The McKay Bay Nature Park was initially proposed to be the mitigation site, but EPA and FDEP determined that it was unacceptable since the portions of the bay were found to be contaminated.

EPA decided to designate Mobbly Bay as the location for the wetlands mitigation and formalized this substitution with the March 1997 Explanation of Significant Differences.

In a Consent Decree (CD) signed with EPA, Gulf Coast Recycling (GCR) agreed to perform the Remedial Design/ Remedial Action (RD/RA) as well as reimburse EPA for past costs and the cost for wetlands mitigation. Under the CD with EPA, GCR established a trust fund to ensure that the Site would have sufficient funds to conduct the Remedial Action, including the wetlands mitigation project.

To date, all construction outlined in the OU1 ROD has been completed. The requirements of the OU2 ROD have also been completed. Annual groundwater and surface water monitoring will continue to confirm that groundwater levels remain below cleanup standards. The remedies selected for the OU1 and OU2 at the Kassouf-Kimerling Site are still effective and continue to protect human health, welfare and the environment.

EPA conducted a five-year review on June 18, 1999 and concluded that the Remedial Action Objectives have been achieved, the remedy is effective and functioning as designed, and continues to remain protective of human health and the environment. EPA, has consulted with the Florida Department of Environmental Protection in evaluating the Site for deletion, and has determined that all appropriate actions at the Kassouf-Kimerling Superfund Site have been completed in accordance with the site Records of Decision, and that no further remedial action is necessary. Therefore, EPA is proposing deletion of the site from the NPL.

Dated: July 26, 1999.

A. Stanley Meiburg,

Acting Regional Administrator, Region 4.

[FR Doc. 99–20039 Filed 8–4–99; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL EMERGENCY MANAGEMENT AGENCY

44 CFR Part 61

RIN 3067–AD02

National Flood Insurance Program (NFIP); Insurance Coverage and Rates

AGENCY: Federal Emergency Management Agency (FEMA).

ACTION: Proposed rule.

SUMMARY: We, FEMA, are proposing to apply full-risk premium rates under the National Flood Insurance Program to structures that have suffered multiple flood losses and whose owners decline an offer of funding to eliminate or reduce future flood damage.

DATES: Please send your comments on the proposal on or before September 7, 1999.

ADDRESSES: Please send your comments to the Rules Docket Clerk, Office of the General Counsel, Federal Emergency Management Agency, 500 C Street, SW., room 840, Washington, DC 20472, (facsimile) 202–646–4536, or (email) *rules@fema.gov.*

FOR FURTHER INFORMATION CONTACT: Howard Leikin, Federal Emergency Management Agency, Federal Insurance Administration, 500 C Street, SW., Washington, DC 20472, 202–646–2784, (facsimile) 202–646–7970, (email) *Howard.Leikin@fema.gov.*

SUPPLEMENTARY INFORMATION:

Definition

One of our (FEMA's) highest priorities is to correct the problem of multiple flood losses to older structures insured under the National Flood Insurance Program (NFIP). For the purpose of this proposal, we call a sub-category of these structures ''target repetitive loss'' buildings and define a ''target repetitive loss building'' as a ''building with four or more losses, or with two or more flood losses cumulatively greater than the building's value.'' This definition is more specific than the broader category of buildings with multiple flood losses which many stakeholders of the NFIP may be more familiar with and which we have used frequently in the past to describe this national problem.

Scope of the Problem

The broader definition of a building with multiple losses, which we commonly use in the NFIP, is a building that has suffered within a ten-year period two or more losses, each resulting in at least a $1,000 claim payment. We know that there are about 87,000 such buildings in the country, and the total amount of claims paid by the NFIP since its inception for multiple loss buildings is $3.5 billion. Multiple loss buildings have accounted for 36 percent of all claims dollars paid under the program.

About half of those buildings, however, are no longer in the NFIP's book of business for a variety of reasons. Some property owners have dropped their policies because we have imposed limitations on flood insurance coverage, such as not insuring personal property in basements. FEMA's mitigation projects have reduced the flood risk of a number of properties with repetitive losses through elevation or flood-proofing. In addition, some of these properties are now protected by flood control projects and storm water management projects. Also, the enforcement by State and local governments of the NFIP's flood plain management standards for elevating or flood-proofing substantially damaged properties has had a positive effect in reducing the exposure to flood loss of a number of these properties.

In spite of this, the NFIP still insures about 43,000 multiple loss buildings. We have already paid $2 billion in flood insurance claims on these currently insured buildings, and we estimate that the continuing cost to the NFIP for these properties insured under the NFIP will average $200 million each year.

Target Buildings

Of the 43,000 multiple loss buildings insured under the NFIP, about 8,800 have had four or more losses. In addition to these, there are another 1,300 insured buildings that have had two or three losses that cumulatively exceed the building's value. We have concluded from our actuarial studies that employing mitigation strategies for these roughly 10,000 buildings, such as relocating or elevating them, will be cost effective. These buildings will be the ''target repetitive loss buildings'' of this proposal.

Repetitive Loss Strategy: Objectives

We are aware that there are some multiple loss properties that demand immediate attention where the residents are at a high personal risk because of their exposure to flooding. There are other properties—often celebrated in the media—where we have made claims payments under the NFIP that exceed the value of the building, and where it makes good business sense to reduce their exposure to loss. We cannot merely shift the costs of the NFIP to other programs. So we must adopt a comprehensive approach under the NFIP that uses both mitigation, such as relocating buildings out of harm's way or elevating above estimated flood elevations, and insurance such as an adjustment of premium rates.

Insurance for Pre-FIRM Properties

The National Flood Insurance Act of 1968, as amended, authorizes us to offer flood insurance at less than full-risk premiums for older structures in return for a community's enforcement of flood plain management requirements. Congress recognized that in authorizing the flood insurance program there would be a trade-off: federally-backed flood insurance would be available for structures at a high flood risk built without the benefit of detailed flood risk information. In return, the local government would adopt and enforce flood mitigation standards that make future construction resistant to future flood loss. To make such efforts effective, we have worked with more than 19,000 communities and their state governments to develop the kind of detailed flood risk information needed for flood mitigation efforts.

Properties built *before* the publication of the Flood Insurance Rate Map (FIRM) have been eligible for less than full risk premiums. (For this proposed rule, we call buildings constructed before the effective date of the FIRM ''pre-FIRM'' buildings.) Our actuarial studies show that the owners of repetitively flooded buildings insured under the NFIP do not pay premiums that truly reflect the risk. What that means is that property owners who have collected claims payments have been paying and continue to pay less than full-risk premiums.

Insurance Component of the Repetitive Loss Strategy

This proposed rule would apply full-risk premiums for flood insurance coverage to the ''target repetitive loss buildings'' whose owners declined an offer of mitigation funding authorized by FEMA. Under this proposal, if the owner of a target repetitive flood loss building declines such an offer of mitigation funding to relocate, elevate, or flood-proof the structure, then that owner would upon the next policy renewal have to pay full-risk premiums for flood insurance coverage under the NFIP. To allow us to consistently track and to minimize the burden on companies writing flood insurance under the Write Your Own program, we plan for companies to begin referring on May 1, 2000, all renewals for coverage of target repetitive loss buildings and new policy applications for such buildings to the NFIP Servicing Facility. In this way, we can centralize the processing and data collection needed to implement this strategy.

National Environmental Policy Act

Pursuant to section 102 (2) (C) of the National Environmental Policy Act of 1969, 42 U.S.C. 4371 *et seq.*, and the implementing regulations of the Council on Environmental Quality, 40 CFR parts 1500–150, FEMA is conducting an environmental assessment of this proposed rule. This assessment will be available for inspection through the Rules Docket Clerk, Federal Emergency Management Agency, room 840, 500 C St. SW., Washington, DC 20472.

Executive Order 12866, Regulatory Planning and Review

This proposed rule is not a significant regulatory action within the meaning of sec. 2(f) of E.O. 12866 of September 30, 1993, 58 FR 51735, and has not been reviewed by the Office of Management and Budget. Nevertheless, this proposed rule adheres to the regulatory principles set forth in E.O. 12866.

Paperwork Reduction Act

This proposed rule does not contain a collection of information and is therefore not subject to the provisions of the Paperwork Reduction Act.

Executive Order 12612, Federalism

This proposed rule involves no policies that have federalism implications under Executive Order 12612, Federalism, dated October 26, 1987.

Executive Order 12778, Civil Justice Reform

This proposed rule meets the applicable standards of section 2(b)(2) of Executive Order 12778.

List of Subjects in 44 CFR Part 61

Claims, Flood insurance.

Accordingly, we propose to amend 44 CFR part 61 as follows:

PART 61—INSURANCE COVERAGE AND RATES

1. The authority citation for Part 61 continues to read as follows:

Authority: 42 U.S.C. 4001 *et seq.*; Reorganization Plan No. 3 of 1978; 43 FR 41943, 3 CFR, 1978 Comp., p. 329; E.O. 12127 of Mar. 31, 1979, 44 FR 19367, 3 CFR, 1979 Comp., p. 376.

2. In § 61.8, paragraphs (b) and (c) are redesignated as paragraphs (c) and (d), respectively, and a new paragraph (b) is added, reading as follows:

§61.8 Applicability of risk premium rates.

* * * * *

(b) Any target repetitive loss building whose owner has declined an offer of mitigation assistance authorized under any FEMA mitigation program. (A target repetitive loss building is one that has had within a ten-year period two or more losses, each resulting in at least a $1,000 claim payment. In addition, the building has suffered four or more insured flood losses or two insured flood losses cumulatively greater than the building's value.)

* * * * *

Dated: July 27, 1999.

Jo Ann Howard,

Administrator, Federal Insurance Administration.

[FR Doc. 99–20171 Filed 8–4–99; 8:45 am]

BILLING CODE 6718–03–P

FEDERAL EMERGENCY MANAGEMENT AGENCY

44 CFR Part 62

RIN 3067–AC95

National Flood Insurance Program (NFIP); Assistance to Private Sector Property Insurers

AGENCY: Federal Emergency Management Agency (FEMA).

ACTION: Proposed rule.

SUMMARY: We (the Federal Insurance Administration of FEMA) are proposing changes to the Financial Control Plan (Appendix B of 44 CFR Part 62) that sets standards for evaluating the performance of private insurance companies participating in the Write Your Own program. These changes are to streamline and simplify the regulations of the National Flood Insurance Program. This proposal is part of an agency-wide initiative by the Federal Emergency Management Agency to simplify regulations for easier use by our customers. The proposed changes would also be consistent with the approach we adopted several years ago to streamline the arrangement for the WYO program and to place operational details in a technical operations manual rather than in the agreement itself between the Government and WYO companies.

DATES: Please send your comments on the proposal on or before September 7, 1999.

ADDRESSES: Please send your comments to the Rules Docket Clerk, Office of the General Counsel, Federal Emergency Management Agency, 500 C Street SW., room 840, Washington, DC 20472, (facsimile) 202–646–4536, or (email) *rules@fema.gov*.