

subpart on stipulation procedures. This procedure would enable AMS to better enforce the Act and regulations by expediting the resolution of compliance cases.

#### List of Subjects in 7 CFR Part 57

Eggs and egg products, Exports, Food grades and standards, Food labeling, Reporting and recordkeeping requirements.

For reasons set forth in the preamble, 7 CFR part 57 is amended as follows:

#### PART 57—INSPECTION OF EGGS (EGG PRODUCTS INSPECTION ACT)

1. The authority citation for part 57 continues to read as follows:

**Authority:** 21 U.S.C. 1031–1056.

2. Sections 57.1 through 57.970 are designated as subpart A and the heading of subpart A is added to read as follows:

#### Subpart A—Regulations Governing the Inspection of Eggs

\* \* \* \* \*

3. A new subpart B is added to read as follows:

#### Subpart B—Rules of Practice Governing Proceedings Under the Egg Products Inspection Act

#### Scope and Applicability of Rules of Practice

##### § 57.1000 Administrative proceedings.

(a) The Uniform Rules of Practice for the Department of Agriculture promulgated in subpart H of part 1, subtitle A, title 7, Code of Federal Regulations, are the Rules of Practice applicable to adjudicating administrative proceedings under section 12(c) of the Egg Products Inspection Act (21 U.S.C. 1041).

(b) In addition to the proceedings set forth in paragraph (a) of this section, the Administrator, in his discretion, at any time prior to the issuance of a complaint seeking a civil penalty under the Act may enter into a stipulation with any person, in accordance with the following prescribed conditions:

(1) The Administrator gives notice of an apparent violation of the Act or the regulations issued thereunder by such person and affords such person an opportunity for a hearing regarding the matter as provided by the Act;

(2) Such person expressly waives hearing and agrees to a specified order including an agreement to pay a specified civil penalty within a designated time; and

(3) The Administrator agrees to accept the specified civil penalty in settlement

of the particular matter involved if it is paid within the designated time.

(4) If the specified penalty is not paid within the time designated in such stipulation, the amount of the stipulated penalty shall not be relevant in any respect to the penalty that may be assessed after the institution of a formal administrative proceeding pursuant to the Uniform Rules of Practice, Subpart H, Part 1, Title 7, Code of Federal Regulations.

Dated: July 22, 1999.

**Kenneth C. Clayton,**

*Acting Administrator, Agricultural Marketing Service.*

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#### DEPARTMENT OF AGRICULTURE

#### Federal Crop Insurance Corporation

#### 7 CFR Parts 400 and 402

RIN 0563-AB68

#### General Administrative Regulations, Subpart U; and Catastrophic Risk Protection Endorsement; Regulations for the 1999 and Subsequent Reinsurance Years

**AGENCY:** Federal Crop Insurance Corporation, USDA.

**ACTION:** Final rule.

**SUMMARY:** The Federal Crop Insurance Corporation (FCIC) finalizes the General Administrative Regulations, subpart U—Ineligibility for Programs Under the Federal Crop Insurance Act (7 CFR part 400, subpart U) and the Catastrophic Risk Protection Endorsement (7 CFR part 402) to implement the statutory mandates of the Agricultural Research, Extension, and Education Reform Act of 1998 (1998 Research Act) and the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 1999 (1999 Appropriations Act) enacted on October 19, 1998.

**EFFECTIVE DATE:** This rule is effective September 27, 1999.

**FOR FURTHER INFORMATION CONTACT:** Louise Narber, Insurance Management Specialist, Research and Development, Product Development Division, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131, telephone (816) 926-7730.

#### SUPPLEMENTARY INFORMATION:

#### Executive Order 12866

This rule has been determined to be significant for the purposes of Executive

Order 12866 and, therefore, has been reviewed by the Office of Management and Budget (OMB).

#### Paperwork Reduction Act of 1995

Under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the collections of information for this rule have been previously approved by OMB under control number 0563-0053 through April 30, 2001. This rule was amended to implement the statutory mandates of the 1998 Research Act which changed the administrative fee for CAT coverage from \$50 per crop per county, not to exceed \$200 per county, or \$600 for all counties in which the producer elected to obtain limited coverage, to \$60 per crop per county. The amendments set forth in this rule do not revise the content or alter the frequency of reporting for any of the forms or information collections cleared under the above-referenced docket.

#### Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 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. 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. The regulation does not require any more action on the part of the small entities than is required on the part of large entities. 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 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 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 for judicial review of any determination made by FCIC 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 or an Environmental Impact Statement is needed.

### Background

This rule finalizes revisions to part 400, subpart U and part 402 mandated by the 1998 Research Act, enacted June 23, 1998, and the 1999 Appropriations Act enacted on October 19, 1998. On Thursday, July 30, 1998, FCIC published an interim rule in the **Federal Register** at 63 FR 40630–40632 to amend subpart U and the Catastrophic Risk Protection Endorsement to implement the statutory mandates of the 1998 Research Act, which requires the provisions be implemented for the 1999 and subsequent reinsurance years. The 1999 Appropriations Act enacted after the publication of the interim rule waives the administrative fee of 10 percent of the premium that was enacted in the 1998 Research Act for the 1999 and subsequent reinsurance years. Changes in this rule, not made effective by the interim rule, are not in effect until the effective date of this rule.

Following publication of the interim rule, the public was afforded 60 days to submit written comments. A total of 8 comments was received from an insurance company and an insurance service organization. The comments

received and FCIC's responses are as follows:

*Comment:* An insurance service organization stated that private carriers are expected to complete forms, issue policies, adjust losses, audit policies, and now reprogram the computer systems to handle the change in the Basic Provisions procedures and perform the billing function for CAT policies in exchange for minimal reimbursement. The insurance service organization suggested that FCIC, through the Standard Reinsurance Agreement, allow companies to retain 50 percent of the fees, including flat fees or percentages based on premium computations.

*Response:* The 1998 Research Act specifies all administrative fees shall be deposited in the crop insurance fund to be available for the programs and activities of FCIC and specifically prohibits use of this fund to compensate insurance providers or agents for the delivery of services. Therefore, no change has been made.

*Comment:* An insurance service organization suggested the definitions for "additional coverage," "administrative fee," "catastrophic risk protection," "limited coverage," and "limited resource farmer" be deleted from the Catastrophic Risk Protection Endorsement since they are being added to the Basic Provisions. The insurance service organization suggested if they were not eliminated they should be revised to match those definitions in the Basic Provisions, unless additional information is needed in the Catastrophic Risk Protection Endorsement.

*Response:* FCIC has deleted the definitions for "additional coverage," "administrative fee," "catastrophic risk protection," "limited coverage," and "limited resource farmer" from the Catastrophic Risk Protection Endorsement and moved them to the Basic Provisions.

*Comment:* An insurance company and an insurance service organization stated the regulation references 10 percent of the premium subsidy and the law refers to this as 10 percent of the imputed premium. They asked if there was a reason for the difference in the wording. They stated the industry is now accustomed to the idea of "imputed premium."

*Response:* The 1998 Research Act refers to 10 percent of the premium. Section 6(b)(1) of the Catastrophic Risk Protection Endorsement refers to 10 percent of the premium subsidy because all of the CAT premium is subsidized by the Federal Government. However, this provision has been revised to remove all

reference to 10 percent of the premium as required by the 1999 Appropriations Act.

*Comment:* An insurance company and an insurance service organization stated it was their understanding that for nursery, the billing date is at the beginning of the coverage period and this presumably would be the fee due date. The nursery program requires periodic inventory updates, thus the premium could vary depending on the inventory. They asked if the fee continually adjusts through the year depending on inventory and the corresponding imputed premium when the fee is 10 percent of the imputed premium.

*Response:* For the old nursery policy, the administrative fees will be paid with the premium. If there are more than one premium due dates, the administrative fee must be paid by the final due date. Since the provision regarding the administrative fee of 10 percent of the premium has been removed, inventory adjustments are no longer an issue.

*Comment:* An insurance company and an insurance service organization stated the pecan program is a two year coverage module. They asked whether a CAT pecan policy that has been in effect for one year under the previous administrative fee structure would keep that fee or if the new fees specified in section 7(b)(1) of the Catastrophic Risk Protection Endorsement apply for the second year.

*Response:* Since the pecan policy is a two year coverage module and the first year's sales closing date was prior to the effective date of this regulation, the administrative fee that applied for the 1998 crop year will also apply for the 1999 crop year.

In addition to these changes, the administrative fee for catastrophic coverage has been changed due to the 1999 Appropriations Act. The administrative fee for catastrophic coverage for each crop in the county has been changed from \$10 plus the greater of either \$50 or 10 percent of the premium subsidy to \$60 per crop per county. Also, due to the Appropriations Act, paragraph 9(b) of the Catastrophic Risk Protection Endorsement has been revised to state that producers eligible for CAT coverage are also eligible for emergency loans.

### List of Subjects in 7 CFR Parts 400 and 402

Administrative practice and procedure, Catastrophic risk protection endorsement, Claims, Crop insurance, Fraud, Insurance provisions, Reporting and recordkeeping requirements.

**Final Rule**

Accordingly, as set forth in the preamble, the interim rule amending 7 CFR parts 400 and 402, published on July 30, 1998 at 63 FR 40630, is adopted as final with the following changes:

**PART 402—CATASTROPHIC RISK PROTECTION ENDORSEMENT; REGULATIONS FOR THE 1999 AND SUBSEQUENT REINSURANCE YEARS**

1. The authority citation for 7 CFR part 402 continues to read as follows:

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

**§ 402.4 [Amended]**

2. Amend § 402.4 as follows:

a. Remove the definitions of "additional coverage," "administrative fee," "catastrophic risk protection," "limited coverage," and "limited resource farmer" in Section 1.

b. Revise Section 6 paragraph (b)(1).

c. Revise Section 9 paragraph (b). The revisions to § 402.4 read as follows:

**§ 402.4 Catastrophic Risk Protection Endorsement Provisions.****6. Annual Premium and Administrative Fees.**

\* \* \* \* \*

(b) \* \* \*

(1) The administrative fee owed for each crop in the county is \$60.

\* \* \* \* \*

**9. Claim for Indemnity.**

\* \* \* \* \*

(b) If you are eligible to receive an indemnity under this endorsement and benefits compensating you for the same loss under any other USDA program, you must elect the program from which you wish to receive benefits. Only one payment or program benefit is allowed. However, if other USDA program benefits are not available until after you filed a claim for indemnity, you may refund the total amount of the indemnity and receive the other program benefit. Notwithstanding the first sentence of this subsection, farm ownership, operating, and emergency loans may be obtained from the USDA in addition to an indemnity under this endorsement.

\* \* \* \* \*

Signed in Washington, DC, on July 20, 1999.

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

[FR Doc. 99-19014 Filed 7-27-99; 8:45 am]

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**DEPARTMENT OF AGRICULTURE****Federal Crop Insurance Corporation****7 CFR Parts 400 and 457****RIN 0563-AB67****General Administrative Regulations, Subpart T—Federal Crop Insurance Reform, Insurance Implementation; Regulations for the 1999 and Subsequent Reinsurance Years; and the Common Crop Insurance Regulations; Basic Provisions**

**AGENCY:** Federal Crop Insurance Corporation, USDA.

**ACTION:** Final rule.

**SUMMARY:** The Federal Crop Insurance Corporation (FCIC) finalizes subpart T in the General Administrative Regulations (7 CFR part 400, subpart T) and the Common Crop Insurance Regulations, Basic Provisions (7 CFR 457.8), to implement the statutory mandates of the Agricultural Research, Extension, and Education Reform Act of 1998 (1998 Research Act) and Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 1999 (1999 Appropriations Act), enacted on October 19, 1998.

**EFFECTIVE DATE:** This rule is effective September 27, 1999.

**FOR FURTHER INFORMATION CONTACT:** Louise Narber, Insurance Management Specialist, Research and Development, Product Development Division, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131, telephone (816) 926-7730.

**SUPPLEMENTARY INFORMATION:****Executive Order 12866**

This rule has been determined to be significant for the purposes of Executive Order 12866 and, therefore, has been reviewed by the Office of Management and Budget (OMB).

**Paperwork Reduction Act of 1995**

Under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the collections of information for this rule have been previously approved by OMB under control number 0563-0053 through April 30, 2001. This rule was amended to implement the statutory mandates of the 1998 Research Act which changed the administrative fee for additional coverage from \$10 per crop to \$20 per crop. The amendments set forth in this rule do not revise the content or alter the frequency of reporting for any of the

forms or information collections cleared under the above-referenced docket.

**Unfunded Mandates Reform Act of 1995**

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 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. 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.

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**Regulatory Flexibility Act**

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