

opinions on this rule will be accepted until close of business March 7, 1995, and will be considered when the rule is to be made final.

**ADDRESSES:** Written comments, data, and opinion on this interim 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 may be made to Suite 500, 2101 L Street, N.W., Washington D.C. Written comments will be available for public inspection and copying in the Office of the Manager, 2101 L Street, N.W., 5th Floor, Washington, D.C., during regular business hours, Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** For further information and a copy of the Regulatory Impact Analysis to the Catastrophic Risk Protection Endorsement, 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 "economically significant" for the purposes of Executive Order 12866, and therefore, has been reviewed by the Office of Management and Budget ("OMB").

A Regulatory Impact Analysis has been completed and is available to interested persons at the address listed above. In summary, the analysis finds that crop insurance reform generally is expected to result in net positive benefits to producers, taxpayers, and society. The effects on individual producers compared to payments under ad hoc disaster programs depends primarily on the farm program payment yield compared to the farm's actual yield and market prices. In general, however, the reform is expected to result in less volatility of producer's incomes and lesser risk of no income due to adverse weather events. Rural communities and farmers will benefit from the certainty of payments in times of catastrophic yield losses. The Government and taxpayers will benefit from a single disaster protection program and consequent reduced

Federal outlays. Although some producers (previous non-participants in crop insurance) will have an added burden to make application and report yields and acreage, the benefits in terms of greater risk protection outweigh the costs.

This interim rule amends the existing information collection as approved by the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*), under OMB control numbers 0563-0001, 0563-0003, and 0563-0029. Due to the time constraints of implementing the rule immediately, the agency has requested emergency clearance of this addendum from OMB. Comments on the information collection may be sent to the Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10202, NEOB, Washington, D.C. 20503. Attention: Desk Officer for USDA.

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 provisions 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.

Under the Regulatory Flexibility Act (5 U.S.C. 605), this regulation will not have a significant impact on a substantial number of small entities. Producers will be able to certify to their historical production levels at the time of application based on existing records, or they may elect to base their insurance on assigned yields, which will not require maintenance of production records by the insurance agent. The amount of data collected by the agent for new insureds is not greater than the amount of data collected for existing insureds. Insureds may elect to keep production records to increase the amount of production covered by insurance but such production is not required to participate in the program. The benefits in terms of risk reduction and protection from severe losses will outweigh any record-keeping costs. 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. The administrative appeal provisions located at 7 CFR part 400, subpart J, and for catastrophic risk protection contracts of insurance delivered through local USDA offices, the National Appeal Division administrative appeal provisions under the Department of Agriculture Reorganization Act of 1994 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.

This interim rule implements programs mandated by the amendments to the Federal Crop Insurance Act by the Federal Crop Insurance Reform Act of 1994. Those amendments required that the statutory changes be implemented for the 1995 crop year. All of the contract change dates and many of the sales closing dates for 1995 insured crops have passed or will soon pass. Many of the changes contained in these regulations are mandated by statute. Planting decisions for 1995 crops have been or will shortly be made and it is necessary that producers, lenders, and suppliers know the parameters and requirements of the program. Therefore, it is impractical 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.

On October 13, 1994, the amendments to the Federal Crop Insurance Act, made by the Federal Crop Insurance Reform Act of 1994, were effective. This regulation will provide the policy and procedures to carry out catastrophic risk protection insurance requirements of the Reform Act.

### Background

Upon publication of 7 CFR part 402, this regulation will provide catastrophic risk protection crop insurance through an endorsement that amends new and existing crop insurance policies,