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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 400

General Administrative Regulations; Sanctions

RIN 0563-AB10

AGENCY: Federal Crop Insurance Corporation.

ACTION: Final rule.

SUMMARY: The Federal Crop Insurance Corporation ("FCIC") hereby amends its general administrative regulations relating to sanctions. The intended effect of this amendment is to set out the sanctions made available under the Federal Crop Insurance Act (the "Act"), as amended by the Federal Crop Insurance Reform Act of 1994, with respect to civil fines and disqualification for willfully and intentionally providing false or inaccurate information and ineligibility to participate in any program administered under the Act as a result of the adoption of a material scheme or device to obtain benefits or indebtedness to FCIC or an insurance company.

EFFECTIVE DATE: July 20, 1995.

FOR FURTHER INFORMATION CONTACT: Diana Moslak, Federal Crop Insurance Corporation, Regulatory and Procedural Development Staff, U.S. Department of Agriculture, Washington, DC 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 "not significant" for the purposes of Executive Order 12866 and, therefore, has not been reviewed by the Office of Management and Budget ("OMB").

In accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*), no information collection or record-keeping requirements are found in this rule.

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 requirements 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 does not increase the paperwork burden on the insured producer or 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. This rule does not have retroactive effect and administrative appeals as established under 7 CFR part 400 subpart J or under regulations established under subtitle H of the Department of Agriculture Reorganization Act of 1994 (Pub. L. 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.

On Friday, January 13, 1995, FCIC published a proposed rule in the **Federal Register** at 60 FR 3106 to amend, in accordance with the Federal Crop Insurance Reform Act of 1994, the General Administrative Regulations (7 CFR part 400). The proposed rule revised the penalty for giving false or inaccurate information and added a new section to provide that any participant in the program who knowingly adopts a material scheme or device should lose all benefits under the program.

Following publication of the proposed rule, the public was afforded 60 days to submit written comments, data and opinions, but none were received. Therefore, the proposed rule as published on January 13, 1995, at 60 FR 3106 is hereby adopted as a final rule with minor change.

List of Subjects in 7 CFR Part 400

Administrative practice and procedure, Claims, Crop insurance, Reporting and recordkeeping requirements.

Final Rule

For the reasons set out in the preamble, subpart R, part 400 of chapter IV of title 7 of the Code of Federal Regulations is amended as follows:

PART 400—GENERAL ADMINISTRATIVE REGULATIONS

Subpart R—Sanctions

1. The authority citation for 7 CFR part 400, subpart R, is revised to read as follows:

Authority: 7 U.S.C. 1506(l).

2. Paragraph (a) of § 400.454 is revised to read as follows:

§ 400.454 Civil penalties.

(a) Any person who willfully and intentionally provides any materially false or inaccurate information to FCIC or to any approved insurance provider reinsured by FCIC with respect to an insurance plan or policy issued under the authority of the Federal Crop Insurance Act, as amended, (7 U.S.C. 1501 *et seq.*) may be subject to a civil fine of up to \$10,000 and disqualification from participation in:

(1) The catastrophic risk protection plan of insurance and the noninsured crop disaster assistance program for a period not to exceed two (2) years; or

(2) Any plan of insurance providing protection in excess of that provided under the catastrophic risk protection plan of insurance for a period not to exceed ten (10) years.

* * * * *

3. A new § 400.458 is added to read as follows:

§ 400.458 Scheme or device.

(a) In addition to the penalties specified in this part, if a person has knowingly adopted a material scheme or device to obtain catastrophic risk protection, other plans of insurance coverage, or noninsured assistance benefits to which the person is not entitled, has evaded the provisions of the Federal Crop Insurance Act, or has acted with the purpose of evading the provisions of the Federal Crop Insurance Act, the person shall be ineligible to receive any and all benefits applicable to any crop year for which the scheme or device was adopted.

(b) A scheme or device may include, but is not limited to, creating or using another entity, or concealing or providing false information with respect to your interest in the policyholder, to evade:

(1) Suspension, debarment, or disqualification from participation in the program;

(2) The assignment of the nonstandard classification system; or

(3) Ineligibility for a delinquent debt owed to FCIC or the insurance company.

4. A new § 400.459 is added to read as follows:

§ 400.459 Indebtedness.

Any person who has provided materially false information or misrepresented any material fact in connection with any program administered under the Act, and is indebted to FCIC or an insurance company arising from such conduct, is ineligible to participate in any program administered under the Act until the debt has been paid in full.

Done in Washington, DC on July 12, 1995.

Kenneth D. Ackerman,

Manager, Federal Crop Insurance Corporation.

[FR Doc. 95-17813 Filed 7-19-95; 8:45 am]

BILLING CODE 3410-08-P

Agricultural Marketing Service

7 CFR Parts 1150, 1160, 1200, 1205, 1207, 1208, 1209, 1210, 1211, 1212, 1220, 1230, 1240, 1250, 1280, and 1290

[FV-94-702FR]

Rules of Practice Governing Proceedings on Petitions to Modify or to be Exempted from Research and Promotion Programs

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This rule will consolidate the petition procedures for all research and promotion programs that provide for petitions. This consolidation will eliminate duplication and will reduce costs.

EFFECTIVE DATE: August 21, 1995.

FOR FURTHER INFORMATION CONTACT:

Sonia N. Jimenez, Research and Promotion Branch, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, Room 2535-S, Washington, DC 20090-6456; telephone (202) 720-9915.

SUPPLEMENTARY INFORMATION: This action is authorized under the Floral Research and Consumer Information Act [7 U.S.C. 4301-4319]; the Fresh Cut Flowers and Fresh Cut Greens Promotion and Consumer Information Act [7 U.S.C. 6801-6814]; the Honey Research, Promotion, and Consumer Information Act, as amended [7 U.S.C. 4601-4612]; the Lime Research, Promotion, and Consumer Information Act, as amended [7 U.S.C. 6201-6212]; the Mushroom Promotion, Research, and Consumer Information Act of 1990 [7 U.S.C. 6101-6112]; the Pecan Promotion and Research Act of 1990 [7 U.S.C. 6001-6013]; the Potato Research and Promotion Act, as amended [7 U.S.C. 2611-2627]; the Watermelon Research and Promotion Act, as amended [7 U.S.C. 4901-4916], the Egg Research and Consumer Information Act [7 U.S.C. 2701-2718], the Cotton Research and Promotion Act [7 U.S.C. 2101-2118], the Pork Promotion, Research, and Consumer Information Act [7 U.S.C. 4801-4819], the Soybean Promotion, Research, and Consumer Information Act [7 U.S.C. 6301-6311], the Sheep Promotion, Research, and Information Act of 1994 [7 U.S.C. 7101-7111], the Dairy Production Stabilization Act of 1983 [7 U.S.C. 4501-4513], the Fluid Milk Promotion Act of 1990 [7 U.S.C. 6401-6417], and the Wheat and Wheat Foods Research and Nutrition Education Act [7 U.S.C. 3401-3417].

The Department of Agriculture (Department) is issuing this rule in conformance with Executive Order 12866.

This rule has been reviewed under Executive Order 12778, Civil Justice Reform. It is not intended to have retroactive effect. This rule will not preempt any State or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The acts named above provide that administrative proceedings must be exhausted before parties may file suit in court. A person subject to a research and promotion order or plan (hereinafter referred to as order) may file a petition with the Secretary of Agriculture (Secretary) stating that the order or any provision of the order, or any obligation imposed in connection with the order, is not in accordance with law and requesting a modification of the order or an exemption from the order. The petitioner is afforded the opportunity for a hearing on the petition. After the hearing, the Secretary will make a ruling on the petition. The acts provide that the district courts of the United States in any district in which a person who is a petitioner resides or carries on business are vested with jurisdiction to review the Secretary's ruling on the petition, if a complaint for that purpose is filed within 20 days after the date of the entry of the ruling.

Regulatory Impact Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Administrator of the Agricultural Marketing Service (AMS) has considered the economic impact of this rule on small entities.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened.

Since this action is administrative in nature, the Administrator of AMS determined that this rule will have no economic impact on small entities.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1980 [44 U.S.C. Chapter 35], the information collection requirements contained in the orders covered by the acts have been approved by OMB. This action will not impact any of the information collection requirements under the orders.

Background

When Congress authorizes a research and promotion program to be administered by the Department of