

UNITED STATES DEPARTMENT OF AGRICULTURE
General Administrative Regulations;
Interpretations of Statutory and Regulatory Provisions
OMB NUMBER: 0563-0055

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

Section 533 of the Agricultural Research, Extension, and Education Reform Act of 1998 (P.L. 105-185), as amended (7 CFR part 400, subpart X) provides the authority for the Federal Crop Insurance Corporation (FCIC) as the only one who can render interpretations of a policy provision or procedure. Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), was amended by adding at the end “Procedures for responding to certain inquiries . . .”

The Federal Crop Insurance Corporation (FCIC) published a Proposed Rule in the Federal Register on March, 18, 2015, to revise the General and Administrative Regulation Subpart X- Interpretations of Statutory and Regulatory Provisions, to incorporate interpretations of procedures previously issued and administered in accordance with Manager’s Bulletin MGR-05-018 and to provide a mechanism for interpretations of policy provisions that are not codified in the Code of Federal Regulations. The intended effect of this action is to provide requestors with information on how to request a final agency determination or an interpretation of FCIC procedures within one administrative regulation, bring consistency and clarity to the processes used, and to clarify existing provisions. FCIC is preparing the Final Rule and responding to public comments. This action will not affect the burden hours in this information collection package.

Section 533 of the 1998 Research Act, as amended and Section 506(r), 7 U.S.C. 1506 states:

PROCEDURES FOR RESPONDING TO CERTAIN INQUIRIES —

(1) **PROCEDURES REQUIRED** – The Corporation shall establish procedures under which the Corporation will provide a final agency determination in response to an inquiry regarding the interpretation by this Corporation of this title or any regulation issued under this title.

(2) **IMPLEMENTATION** – Not later than 180 days after the date of enactment of this subsection, the Corporation shall issue regulations to implement this subsection. At a minimum, the regulations shall establish:

(A) the manner in which inquiries described in paragraph (1) are required to be submitted to the Corporation; and

(B) a reasonable maximum number of days within which the Corporation will respond to all inquiries.

(3) EFFECT OF FAILURE TO TIMELY RESPOND – If the Corporation fails to respond to an inquiry in accordance with the procedures established pursuant to this subsection, the person requesting the interpretation of this title or regulation may assume the interpretation is correct for the applicable reinsurance year.

Consistent with section 506(r) and 7 CFR part 400, subpart X, and section 20 of the Common Crop Insurance Policy Basic Provisions, published at 7 C.F.R. § 457.8, this requires FCIC to provide interpretations of policy provisions and procedures (handbooks, manuals, memoranda, and bulletins) when any dispute in mediation, arbitration, or litigation requires interpretation of a policy provision or procedure. This includes determinations regarding applicability of a specific policy provision or procedure as well as the meaning of the provision or procedure. This ensures that all producers and insurance providers are treated alike.

FCIC developed this framework, in which FCIC is the only one who can render interpretations, to avoid the possibility of third parties interpreting the policy or procedure. There had been instances in the past where arbitrators' decisions have resulted in disparate treatment, whereby one producer could win an award and a neighbor with the same crop and conditions may not win an award because a different arbitrator heard the case. This was contrary to the goals of the crop insurance program. Federal crop insurance is a national program with all producers receiving the same policy for the same crop. Insurance providers are required to use procedures issued by FCIC in the service and adjustment of such policies to ensure that all producers are treated alike and none receive special benefits or treatment because of the crop they produce, the insurance provider that insures them, or who hears their disputes.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

For final agency determination requests made under 7 CFR 400, Subpart X:

The requestors name and address will be used to allow FCIC to provide a response to the requestor (respondent).

The identification and quotation of the specific provision in the Act or regulations allows FCIC to research and respond to the specific identified provision.

The requestor's detailed interpretation of the regulation is required to comply with the requirements of section 533 of the 1998 Research Act, and to clarify the boundaries of the request for FCIC.

The requirement to have the requestor identify if the request for a final agency determination will be used in a lawsuit or the settlement of a claim is necessary to:

- identify to FCIC if the final agency determination provided will be used prospectively and applied uniformly to all participants or if the request for a final agency determination is an

- attempt to validate the perceived interpretation that has already been applied,
- ensure that FCIC is not providing an interpretation for any specific factual situation or case,
- ensure that the final agency determination is reviewed and approved by the Office of General Counsel,
- ensure that one person or group of people cannot use this regulation to obtain information that will unfairly and adversely impact another person or group of people, and
- ensure the information and guidance provided by FCIC is consistent with FCIC's litigatory position.

For interpretation of procedures or policy provisions not codified in the Code of Federal Regulations made under 7 CFR 400, Subpart X (Manager's Bulletin MGR-05-018):

The requestor's name and address will be used to allow FCIC to provide a response to the requestor (respondent).

The identification and quotation of the procedure from the handbook, manual, memoranda, or bulletin, or non-codified policy provision for which an interpretation is requested and a quotation of such procedure allows FCIC to research and respond to the specific identified procedure.

The requirement to have the requestor identify the type of legal action (e.g. mediation, arbitration, or litigation) in which the interpretation will be used and the date any proceeding within the action is scheduled to begin (if a specific date for the legal proceeding to begin has not yet been determined, identify the earliest possible date such legal proceeding would likely begin) is necessary to:

- ensure that FCIC is not providing an interpretation for any specific factual situation or case,
- ensure that the interpretation is reviewed and approved by the Office of General Counsel,
- ensure that one person or group of people cannot use this regulation to obtain information that will unfairly and adversely impact another person or group of people, and
- ensure the information and guidance provided by FCIC is consistent with FCIC's litigatory position.

The requestor must identify the plan of insurance or coverage type, the state and county where the policy involved in the dispute is written.

If the interpretation requested is to determine if a procedure is applicable or how it is applicable, the requestor must provide all material information needed to determine whether a procedure is applicable to the dispute, including all relevant facts, and the requestor's interpretation and reasoning regarding applicability of the procedure or how the procedure is applicable.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

The regulation, as proposed, allows submission of the request through the internet to an identified RMA electronic mail address to simplify the submission process for the respondent. Submissions can also be made through facsimile or mail.

Final agency determination will be posted to an RMA website for the benefit of the public and all participants of the Federal crop insurance program.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The information requested by this regulation, as proposed, is not being collected in any other manner.

Each submission will contain a separate reference and respondent's interpretation. Final agency determination made in response to a request will be posted on the RMA website as well as provided to the requestor in writing. As determinations are made and posted for the public, requests for final agency determinations should reduce redundancy.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The request for a final agency determination or interpretation of procedure, or policy provision not codified in the Code of Federal Regulations is voluntary. There is no greater burden on small businesses or other small entities than on any other entity. The information requested is believed to be the minimum needed to comply with the requirements of section 533 of the 1998 Research Act and section 20 of the Common Crop Insurance Basic Provisions.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

FCIC would not be able to comply with the statutory mandates of section 533 of the 1998 Research Act and the regulatory requirements of section 20 of the Common Crop Insurance Policy Basic Provisions if the requested information was not collected with each submission. The request for a final agency determination or an interpretation is voluntary and there are no minimum or maximum request levels established.

7. Explain any special circumstances that would cause an information collection to be

conducted in a manner:

- requiring respondents to report information to the agency more often than quarterly;
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- requiring respondents to submit more than an original and two copies of any document;
- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

None of the special circumstances are applicable to this submission.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (D) soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

The 60-day notice was published on September 22, 2015 at 77 FR 12002. No comments regarding this notice were received.

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9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payment or gifts will be made to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

For requests made under 7 CFT 400, Subpart X, as proposed, the respondent's social security number or tax identification number is not being requested. The respondent's name and address will be handled according to established FCIC procedures for implementing the Privacy and Freedom of Information Acts.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

No information of a sensitive nature is being requested.

12. Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.

Burden estimates for Subpart X are based on an anticipated 32 respondents for a total of 32 requests and 256 hours. The requests could come from agents, loss adjusters, employees, contractors, or lawyers with an agreement with FCIC.

FCIC estimates the total burden cost per year to requestors is \$8,913.92. See below:

Potential Requestors	No. of requests	Time per request	Total burden hours	Hourly wage	Cost
7 CFR 400, Subpart X - agents, loss adjusters, employees, contractors, or lawyers with an agreement with FCIC	32	8 hours	256	\$34.82*	\$8,913.92

**Average of all respondent's wages.*

The hourly wage for each respondent was estimated as follows:

41-3021 Insurance Sales Agent	\$30.64
13-1031 Claims Adjusters, Examiners, and Investigators	\$30.53
13-2053 Insurance Underwriter	\$33.93
43-9061 Office Clerk-General	\$14.82
23-1011 Lawyers	\$64.17
Agents/loss adjusters/employees/contractors/lawyers	\$34.82

Information obtained from the Bureau of Labor Statistics at http://www.bls.gov/oes/current/oes_nat.htm.

13. Provide estimates of the total annual cost burden to respondents or record keepers resulting from the collection of information, (do not include the cost of any hour burden shown in items 12 and 14). The cost estimates should be split into two components: (a) a total capital and start-up cost component annualized over its expected useful life; and (b) a total operation and maintenance and purchase of services component.

There are no capital/startup or maintenance/operation costs associated with this collection.

14. Provide estimates of annualized cost to the Federal government. Provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.

Costs to the Federal Government will be for receiving, tracking and responding to requests and will include mail costs to provide responses.

Item	Cost	Requests	Total
Mail certified, return receipt requested, carbon copies	\$5.95	12	\$71.40
Average salary at step 4 for Federal employees GS-2 through GS-15	\$ 49.08 per hr. x 60 hours per request to receive, track, research, prepare response, obtain clearance, issue determination, maintain file	32	\$2,944.80 per request Expected for 32 requests: \$94,233.60
Total		32	\$94,305

The hourly wage for each Federal employee grade was estimated as follows:

Risk Management Specialist - Grade 13	\$42.66
Branch Chief - Grade 14	\$51.99
Assistant – Grade 9	\$25.51
Directors - Grade 15	\$61.15
Underwriter - Grade 15	\$61.15
Lawyer – Grade 14	\$51.99
Risk management specialist/branch chief/ assistant/ directors/ underwriter/ lawyers	

Information obtained from the Office of Personnel Management at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2015/RUS_h.pdf

Cost to Federal Government: The estimated annual cost: \$2,944.80 per request x 32 requests equals \$94,233.60 plus \$71.40 for a total cost of \$94,305.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-1.

After reviewing requests received during the past year, this revised submission reflects a decrease of 63 respondents and responses and 549 burden hours. When reviewing this collection for renewal, FCIC discovered that in the last package, it estimated the burden on a three-year-period not annually resulting in this reduction. With this submission, FCIC has corrected this error estimating this current package burden on an annual basis.

16. For collections of information whose results are planned to be published, outline plans for tabulation and publication.

Information collection results will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not Applicable.

18. Explain each exception to the certification statement identified in Item 19 of the 83-I

This information collection meets the certification requirements of SF-83-1, Item 19.

18. B. Collections of Information Employing Statistical Methods:

The information collections represented in this docket do not employ statistical methods.