaccurate information. The penalty for those acts previously was administrative debarment from participation in the program for a period of up to ten years. However, administrative ineligibility for participation in the disaster assistance and other commodity programs had previously been two years. The Reform Act substituted Catastrophic Risk Protection for Disaster Assistance for insurable crops and reduced the maximum administrative debarment for Catastrophic Risk Protection to two years so as to conform to previous practice. The term for administrative debarment when the insured purchases other than catastrophic risk protection coverage remains at a maximum of ten years.

List of Subjects in 7 CFR Part 400

Administrative practice and procedure, Claims, Crop insurance, Reporting and recordkeeping requirements.

Proposed Rule

For the reasons set out in the preamble, subpart R, part 400 of chapter IV of title 7 of the Code of Federal Regulations is proposed to be amended as follows: