■ 2. In § 989.156, paragraph (a)(2)(iv) is revised to read as follows:

§ 989.156 Raisin diversion program.

(a) * * *

(2) * * *

(iv) Limit participation in a vine removal program to producers who agree not to replant raisin-variety vines for a period not to exceed 5 years and who agree to compensate the Committee for appropriate damages if raisin-variety vines are replanted. Damages collected by the Committee pursuant to this subparagraph shall be deposited in the reserve pool fund of the reserve pool applicable to the particular diversion program and be distributed to the equity holders in that pool: *Provided,* That, if such reserve pool has been closed and equity distributed, damages collected shall be deposited in the next open reserve pool of the crop year closest to the applicable diversion pool. If a determination is made by the Committee that a producer violated the agreement not to replant and is subject to damages, the producer may appeal the Committee's decision in accordance with paragraph (m) of this section;

* * * * *

Dated: May 23, 2003.

A.J. Yates,

Administrator, Agricultural Marketing Service.

[FR Doc. 03–13518 Filed 5–29–03; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

7 CFR Part 1405

RIN 0560–AG94

Crop Insurance Linkage

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Final rule.

SUMMARY: The Commodity Credit Corporation (CCC) is removing obsolete references from its regulations requiring producers to obtain at least a catastrophic level of crop insurance for each crop of economic significance in order to be eligible for payment under certain programs, which are no longer in operation.

EFFECTIVE DATES: May 30, 2003.

FOR FURTHER INFORMATION CONTACT: Sharon Biastock (202) 720–6336.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This final rule is issued in conformance with Executive Order 12866 and has been determined to be not significant and therefore has not been reviewed by the Office of Management and Budget.

Regulatory Flexibility Act

It has been determined that Regulatory Flexibility Act is not applicable to this final rule because FSA is not required by 5 U.S.C. 553 or any other provisions of law to publish a notice of final rule making regarding the subject matter of this rule.

Environmental Evaluation

It has been determined by an environmental evaluation that this action will have no significant impact on the quality of the human environment. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

Executive Order 12988

This rule has been reviewed in accordance with Executive Order 12988. The provisions of this final rule preempt State laws to the extent such laws are inconsistent with the provisions of this rule.

Executive Order 12372

This activity 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).

Unfunded Mandates Reform Act of 1995

This rule contains no Federal mandates under the provisions of Title II of the Unfunded Mandates Reform Act of 1995 (UMRA) for State, local, and tribal governments or the private sector. Thus, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Paperwork Reduction Act

This rule does not contain any new information collection requirements.

Executive Order 12612

It has been determined 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.

Discussion of the Final Rule

The Commodity Credit Corporation is amending its regulations at 7 CFR part 1405 to remove obsolete requirements that crop insurance be obtained in order to be eligible for USDA benefits under some programs. Section 508(b)(7) of the Federal Crop Insurance Act (FCIA) (7 U.S.C. 1508(b)(7)) provided that in order to be eligible for payments under the Agricultural Market Transition Act (7 U.S.C. 7201 note) (AMTA) the producer must obtain at least the catastrophic level of insurance for each crop of economic significance in which the producer has an interest or provide a written waiver to the Secretary that waives any eligibility for emergency crop loss assistance in connection with the crop, if insurance is available in the county for the crop. The AMTA programs, which included production flexibility contracts for wheat, feed grains, and upland cotton, 1996-through 2002-crop loans and loan deficiency payments for grains and similarly handled commodities and cotton, and the Sugar and Peanut Programs, ended September 30, 2002. The regulations for those programs were contained at 7 CFR parts 1412, 1421, 1427, 1435, 1443 and 1446 and were replaced by regulations for new programs under the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7901 note) (the 2002 Act). The 2002 Act did not include the requirement that producers obtain crop insurance in order to receive payments under the new programs and the Agency is therefore removing references to those parts from 7 CFR part 1405. Also, an unnecessary reference to 7 CFR part 1464, dealing with tobacco, is removed. Tobacco payments under 7 CFR part 1464 were at one time covered by a statutory tie to crop insurance, which has since been repealed. The crop insurance requirements for the Conservation Reserve Program and the Tobacco Program contained in 7 CFR part 1405 will remain as provided for in section 508(b)(7) of the FCIA. Some non-CCC loans and payments are also covered in section 508(b)(7) and are governed by other regulations. They are not impacted by this rule. This rule also does not impact crop-insurance ties to eligibility for CCC benefits that arise from provisions other than section 508(b)(7).

List of Subjects in 7 CFR Part 1405

Loan programs—agriculture

■ For the reasons set forth in the preamble, 7 CFR part 1405 is revised as set forth below.

PART 1405—LOANS, PURCHASES, AND OTHER OPERATIONS

■ 1. The authority citation for Part 1405 is revised to read as follows:

Authority: 7 U.S.C. 1508; 15 U.S.C. 714b and 714c.

■ 2. Amend § 1405.6(a) by revising the first sentence of the introductory text to read as follows:

§ 1405.6 Crop insurance requirement.

(a) To be eligible for any benefits or payments under 7 CFR part 1410 the producer must obtain at least the catastrophic level of insurance for each crop of economic significance in which the producer has an interest or provide a written waiver to the Secretary that waives any eligibility for emergency crop loss assistance in connection with the crop, if insurance is available in the county for the crop. * * *

Signed at Washington, DC on May 20, 2003.

James R. Little,

Executive Vice-President, Commodity Credit Corporation.

[FR Doc. 03–13246 Filed 5–29–03; 8:45 am]

BILLING CODE 3410–05–P

DEPARTMENT OF AGRICULTURE

Natural Resources Conservation Service

7 CFR Part 1466

Environmental Quality Incentives Program

AGENCY: Natural Resources Conservation Service and Commodity Credit Corporation, USDA.

ACTION: Final rule.

SUMMARY: The Natural Resources Conservation Service (NRCS) is issuing a final rule for the Environmental Quality Incentives Program (EQIP). NRCS published a proposed rule for EQIP in the **Federal Register** on February 10, 2003, (68 FR 6655) and solicited comments from the public. This final rule establishes the process by which NRCS will administer EQIP, responds to comments received from the public during the 30-day comment period, and incorporates clarifications to improve implementation of the program.

EFFECTIVE DATE: May 30, 2003.

ADDRESSES: This final rule may be accessed via Internet. Users can access the Natural Resources Conservation Service (NRCS) homepage at *http://www.nrcs.usda.gov/programs/eqip/*. Select the EQIP rule from the menu.

FOR FURTHER INFORMATION CONTACT: Anthony J. Esser, Conservation Operations Division, Natural Resources Conservation Service, PO Box 2890, Washington, DC 20013–2890. e-mail: *anthony.esser@usda.gov.* Phone: 202–720–1840. Fax: 202–720–4265.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

Pursuant to Executive Order 12866, Regulatory Planning and Review, the Natural Resources Conservation Service has conducted a benefit cost analysis of the Environmental Quality Incentives Program (EQIP) as formulated for the final rule. The Department of Agriculture Reorganization Act of 1994 and the Unfunded Mandates Reform Act of 1995 also require analysis of costs, benefits and risks associated with major regulation. These requirements provide decision-makers with the opportunity to develop and implement a program that is beneficial, cost effective and that minimizes negative impacts to health, human safety and the environment.

The analysis finds EQIP will have a beneficial impact on the adoption of conservation practices and, when installed or applied according to technical standards, will achieve economic and environmental gains. In addition, benefits would accrue to society for long-term productivity maintenance of the resource base, reductions in non-point source pollution damage, and wildlife enhancements. As a voluntary program, EQIP will not impose any obligation or burden upon agricultural producers that choose not to participate. In the Farm Security and Rural Investment Act of 2002 (FSRIA), EQIP funding was authorized at $6.16 billion over the six-year period of FY 2002 through FY 2007, with annual amounts for the base program and the ground and surface water conservation provisions increasing to $1.36 billion in FY 2007 after the initial authorization in FY 2002 of $425 million. In addition, the 2002 Act authorizes a total of $50 million for the Klamath Basin in California and Oregon.

In considering alternatives for implementing the program, NRCS followed the legislative intent to optimize environmental benefits, address natural resource problems and concerns, establish an open participatory process, and provide flexible assistance to producers who apply appropriate conservation measures while complying with Federal, State, and tribal environmental laws. The analysis recognizes that several other Federal conservation programs will be implemented which will generate environmental benefits as well.

The analysis initially compared the 2002 NOFA (with certain changes required by the 2002 Farm Bill) to the original EQIP program as established in 1996. Then, benefits and costs for all alternatives for the rule were compared to the NOFA, which was used as the analytical baseline. Lastly, the new EQIP program as formulated for the final rule, is compared to the NOFA together with a display of how benefits compared with the original 1996 program.

Confined Animal Feeding Operations (CAFOs) may participate in the new program and it is estimated that $563 million (12.5 percent of the total) of EQIP funds will be allocated for that purpose. CAFOs are generally defined as those operations with greater than 1,000 animal units, subject to some exceptions. However, since the Environmental Protection Agency published its final rule for ''National Pollutant Discharge Elimination System Permit Regulation and Effluent Limitation Guidelines and Standards for Concentrated Animal Feeding Operations'' (EPA CAFO) on December 15, 2002, benefits from treatment of those CAFOs are attributed to that rule rather than to EQIP, regardless of the extent to which EQIP funds may be used to assist the CAFO managers with rule compliance. The economic analysis shows estimates from two perspective alternatives: (1) with CAFO benefits and costs included, and (2) with CAFO benefits and costs excluded.

The Final Rule—Its Major Features and Effects

Decisions leading to the final rule were made after consideration of all comments on the proposed rule and a review of their effects on program benefits and costs. Program benefits and costs under alternative scenarios in the main body of this report were available to guide decision-makers. Decision-makers reviewed these alternatives as the final rule was defined.

The final rule allows for adoption of a combination of the alternatives to the NOFA that are described in the report. The following scenarios are recommended as a result of the benefit-cost analysis in order to achieve benefits described. In particular, the final rule incorporates a scenario with the following features:

(1) Twenty five percent of livestock funds are allocated to each AFO/CAFO size class;

(2) A $450,000 payment ceiling to any contract and to any program participant over a six year period;