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DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 401

RIN 0563-AB29

General Crop Insurance Regulations; Florida Citrus Endorsement

AGENCY: Federal Crop Insurance

Corporation.

ACTION: Final rule.

SUMMARY: The Federal Crop Insurance Corporation ("FCIC") hereby amends the Florida Citrus Endorsement that supplements the General Crop Insurance Policy. The intended effect of this rule is to require that the insured crop unit suffer at least a fifty percent (50%) average percent of damage before an indemnity would be due for any catastrophic risk protection policy. EFFECTIVE DATE: December 5, 1995.

FOR FURTHER INFORMATION CONTACT:

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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 May 1, 2000.

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

The information collection requirements contained in these regulations (7 CFR part 401) were

previously approved by OMB pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35) under OMB control numbers 0563-0003, 0563-0014. and 0563-0016. The amendments set forth in this rule do not revise the content or alter the frequency of reporting for any of the forms cleared under the above mentioned dockets. The public reporting burden for the collection of information is estimated to range from 10 to 90 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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 policies and procedures 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.

This regulation will not have a significant impact on a substantial number of small entities. This action neither increases nor decreases the paperwork burden on the insured and the reinsured company. 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.

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. The administrative appeal provisions promulgated by the National Appeals Division under Pub. L. No. 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.

Background

On Tuesday, June 6, 1995, FCIC published an interim rule in the Federal Register at 60 FR 29749, to amend the Florida Citrus Endorsement by revising the Catastrophic Risk Protection (CAT) loss adjustment provisions contained in section 9 of the endorsement.

Following publication of the interim rule, the public was afforded 60 days to submit written comments, data, and opinions. The comments received and FCIC responses are as follows:

Comment: One comment received from an insurance company maintains that the rule is incomplete because it only addresses the loss adjustment deductible aspect of the program and does not address the dollar amount of insurance.

Response: FCIC revised Section 9 (Claim for Indemnity) because the language did not conform with the requirements of Section 508(b) of the Federal Crop Insurance Reform Act (Act) of 1994 which states that CAT shall offer a producer coverage for a 50 percent loss of yield. Under the Florida Citrus Endorsement, loss payments began once the damage exceeded 10 percent. FCIC added language to bring Section 9 in compliance with the Act. This language only addresses the 50 percent deductible. The dollar amount of insurance for CAT coverage, as determined by FCIC, is stipulated in the actuarial table. Therefore, FCIC has addressed the dollar amount of insurance for CAT coverage and the formula used to determine CAT coverage indemnities will not be changed.

Comment: One comment received from an insurance company stated that the rule was not necessary because the same result could be achieved by multiplying the maximum value FCIC assigns to a given variety of citrus by 50%, then multiplying this product by 60%.

Response: FCIC disagrees with the comment. The determination of an appropriate CAT dollar amount of