

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 457

RIN 0563-AB69

Common Crop Insurance Regulations; Basic Provisions

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Proposed rule.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) proposes to amend the Common Crop Insurance Policy; Basic Provisions, to clarify certain provisions, add definitions and provisions to allow enterprise and whole farm units, allow the use of a written agreement to insure acreage that has not been planted and harvested in one of the three previous crop years, and amend the prevented planting provision that requires that at least one contiguous block of prevented planting acreage must constitute at least 20 acres or 20 percent of the insurable crop acreage in the unit before a prevented planting payment may be made. The intended effect of this action is to create a policy that best meets the needs of the insured.

DATES: Written comments and opinions on this proposed rule will be accepted until close of business October 13, 1998, and will be considered when the rule is to be made final.

ADDRESSES: Interested persons are invited to submit written comments to the Director, Product Development Division, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131. A copy of each response will be available for public inspection and copying from 7:00 a.m. to 4:30 p.m., CDT, Monday through Friday, except holidays, at the above address.

FOR FURTHER INFORMATION CONTACT: For further information and a copy of the Cost-Benefit Analysis to the Common

Crop Insurance Regulations; Basic Provisions, contact Louise Narber, Insurance Management Specialist, Research and Development, Product Development Division, Federal Crop Insurance Corporation, at the Kansas City, MO, address listed above, telephone (816) 926-7730.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

The Office of Management and Budget (OMB) has determined this rule to be significant and, therefore, it has been reviewed by OMB.

Cost-Benefit Analysis

A Cost-Benefit Analysis has been completed and is available to interested persons at the Kansas City address listed above. In summary, the analysis finds that of the provisions in the proposed rule, that elimination of the contiguous acreage requirement for the purpose of determining eligible acreage prevented planting acres will have the most impact. Removal of this requirement is expected to have the greatest impact in certain regions of the Northern Plains, but the effect on overall crop insurance payments is expected to be small. It is estimated that additional indemnities resulting from this change will average \$500,000.00 per year. Higher premium rates should cover the additional indemnities. Additional costs to the Government will be about \$250,000.00 for premium subsidies, \$110,000.00 in administrative subsidies, and \$38,000.00 in underwriting losses. Other provisions of the rule serve to clarify provisions or allow changes that may cause slight changes in expected indemnities and premiums. Other than removal of the contiguous land requirement indicated above, little impact is foreseen.

Paperwork Reduction Act of 1995

The provisions contained in this rule contain information collections that require clearance by the Office of Management and Budget (OMB).

This rule proposes to amend the information collection requirements previously approved by OMB under OMB control number 0563-0053 through October 31, 2000. This rule provides a prevented planting payment if at least 20 acres or 20 percent of the acreage in the unit is prevented from being timely planted, regardless of whether or not the acreage is

contiguous, if all other criteria are met. Information will need to be collected with respect to the number of acres prevented from being planted in order to calculate a prevented planting payment. All of the forms cleared under OMB control number 0563-0053 represent the minimum information necessary to determine eligibility and losses qualifying for a payment due to prevented planting or loss of production.

Due to the necessity of implementing the rule beginning with the 1999 crop year, the Agency has requested emergency clearance of the information collections associated with this rule from OMB by September 11, 1998. A **Federal Register** notice soliciting public comment in conjunction with a regular information collection approval package was published in the **Federal Register** on September 25, 1998.

Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. This rule contains no Federal mandates (under the regulatory provisions of title II of UMRA) for State, local, and tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Executive Order 12612

It has been determined under section 6(a) of Executive Order 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 economic impact on a substantial number of small entities. New provisions included in this rule will not impact small entities to a greater extent than large entities. The amount of work required of the insurance companies delivering and servicing these policies will not increase

from the amount of work currently required. 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 12372

This program is not subject to the provisions of Executive Order 12372 which requires 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 12988

This rule has been reviewed in accordance with Executive Order 12988 on civil justice reform. The provisions of this rule will not have a retroactive effect. 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 published at 7 CFR part 11 must be exhausted before any action against FCIC for judicial review may be brought.

Environmental Evaluation

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

Background

FCIC proposes to amend the Common Crop Insurance Policy; Basic Provisions (Basic Provisions) (7 CFR part 457) effective for the 1999 and succeeding crop years for all crops with contract change dates after the effective date of the final rule, and for the 2000 or 2001 and succeeding crop years for all crops with contract change dates prior to the effective date of the final rule. The principal changes to the Basic Provisions are as follows:

1. Section 1—Add definitions for “enterprise unit” and “whole farm unit.” This unit arrangement is not currently available. The provisions are being amended to provide for them whenever the Special Provisions allow the use of such unit structure.

In the definition of “prevented planting,” clarify that once the producer has been prevented from planting the insured crop by the final planting date, the producer is eligible for prevented

planting coverage. The producer is not required to plant during the late planting period to be eligible for prevented planting coverage. Also specify that the insured must have been prevented from planting the insured crop due to an insured cause of loss that is general in the area and that prevents other producers from planting acreage with similar characteristics. Current provisions require that most (more than 50 percent) producers be prevented from planting on acreage with similar characteristics. This change allows prevented planting to be made on an individual case basis once it is verified that an insured peril prevented planting.

2. Section 2(e)—Clarify that if any amount due, including premium, is not paid by the termination date, the insurance provider will take such action as authorized under 7 CFR part 400, subpart U, including determining the producer to be ineligible for crop insurance under the Act.

3. Section 3(c)(4)—Add provisions requiring that if enterprise or whole farm units are selected, the insured must report the acreage and production for each basic unit that comprises the enterprise or whole farm unit for the previous crop year. If the producer fails to provide the required information, the enterprise or whole farm units will be divided into their respective basic units and all premiums and indemnities will be based on the basic units.

4. Sections 6(a) (1) and (2)—Clarify that only if the producer insures multiple crops with the same insurance company can the producer submit an acreage report on or before the latest applicable acreage reporting date for all crops with an acreage reporting date within the specific time frame.

5. Section 6(e)—Clarify that any determination under the subsection will be subject to the provisions contained in section 6(g).

6. Section 9(a)(1)(i)(D)—Clarify that acreage not planted and harvested within one of the three previous crop years will be insurable if the reason the acreage was not planted was because a perennial tree, vine, or bush crop was grown on the acreage. The current regulations do not limit the perennial crop to a tree, vine, or bush crop. This clarification will prevent acreage that has been in perennial grasses from being insurable the first year it is brought back into crop production, unless the perennial grasses were used in a normal rotation practice as allowed by section 9(a)(1)(i)(B).

7. Section 9(a)(1)(iii)—Allow a written agreement to provide insurance coverage for acreage that has not been

planted and harvested within one of the three previous crop years.

8. Section 15—Add a new subsection that requires a crop to be destroyed or the acreage put to another use before any indemnity can be paid. This change will prevent overpayments that may occur when actual harvested production is higher than appraised production.

9. Section 16—Reformat the section to move the provision currently contained in section 16(b)(3) to a new section 16(d).

10. Section 17(a)—Add a new paragraph that specifies that prevented planting coverage is not available if the producer planted the insured crop during or after the late planting period.

11. Section 17(d)—Clarify that if a late planting period is applicable, that period will also be considered when determining if drought or failure of the irrigation water supply is an insurable cause of loss for the purposes of prevented planting.

12. Section 17(e)(1)—In the chart headings, clarify that eligible acres are determined based on the 4 most recent crop years when the producer has planted any crop in the county for which prevented planting insurance was available or received a prevented planting guarantee within those 4 years.

13. Section 17(f)(1)—Delete the provision that requires at least one contiguous block of acreage, consisting of at least 20 acres or 20 percent of the insurable crop acreage in the unit, to be prevented from being planted in order to qualify for a prevented planting payment. The requirement that the prevented planting acreage must be contiguous was intended to reduce the instances in which prevented planting payments were made for potholes and other small portions of fields that are wet in most years, although planting occasionally may be possible. FCIC has received numerous complaints that a large number of acres could be prevented from being planted within a unit, but because the minimum contiguous acreage requirement is not met, no prevented planting payment can be made. For example, if a producer has a 100-acre unit, consisting of ten 10-acre fields that are not contiguous, even if all 100 acres in the unit were prevented from being planted, a prevented planting payment could not be made because the minimum contiguous acreage requirement was not met. Removing the minimum contiguous acreage requirement, while still retaining the 20 acres or 20 percent of the insurable acreage requirement, will achieve the intended goal of not paying prevented planting claims when only a

small number of acres are prevented from being planted.

Clarify that for a producer to claim that acreage that was prevented from being planted would have been planted to a different crop than the crop that was planted in the field, in addition to the requirement that the prevented planting acreage must constitute at least 20 acres or 20 percent of the insurable acreage in the field, the producer must have produced both crops in the same field in any one of the 4 most recent crop years. A 4 year period is consistent with the period used to determine eligible prevented planting acreage.

14. Section 17(f)(5)—Add provisions to specify that if one of the crops being double-cropped is not insurable, other verifiable records of it being planted may be used since records of uninsured crops would not be included in the insured's actual production history (APH) database.

15. Section 17(f)(11)—Add provisions to specify that prevented planting acreage insured under an irrigated practice will be limited to the number of acres allowed for that crop practice in sections 17 (e) and (f).

16. Section 17(f)(12)—Allow prevented planting coverage for a crop type that was not planted in at least one of the 4 most recent years, if the producer received a prevented planting insurance guarantee for that type in at least one of the 4 most recent years. This change will enable a producer who insured and received a prevented planting insurance guarantee based on a specific type, although the producer did not plant that type within one of the 4 most recent years because he or she was prevented from doing so, to qualify for prevented planting coverage for that type for a subsequent crop year.

17. Section 17(g)—Add a new section 17(g) that specifies that when a producer insures acreage of a crop under a limited or additional coverage policy and separately insures acreage of that crop, which has been designated as "high risk" under a catastrophic risk protection coverage policy, the maximum acreage eligible for a prevented planting payment will be limited for each policy as specified in sections 17 (e) and (f).

18. Section 17(h)—Add a new section 17(h) to allow prevented planting coverage for a crop that a producer was prevented from planting, when that crop does not have eligible prevented planting acres established, by basing the coverage on a crop that has eligible prevented planting acreage established under the terms of the policy. The production guarantee or amount of insurance, premium and prevented

planting payment would be calculated using the qualifying crop data. This provides prevented planting coverage on the basis of insurance history (*i.e.*, what the insured has demonstrated in the past) rather than on intent to plant a specific crop.

19. Section 24(e) For reinsured policies—Add language specifying that amounts the insured owes to the insurance provider may be collected through administrative offset from payments the insured receives from United States government agencies in accordance with 31 U.S.C. chapter 37.

20. Section 34—Add a new section 34(a) that allows a producer to elect an enterprise unit or a whole farm unit if provided for in the Special Provisions and the producer elects such unit structure on or before the earliest sales closing date for the insured crops.

List of Subjects in 7 CFR Part 457

Crop insurance, Common crop insurance policy.

Proposed Rule

Accordingly, as set forth in the preamble, the Federal Crop Insurance Corporation proposes to amend 7 CFR part 457 as follows:

PART 457—COMMON CROP INSURANCE REGULATIONS

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

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

§ 457.2 [Amended]

2. Amend § 457.2(e) to remove the words "paragraph 21" and replace with the words "paragraph 24".

§ 457.8 [Amended]

3. Amend § 457.8 as follows:

a. Amend section 1 of the Basic Provisions by adding definitions for "enterprise unit" and "whole farm unit" and revising the definition of "prevented planting" to read as follows:

1. Definitions

Enterprise unit. All insurable acreage of the insured crop in the county in which you have a share on the date coverage begins for the crop year. An enterprise unit must consist of at least two basic units and at least 50 insurable acres.

Prevented planting. Failure to plant the insured crop with proper equipment by the final planting date designated in the Special Provisions for the insured crop in the county or, if you elect to plant the insured crop during the late planting period, failure to plant the insured crop within the late planting period. You must have been prevented from planting the insured crop due

to an insured cause of loss that is general in the surrounding area and that prevents other producers from planting acreage with similar characteristics.

Whole farm unit. All insurable acreage of the insurable crops in the county in which you have a share on the date coverage begins for each crop for the crop year. A whole farm unit must consist of at least two crops and at least 50 insurable acres.

b. Revise section 2(e) of the Basic Provisions to read as follows:

2. Life of Policy, Cancellation, and Termination

(e) If any amount due, including premium, is not paid on or before the termination date for the crop on which the amount is due, you may be determined to be ineligible to participate in any crop insurance program authorized under the Act in accordance with 7 CFR part 400, subpart U.

c. Amend section 3 of the Basic Provisions by adding a new paragraph (c)(4) to read as follows:

3. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities

(c) * * *

(4) If you elect to obtain an enterprise or whole farm unit, you must report the acreage and production for each basic unit that comprises the enterprise or whole farm unit for the previous crop year. If you do not provide the information required herein, the enterprise or whole farm unit will be divided into its respective basic units and all premiums and indemnities will be based on the basic unit structure.

d. Revise sections 6(a)(1) and (2) and 6(e) of the Basic Provisions to read as follows:

6. Report of Acreage

(a) * * *

(1) If you insure multiple crops with us that have final planting dates on or after August 15 but before December 31, you must submit an acreage report for all such crops on or before the latest applicable acreage reporting date for such crops; and

(2) If you insure multiple crops with us that have final planting dates on or after December 31 but before August 15, you must submit an acreage report for all such crops on or before the latest applicable acreage reporting date for such crops.

(e) We may elect to determine all premiums and indemnities based on the information you submit on the acreage report or upon the factual circumstances we determine to have existed, subject to the provisions contained in section 6(g).

e. Revise sections 9(a)(1)(i)(D) and 9(a)(1)(iii) of the Basic Provisions to read as follows:

9. Insurable Acreage

(a) * * *

(1) * * *

(i) * * *

(D) Because a perennial tree, vine, or bush crop was grown on the acreage;

* * * * *

(iii) The Crop Provisions or a written agreement specifically allow insurance for such acreage;

* * * * *

f. Amend section 15 of the Basic Provisions to add a new paragraph (d) to read as follows:

15. Production Included in Determining Indemnities

* * * * *

(d) If you elect to put the acreage to another use or abandon the crop and obtain an indemnity for a unit based on appraised production, the crop on the acreage must be destroyed or you must put the acreage to another use before any indemnity will be paid.

* * * * *

g. Amend section 16(b)(2) of the Basic Provisions to add the word "and" immediately following the semicolon.

h. Remove section 16(b)(3) of the Basic Provisions and redesignate section 16(b)(4) as section 16(b)(3).

i. Add a new section 16(d) of the Basic Provisions to read as follows:

16. Late Planting

* * * * *

(d) Any acreage on which an insured cause of loss materially prevents completion of planting, as specified in the definition of "planted acreage" (e.g., seed is broadcast on the soil surface but cannot be incorporated) will be considered as acreage planted after the final planting date and the production guarantee will be calculated in accordance with section 16(b)(1).

j. Revise section 17(a) of the Basic Provisions to delete the word "and" at the end of section 17(a)(1)(ii), add "and" at the end of section 17(a)(2), and add a new section 17(a)(3) to read as follows:

17. Prevented Planting

(a) * * *

(3) You did not plant the insured crop during or after the late planting period.

* * * * *

k. Revise sections 17(d) introductory text of the Basic Provisions to read as follows:

17. Prevented Planting

* * * * *

(d) Drought or failure of the irrigation water supply will be considered to be an insurable cause of loss for the purposes of prevented planting only if either, on the final planting date, or within the late planting period if a late planting period is applicable:

* * * * *

l. Revise the middle column heading in the table in section 17(e)(1) of the Basic Provisions to read as follows:

"Eligible acres if, in any of the 4 most recent crop years, you have planted any crop in the county for which prevented planting insurance was available or have received a prevented planting insurance guarantee"

* * * * *

m. Revise the last column heading in the table in section 17(e)(1) of the Basic Provisions to read as follows:

"Eligible acres if, in any of the 4 most recent crop years, you have not planted any crop in the county for which prevented planting insurance was available or have not received a prevented planting insurance guarantee"

* * * * *

n. Revise sections 17(f)(1), (f)(11), and (f)(12) of the Basic Provisions to read as follows:

17. Prevented Planting

* * * * *

(f) * * *

(1) That does not constitute at least 20 acres or 20 percent of the insurable crop acreage in the unit, whichever is less. Any prevented planting acreage within a field that contains planted acreage will be presumed to have been planted to the same crop that is planted in the field unless the acreage that was prevented from being planted constitutes at least 20 acres or 20 percent of the total insurable acreage in the field and you produced both crops in the same field in the same crop year within any of the 4 most recent crop years;

* * * * *

(11) Based on an irrigated practice production guarantee or amount of insurance unless adequate irrigation facilities were in place to carry out an irrigated practice on the acreage prior to the insured cause of loss that prevented you from planting. Acreage with an irrigated practice production guarantee will be limited to the number of acres allowed for that practice under sections 17(e) and (f); or

(12) Based on a crop type that you did not plant or did not receive a prevented planting insurance guarantee in at least one of the four most recent years. Types for which separate price elections, amounts of insurance, or production guarantees are available must be included in your APH database in at least one of the most recent four years, or crops that do not require yield certification (crops for which the insurance guarantee is not based on APH) must be reported on your acreage report in at least one of the four most recent crop years except as allowed in section 17(e)(1)(i)(B). We will limit prevented planting payments based on a specific crop type to the number of acres allowed for that crop type as specified in sections 17(e) and (f).

* * * * *

o. Revise section 17(f)(5) of the Basic Provisions to add the following text to the end of the paragraph between the word "acreage" and the semicolon: "(If one of the crops being double-cropped is not insurable, other verifiable records of it being planted may be used)"

p. Redesignate section 17(g) of the Basic Provisions as 17(i) and add new sections 17(g) and (h) to read as follows:

17. Prevented Planting

* * * * *

(g) If you purchased a limited or additional coverage policy for a crop, and you executed a High Risk Land Exclusion Option that separately insures acreage which has been designated as "high risk" land by FCIC under a Catastrophic Risk Protection Endorsement for that crop, the maximum number of acres eligible for a prevented planting payment will be limited for each policy as specified in sections 17(e) and (f).

(h) If you are prevented from planting a crop for which you do not have an adequate base of eligible prevented planting acreage, as determined in accordance with section 17(e)(1), your prevented planting production guarantee or amount of insurance, premium, and prevented planting payment will be based on the most recent crops planted on the acreage, not to exceed the base eligible prevented planting acreage for those crops as established in section 17(e)(1). For example: You intended to plant 120 acres of soybeans and you have never planted more than 20 acres of soybeans in the previous 4 crop years:

(1) However, the previous crop year, you planted 60 acres of corn and 60 acres of processing tomatoes. Your prevented planting guarantee premium, and prevented planting payment will be based on 20 acres of soybeans, 50 acres of corn (60/120 × 120–20) and 50 acres of processing tomatoes (60/120 × 120–20), even though you may not have a processing contract for the current crop year.

(2) You were only able to plant 30 acres of soybeans. The previous crop year you planted 90 acres of corn and 30 acres of oats. Your prevented planting guarantee, premium, and prevented planting payment will be based on 67.5 acres of corn (90/120 × 120–30) and 22.5 acres of oats (30/120 × 120–30).

(3) The previous crop year you were prevented from planting the acreage or did not attempt to plant a crop. However, just prior to the crop year in which no crop was planted on the acreage, you planted 120 acres of grain sorghum, your prevented planting guarantee, premium, and prevented planting payment will be based on 20 acres of soybeans and 100 acres of grain sorghum.

(4) The previous crop year you planted 120 acres of potatoes and the rotation requirements precluded you from planting potatoes this year. The crop year preceding your planting of potatoes, you planted 120 acres of corn. Your prevented planting guarantee, premium, and prevented planting payment will be based on 20 acres of soybeans and 100 acres of corn.

q. Amend newly designated section 17(i)(2) of the Basic Provisions by changing the section reference therein from "17(g)(1)" to "17(i)(1)."

r. Amend newly designated section 17(i)(3) of the Basic Provisions by changing the section reference therein from "17(g)(2)" to "17(i)(2)."

s. Revise section 24(e) to read as follows:

* * * * *

For reinsured policies

24. Amounts Due Us

* * * * *

(e) Amounts owed to us by you may be collected through administrative offset from payments you receive from United States government agencies in accordance with 31 U.S.C. chapter 37.

* * * * *

t. Amend section 34 of the Basic Provisions by redesignating sections 34(a) through 34(d) as sections 34(b) through 34(e) respectively, and adding a new section 34(a) to read as follows:

* * * * *

34. Unit Division

(a) You may elect an enterprise unit or a whole farm unit if the Special Provisions allow such unit structure, subject to the following:

(1) You must make such election on or before the earliest sales closing date for the insured crops and report such unit structure to us in writing. Your unit selection will remain in effect from year to year unless you notify us in writing by the applicable sales closing date for the crop year for which you wish to cancel this election;

(2) For enterprise units, you must report the acreage for each basic unit that comprises the enterprise unit on your acreage report;

(3) For a whole farm unit, you must report the acreage for each basic unit for each crop produced in the county that comprises the whole farm unit on your acreage report;

(4) Although you may insure all of your crops under one policy as a whole farm unit, you will be required to pay separate applicable administrative fees for each crop (Since enterprise units are by separate crop, you will have to pay all applicable administrative fees for each crop); and

(5) These units may not be further divided except as specified herein or in section 3(c)(4).

* * * * *

Signed in Washington, D.C., on September 25, 1998.

John Zirschky,

Acting Manager, Federal Crop Insurance Corporation.

[FR Doc. 98-26201 Filed 9-28-98; 9:10 am]

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DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 457

RIN 0563-AB62

Common Crop Insurance Regulations; Cotton and ELS Cotton Crop Insurance Provisions

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Proposed rule.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) proposes to amend the Cotton Crop Insurance Provisions and the Extra Long Staple (ELS) Cotton Crop Insurance Provisions for the 1999 and succeeding crop years to: Provide a replant payment if the insured crop is damaged by excess moisture, hail, or blowing sand or soil and is replanted; revise the quality adjustment formula used to calculate the amount of production to count for cotton and ELS cotton; and provide a prevented planting coverage level of 50 percent of the insured's production guarantee for timely planted acreage. The intended effect of this action is to create a policy that best meets the needs of the insured.

DATES: Written comments and opinions on this proposed rule will be accepted until close of business October 13, 1998, and will be considered when the rule is to be made final.

ADDRESSES: Interested persons are invited to submit written comments to the Director, Product Development Division, Federal Crop Insurance Corporation, U.S. Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131. A copy of each response will be available for public inspection and copying from 7:00 a.m. to 4:30 p.m., CDT, Monday through Friday, except holidays, at the above address.

FOR FURTHER INFORMATION CONTACT: For further information and a copy of the cost-benefit analysis to the Common Crop Insurance Regulations; Cotton and ELS Cotton Crop Insurance Provisions, contact Stephen Hoy, Insurance Management Specialist, Research and Development, Product Development Division, Federal Crop Insurance Corporation, at the Kansas City, MO, address listed above, telephone (816) 926-7730.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

The Office of Management and Budget (OMB) has determined this proposed rule to be significant and, therefore, has been reviewed by OMB.

Cost-Benefit Analysis

A Cost-Benefit Analysis has been completed and is available to interested persons at the Kansas City address listed above. In summary, the analysis finds that the proposed rule makes major changes to the Cotton and ELS Cotton Crop Insurance Provisions which would benefit producers by increasing existing Multiple-Peril Crop Insurance coverage. Specifically, the rule: (1) Provides a

replant payment for cotton and ELS cotton damaged or destroyed by excess moisture, hail, or blowing sand or soil; (2) modifies the quality adjustment procedure used when mature white cotton or mature ELS cotton has been damaged by insured causes; and (3) increases the prevented planting coverage payment rate to 50 percent for cotton and ELS cotton.

These proposed changes are expected to add \$36 to \$43 million to aggregate losses and premiums. Producer premium subsidies and administrative subsidies are proportions of the actuarially based premiums; thus increases in premiums lead to increases in outlays for subsidies. The total increase in Government outlays due to provisions of this regulation, including the full effect of prevented planting coverage, is expected to be \$32 to \$38 million. About \$21 to \$25 million would be for producer premium subsidies, \$8 to \$10 million for administrative subsidies, and about \$3 million for underwriting costs.

Paperwork Reduction Act of 1995

The provisions contained in this rule contain information collections that require clearance by the Office of Management and Budget (OMB).

This rule proposes to amend the information collection requirements previously approved by OMB under OMB control number 0563-0053 through October 31, 2000. This rule provides a replant payment if the insured crop is damaged by excess moisture, hail, or blowing sand or soil and is replanted. Information will need to be collected with respect to the number of acres replanted in order to calculate a replant payment. In addition, the proposed rule revises the provision used to determine the amount of production to count for cotton and ELS cotton that is eligible for quality adjustment, and proposes a prevented planting coverage of 50 percent for cotton and ELS cotton for 1999 and subsequent crop years. All of the forms cleared under OMB control number 0563-0053 represent the minimum information necessary to determine eligibility and losses qualifying for a payment due to cotton and ELS cotton coverage.

Due to the necessity of implementing the rule beginning with the 1999 crop year, the Agency has requested emergency clearance of the information collections associated with this rule from OMB by September 8, 1998. A **Federal Register** notice soliciting public comment in conjunction with a regular information collection approval package