

# Rules and Regulations

Federal Register

Vol. 67, No. 169

Friday, August 30, 2002

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.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

## DEPARTMENT OF AGRICULTURE

### Federal Crop Insurance Corporation

#### 7 CFR Part 457

RIN 0563-AB89

#### Common Crop Insurance Regulations

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

**ACTION:** Interim rule.

**SUMMARY:** The Federal Crop Insurance Corporation (FCIC) amends the Common Crop Insurance Regulations: Sunflower Seed Crop Insurance Provisions (7 CFR 457.108), Coarse Grains Crop Insurance Provisions (7 CFR 457.113), Safflower Crop Insurance Provisions (7 CFR 457.125), Dry Pea Crop Insurance Provisions (7 CFR 457.140), Rice Crop Insurance Provisions (7 CFR 457.141), and Dry Bean Crop Insurance Provisions (7 CFR 457.150) to implement the quality loss adjustment procedures contained in section 10003 of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171).

**DATES:** This rule is effective August 28, 2002. Written comments and opinions on this interim rule will be accepted until close of business October 29, 2002 and will be considered when the rule is to be made final. The comment period for information collections under the Paperwork Reduction Act of 1995 continues through October 29, 2002.

**ADDRESSES:** Interested persons are invited to submit written comments to the Director, Product Development Division, Risk Management Agency, United States Department of Agriculture, 6501 Beacon Drive, Stop 0812, Kansas City, MO 64133. Comments titled "Common Crop Insurance Regulations, Various Crop Provisions" may be sent via the Internet to: [DirectorPDD@rm.fcic.usda.gov](mailto:DirectorPDD@rm.fcic.usda.gov). A copy of each response will be available

for public inspection and copying from 7 a.m. to 4:30 p.m., DST, Monday through Friday, except holidays, at the above address.

**FOR FURTHER INFORMATION CONTACT:** Timothy Hoffmann, Director, Product Development Division, Risk Management Agency, at the Kansas City, MO, address listed above, telephone (816) 926-3707.

#### SUPPLEMENTARY INFORMATION:

##### Executive Order 12866

The Office of Management and Budget (OMB) has determined that this rule is not significant for the purpose of Executive Order 12866 and, therefore, it has not been reviewed by OMB.

##### Paperwork Reduction Act of 1995

Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the collections of information in this rule have been approved by the Office of Management and Budget (OMB) under control number 0563-0053 through February 28, 2005.

##### Unfunded Mandates Reform Act of 1995

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

##### Executive Order 13132

It has been determined under section 1(a) of Executive Order 13132, Federalism, that this rule does not have sufficient implications to warrant consultation with the States. The provisions contained in this rule will not have a substantial direct effect on States, or on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

##### Regulatory Flexibility Act

This regulation will not have a significant impact on a substantial number of small entities. New provisions included in this rule will not

impact small entities to a greater extent than large entities. The amount of work required of the insurance companies delivering and servicing these policies will not increase significantly from the amount of work currently required. 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. With respect to any action taken by FCIC under the terms of the crop insurance policy, the administrative appeal provisions published at 7 CFR part 11 must be exhausted before any action against FCIC for judicial review may be brought.

##### Environmental Evaluation

This action is not expected to have a significant impact on the quality of the human environment, health, and safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

##### Background

On May 13, 2002, the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) was enacted. Section 10003 of the 2002 Farm Bill requires that FCIC accept evidence of quality of agricultural commodities that are delivered to warehouse operators that are: (1) Licensed under the United States Warehouse Act; (2) licensed under State law and have entered into a storage agreement with the Commodity Credit Corporation; or (3)

not licensed under State law, but are in compliance with State law regarding warehouses, and have entered into a commodity storage agreement with the Commodity Credit Corporation. Currently, for the purposes of quality adjustment, all samples must be analyzed by a grain grader licensed under the authority of either, the United States Grain Standards Act or United States Agricultural Marketing Act, or the United States Warehouse Act.

Since the changes to the quality adjustment provisions for certain crops are required by section 10003 of the 2002 Farm Bill, and such changes need to be made by the August 31, 2002, contract change date to be effective for the 2003 crop year, it is impractical and contrary to the public interest to publish this rule for notice and comment prior to making this 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.

1. FCIC amends section 11(d)(3) of the Sunflower Seed Crop Insurance Provisions to add language to permit quality adjustment by the other statutorily authorized entities.

2. FCIC amends section 11(e)(3) of the Coarse Grains Crop Insurance Provisions to add language to permit quality adjustment by the other statutorily authorized entities.

3. FCIC amends section 11(d)(3) of the Safflower Crop Insurance Provisions to add language to permit quality adjustment by the other statutorily authorized entities.

4. FCIC amends section 12(e)(2) of the Dry Pea Crop Insurance Provisions to add language to permit quality adjustment by the other statutorily authorized entities.

5. FCIC amends section 12(d)(3) of the Rice Crop Insurance Provisions to add language to permit quality adjustment by the other statutorily authorized entities.

6. FCIC amends section 13(e)(3) of the Dry Bean Crop Insurance Provisions to add language to permit quality adjustment by the other statutorily authorized entities.

#### List of Subjects in 7 CFR Part 457

Crop insurance.

#### Interim Rule

Accordingly, for the reasons set forth in the preamble, the Federal Crop Insurance Corporation amends 7 CFR part 457, Common Crop Insurance Regulations, for the 2003 and succeeding crop years, as follows:

#### PART 457—COMMON CROP INSURANCE REGULATIONS

1. The authority citation for 7 CFR part 457 continues to read as follows:

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

2. Amend § 457.108 as follows:

a. Revise the introductory text to read as set forth below;

b. Amend section 11(d)(3)(ii) of the crop insurance provisions by removing “and” at the end thereof; and

c. Revise section 11(d)(3)(iii) and add section 11(d)(3)(iv) of the crop insurance provisions, to read as follows:

#### § 457.108 Sunflower seed crop insurance provisions.

The sunflower seed crop insurance provisions for the 2003 and succeeding crop years are as follows:

#### United States Department of Agriculture

##### *Federal Crop Insurance Corporation*

\* \* \* \* \*

11. Settlement of Claim.

\* \* \* \* \*

(d) \* \* \*

(3) \* \* \*

(iii) With regard to deficiencies in quality (except test weight, which may be determined by our loss adjuster), the samples are analyzed by:

(A) A grain grader licensed under the United States Grain Standards Act or the United States Warehouse Act;

(B) A grain grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or

(C) A grain grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; and

(iv) With regard to substances or conditions injurious to human or animal health, the samples are analyzed by a laboratory approved by us.

\* \* \* \* \*

3. Amend § 457.113 as follows:

a. Revise the introductory text to read as set forth below;

b. Amend section 11(e)(3)(ii) of the crop insurance provisions by removing “and” at the end thereof; and

c. Revise section 11(e)(3)(iii) and add section 11(e)(3)(iv) of the crop insurance provisions, to read as follows:

#### § 457.113 Coarse grains crop insurance provisions.

The coarse grains crop insurance provisions for the 2003 and succeeding crop years are as follows:

#### United States Department of Agriculture

##### *Federal Crop Insurance Corporation*

\* \* \* \* \*

11. Settlement of Claim.

\* \* \* \* \*

(e) \* \* \*

(3) \* \* \*

(iii) With regard to deficiencies in quality (except test weight, which may be determined by our loss adjuster), the samples are analyzed by:

(A) A grain grader licensed under the United States Grain Standards Act or the United States Warehouse Act;

(B) A grain grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or

(C) A grain grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; and

(iv) With regard to substances or conditions injurious to human or animal health, the samples are analyzed by a laboratory approved by us.

\* \* \* \* \*

4. Amend § 457.125 as follows:

a. Revise the introductory text to read as set forth below;

b. Amend section 11(d)(3)(iii) of the crop insurance provisions by removing “and” at the end thereof; and

c. Revise section 11(d)(3)(iv) and add section 11(d)(3)(v) of the crop insurance provisions, to read as follows:

#### § 457.125 Safflower crop insurance provisions.

The safflower crop insurance provisions for the 2003 and succeeding crop years are as follows:

#### United States Department of Agriculture

##### *Federal Crop Insurance Corporation*

\* \* \* \* \*

11. Settlement of Claim.

\* \* \* \* \*

(d) \* \* \*

(3) \* \* \*

(iv) With regard to deficiencies in quality (except test weight, which may be determined by our loss adjuster), the samples are analyzed by:

(A) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act;

(B) A grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or

(C) A grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; and

(v) With regard to substances or conditions injurious to human or animal health, the samples are analyzed by a laboratory approved by us.

\* \* \* \* \*

5. Amend § 457.140 as follows:

a. Revise the introductory text to read as set forth below;

b. Amend section 12(e)(2)(iii) of the crop insurance provisions by removing "and" at the end thereof; and

c. Revise section 12(e)(2)(iv) and add section 12(e)(2)(v) of the crop insurance provisions, to read as follows:

**§ 457.140 Dry pea crop insurance provisions.**

The dry pea crop insurance provisions for the 2003 and succeeding crop years are as follows:

**United States Department of Agriculture**

*Federal Crop Insurance Corporation*

\* \* \* \* \*

12. Settlement of Claim.

\* \* \* \* \*

(e) \* \* \*

(2) \* \* \*

(iv) With regard to deficiencies in quality (except test weight, which may be determined by our loss adjuster), the samples are analyzed by:

(A) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act;

(B) A grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or

(C) A grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; and

(v) With regard to substances or conditions injurious to human or animal health, the samples are analyzed by a laboratory approved by us.

\* \* \* \* \*

6. Amend § 457.141 as follows:

a. Revise the introductory text to read as set forth below;

b. Amend section 12(d)(3)(iii) of the crop insurance provisions by removing "and" at the end thereof; and

c. Revise section 12(d)(3)(iv) and add section 12(d)(3)(v) of the crop insurance provisions, to read as follows:

**§ 457.141 Rice crop insurance provisions.**

The rice crop insurance provisions for the 2003 and succeeding crop years are as follows:

**United States Department of Agriculture**

*Federal Crop Insurance Corporation*

\* \* \* \* \*

12. Settlement of Claim.

\* \* \* \* \*

(d) \* \* \*

(3) \* \* \*

(iv) With regard to deficiencies in quality (except test weight, which may be determined by our loss adjuster), the samples are analyzed by:

(A) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act;

(B) A grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or

(C) A grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; and

(v) With regard to substances or conditions injurious to human or animal health, the samples are analyzed by a laboratory approved by us.

\* \* \* \* \*

7. Amend § 457.150 as follows:

a. Revise the introductory text to read as set forth below;

b. Amend section 13(e)(3)(iii) of the crop insurance provisions by removing "and" at the end thereof; and

c. Revise section 13(e)(3)(iv) and add section 13(e)(3)(v) of the crop insurance provisions, to read as follows:

**§ 457.150 Dry bean crop insurance provisions.**

The dry bean crop insurance provisions for the 2003 and succeeding crop years are as follows:

**United States Department of Agriculture**

*Federal Crop Insurance Corporation*

\* \* \* \* \*

13. Settlement of Claim.

\* \* \* \* \*

(e) \* \* \*

(3) \* \* \*

(iv) With regard to deficiencies in quality (except test weight, which may be determined by our loss adjuster), the samples are analyzed by:

(A) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act;

(B) A grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or

(C) A grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; and

(v) With regard to substances or conditions injurious to human or animal health, the samples are analyzed by a laboratory approved by us.

\* \* \* \* \*

Signed in Washington, DC on August 27, 2002.

**Byron E. Anderson,**

*Acting Manager, Federal Crop Insurance Corporation.*

[FR Doc. 02-22258 Filed 8-28-02; 8:58 am]

**BILLING CODE 3410-08-P**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**Office of Federal Housing Enterprise Oversight**

**12 CFR Part 1720**

**RIN 2550-AA22**

**Safety and Soundness Regulation**

**AGENCY:** Office of Federal Housing Enterprise Oversight, DHUD.

**ACTION:** Final rule.

**SUMMARY:** The Office of Federal Housing Enterprise Oversight (OFHEO) is issuing a final rule to support increased transparency and public awareness of minimum supervisory standards adopted by OFHEO and applied in overseeing the safety and soundness of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the Enterprises). The final rule's format reflects that used by other federal regulators. The rule delineates supervisory standards in a manner consistent with recent rulings by the United States Supreme Court affecting agency pronouncements. OFHEO will adopt and publish supervisory policy guidance as appendices to the rule as it deems appropriate to illuminate areas of particular interest or potential concern.

**EFFECTIVE DATES:** September 30, 2002.

**FOR FURTHER INFORMATION CONTACT:** David W. Roderer, Deputy General Counsel, or Marvin Shaw, Senior Counsel, at (202) 414-3775 (not a toll-free number), Office of General Counsel,