

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF AGRICULTURE

### Federal Crop Insurance Corporation

#### 7 CFR Parts 400, 402, 407, and 457

#### Farm Service Agency

#### 7 CFR Part 718

#### Retrospective Review Under E.O. 13563; Improving Common Acreage Reporting Processes

**AGENCY:** Farm Service Agency and Risk Management Agency, USDA.

**ACTION:** Request for information.

**SUMMARY:** This document requests input to help us improve services and reduce duplication of effort, including collecting information from the public. Specifically, the Farm and Foreign Agricultural Services (FFAS) agencies including the Farm Service Agency (FSA) and the Risk Management Agency (RMA) have been working on a joint, coordinated initiative to have a common U.S. Department of Agriculture (USDA) framework for producer's to report information to participate in certain USDA programs. FSA and RMA have been working in coordination with the National Agricultural Statistics Service (NASS) and the Natural Resources Conservation Service (NRCS) on the common reporting process. The USDA retrospective review request for information (RFI) published in the **Federal Register** on April 20, 2011, included the initiative to simplify and reduce the reporting burden on the public for submitting participation information for USDA programs, while simultaneously reducing our administrative and operating costs by sharing similar data across participating agencies. We believe the public, especially farmers, producers, ranchers, and the crop insurance industry who submit and use the information may have suggestions that may effectively reduce the burden of providing the information that USDA agencies require. Any resulting improvements to the

processes will be within existing legislative authorities.

**DATES:** We will consider comments that we receive on the Paperwork Reduction Act by September 19, 2011.

**FOR FURTHER INFORMATION CONTACT:** For FSA, contact: Tony Jackson, telephone (202) 720-3865. For RMA, contact: Pat Engel, telephone (202) 720-8812. Persons with disabilities or who require alternative means for communication (Braille, large print, audio tape, etc.) should contact the USDA Target Center at (202) 720-2600 (voice and TDD).

**SUPPLEMENTARY INFORMATION:** On April 20, 2011, USDA published an RFI in the **Federal Register** (76 FR 22058-22059) to announce that USDA is reviewing its existing regulations to evaluate the effectiveness in addressing the circumstances for which they were implemented. In implementing new programs or changes to programs, regulations are one part of the process, and establishing information collection requirements is another part. As part of the retrospective review, USDA invited public comment to assist in analyzing its existing significant regulations to determine whether they should be modified, streamlined, expanded, or repealed. For FFAS agencies, the focus of USDA's initial review is to identify areas where it can simplify and reduce the reporting burden on the public for eligibility for and participation in USDA programs, while simultaneously reducing its administrative and operating costs by sharing similar data across participating agencies.

This document provides more information about the on-going FFAS initiative, gives a frame of reference for additional public input, and allows us to clarify some misunderstandings about the initiative.

#### Who are FFAS, FSA, and RMA?

FFAS agencies help keep America's farmers and ranchers in business as they face the uncertainties of weather and markets. Our agencies deliver insurance, commodity, credit, conservation, disaster, and emergency assistance programs that help improve the stability and strength of the agricultural economy.

Within the current legislative authority, policies, and procedures, FSA is the agency that administers programs that help producers recover from disaster damage and livestock deaths,

and other programs that are outside the scope of this notice. Among the key programs available to address impacts from disasters are the Livestock Indemnity Program (LIP), the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), the Noninsured Disaster Assistance Program (NAP), and the Supplemental Revenue Assistance Payments (SURE) Program. For more information about FSA programs, go to the FSA *Web site*: <http://www.fsa.usda.gov>.

Within the current legislative authority, policies, and procedures, RMA helps producers manage their business risks through effective, market-based risk management solutions. RMA promotes, supports, and regulates sound risk management solutions to preserve and strengthen the economic stability of America's agricultural producers. RMA operates and manages the Federal Crop Insurance Corporation (FCIC). RMA administers FCIC programs, which provide crop insurance to American producers through private insurance companies and approved insurance providers (AIPs) that sell and service the policies. RMA develops or approves the premium rates, administers premium and expense subsidies, approves and supports insurance products, and reinsures the AIPs. In addition, RMA sponsors educational and outreach programs and seminars on the general topic of risk management. For more information about RMA programs, go to the RMA *Web site*: <http://www.rma.usda.gov>.

#### What input has USDA already received about improving acreage reporting?

During listening sessions with producers, USDA employees, and representatives of the precision agricultural industry, USDA received comments suggesting it should sponsor an initiative to simplify and standardize acreage reporting processes, program dates, and data definitions across the various USDA programs. Last July, a team lead by Chief Information Officer Chris Smith and Acting Under Secretary Michael Scuse, with representatives from RMA, FSA, NRCS, and NASS, started a series of meetings to develop recommendations for common USDA reporting standards, such as entity types, acreage reporting dates,

commodities, acreage location, and production.

FSA and the Office of the Chief Information Officer (OCIO) listening sessions with producers and employees in 2010 identified several common issues. These were:

(1) Producers want to provide their information just once, such as acreage reporting data, and expect USDA agencies to share the data internally;

(2) Producers currently provide the same information multiple times; and

(3) Acreage reporting is inefficient and does not use Geographic Information System (GIS) technology.

The complete report on the FSA and OCIO listening sessions, titled "Understanding the Challenges of Service Delivery to USDA Producers and Customers," is available at: [http://www.fsa.usda.gov/Internet/FSA\\_File/1184\\_usda\\_list\\_sessions.pdf](http://www.fsa.usda.gov/Internet/FSA_File/1184_usda_list_sessions.pdf).

In response to the USDA RFI, some commenters suggested ways service could be improved. A majority of the comments were from or on behalf of members of the crop insurance industry or the National Association of State and County Office Employees. Some commenters provided suggestions that the producers should report their information to the crop insurance agent and the agent would submit the information to USDA. Some commenters stated issues consistent with those discussed above. Due to the somewhat overlapping timing of the USDA RFI and RMA Informational Memorandum IS-11-003, which announced a proposal to solicit an outside party to research the reasonable costs of delivery of the crop insurance program by AIPs, some commenters have submitted comments through the RFI contact in response to the RMA memorandum. Also, some commenters specifically focused on an unrelated proposal to change the legislative authority posed by a separate group outside of USDA. The Acreage and Crop Reporting Streamlining Initiative (ACRSI) is working within the current legislative authority. Changes to legislation are made by Congress, not USDA.

#### Clarification of the Initiative

We expect ACRSI to result in common USDA producer commodity reporting standards to meet the needs of the USDA agencies that require the information to administer their programs, eliminate duplication of information collection, and simplify producer reporting. We expect ACRSI to expand on the success of the Comprehensive Information Management System (CIMS), which

compiles common producer, program, and land information collected by FSA, RMA, and AIPs and will allow access to CIMS by all USDA agencies in need of the information. We are committed to the goals of increasing efficiency and effectiveness in administering programs through the use of technology and better coordinated efforts between USDA agencies.

The goal of ACRSI is to establish common data elements and automated processes for producers to report common information for USDA programs, simplify and reduce the reporting burden on producers, and reduce USDA administrative and operating costs by sharing similar data across participating agencies.

ACRSI will provide producers an option to use either a Web site or submit an electronic file to report common information if they choose, or continue to report through their FSA county office or crop insurance agent. FSA, RMA, AIPs, and crop insurance agents will continue to have the same responsibilities for administering their programs under the current legislative authority. FSA, RMA, NRCS, and NASS will all be able to use the reported information for their respective agency programs. For example, FSA would use the information for program participation and RMA would use the information for crop insurance purposes if the producer purchased crop insurance.

ACRSI officially started in July 2010. USDA agencies participating in ACRSI include FSA, NRCS, NASS, and RMA. By streamlining and automating reporting, ACRSI would reduce the burden on the producer to participate in USDA programs while simultaneously improving program integrity through consistent reporting and data across all USDA agencies and programs. Ultimately, we expect ACRSI to allow automated reporting from the producer's precision GPS monitoring equipment or farm management system.

To implement ACRSI in an economical manner, we plan to the extent possible to utilize CIMS, which is a single, centralized storage repository of RMA and FSA producer and program information. CIMS provides FSA, NASS, OIG, RMA, other USDA agencies, AIPs access to a single, centralized storage repository of producer and program information submitted to FSA and RMA. CIMS is increasing the reliability and accuracy of program information collection by providing users access to an integrated information management system containing crop insurance, conservation, and farm program data.

Federal employees have made over 60,000 requests and AIPs have submitted over 36 million requests for information from CIMS on insured producers.

CIMS staff is working with FSA and RMA to standardize reporting requirements to reduce differences in definitions of basic agency terms to be used in systems designed to allow producers to report common information to USDA once, which the agencies will share. This will reduce the differences in program participation information.

#### How can you provide constructive input?

FFAS is working to change the way we operate to better serve our customers. We want to identify improvements that we can achieve through the consolidation of information required to participate in farm programs administered by FSA and the Federal crop insurance program administered by RMA. We are interested in hearing from the public on how best to simplify and standardize data reporting requirements such as acreage reporting processes, program dates, and data definitions across the various USDA programs and agencies.

FFAS welcomes comments on how best to develop procedures, processes, and standards that will allow producers to use information from their farm management and precision agriculture systems for reporting production, planted and harvested acreage, and other key information needed to participate in USDA programs.

We are encouraging public input in the retrospective review to allow us to hear directly from those who participate in USDA programs as we work to streamline this work in a way that improves access to resources intended to create jobs and grow the economy. We are interested in hearing from you about how we can simplify and reduce the reporting required for participation in the FSA and RMA programs. We want to reduce the amount of time and effort spent on data collection by sharing similar data across participating USDA agencies. This will allow FSA, RMA, AIPs, and agents to spend more time on the administration of programs.

We have several programs that require farmers, producers, and ranchers to submit information to be eligible for certain programs and benefits. Although we have made efforts to eliminate or minimize duplication of information collection to reduce the burden on the public, we realize that there are possible duplications or similarities in the acreage reporting that farmers,

producers, and ranchers need to submit to FSA and RMA. Therefore, we have been reviewing the various requirements including the type of information that each agency requests, the specific agency definitions for the data, and the timing of the reporting to each agency. We have considered changes that would meet the current requirements for each agency based on existing legislative authority, policies, procedures, and regulations. Primary goals include improving the public's ability to determine eligibility for and to participate in FSA and RMA programs and reducing the need for our employees to input the same data multiple times, which will allow existing staff to focus more fully on other efforts and better serve the public. In the efforts to eliminate or minimize duplication of information collection, FSA and RMA will not be collecting or obtaining new or more information from the producers, ranchers, and farmers.

USDA is encouraging public participation in several ways, some traditional, and some new ways to reach the greatest number of people. For example, USDA is using the USDA open gov Web site at: <http://www.usda.gov/open> for public discussions related to the retrospective review. In addition to the published RFI, USDA developed a preliminary plan for doing the retrospective review and posted that on the USDA open gov Web site for public participation. Other avenues include news releases, announcements on Twitter, the FSA Fence Post (on-line news updates), and other avenues to reach stakeholders. In addition, FSA posted the published USDA RFI on the FSA webpage with the FSA publications in the **Federal Register**. This outreach effort to encourage additional public participation is in addition to the on-going outreach to FSA and RMA stakeholders and employees about the initiative; information and updates about the initiative have been provided as a part of several presentations by the Acting Under Secretary, the USDA Chief Information Officer, and the RMA Administrator, from November 2010 to April 2011.

The comment period for the USDA RFI closed May 20, 2011. USDA used the input from those comments to make adjustments to finalize the preliminary plan. We will continue the discussion on the USDA Open gov policy gateway Web site at: <http://www.usda.gov/open>. We encourage you to provide your suggestion or otherwise participate in the discussion on the USDA Open gov policy gateway Web site (through the discuss tab). In addition, as discussed in this notice, separate from the input we

are requesting on the retrospective review initiative, this notice also provides a 60-day comment period for public input about the information collection approval that we will be requesting for ACRSI.

The following questions may be helpful to consider in submitting your input about ACRSI and the overall goals to reduce duplication of information collection:

(1) What are the potential benefits and limitations for reliability, accuracy, and practicality?

(2) What would be consistent and uniform standards for the collection and reporting of data to multiple USDA agencies?

(3) How can USDA assure the proper calibration and integrity of the data, so the data cannot be manipulated or modified from the original readings or output?

(4) How can USDA have compatibility with automated systems of FSA and RMA to facilitate transmission and sharing of data?

(5) Are there reporting requirements that have become outdated and, if so, how can they be modernized to accomplish their objectives better?

(6) Do USDA agencies currently collect information that they do not need or use effectively to achieve regulatory objectives?

(7) Is there information that agencies should begin collecting to achieve the required objectives?

(8) Are there reporting requirements, or application processes that are unnecessarily complicated, or that could be streamlined to achieve the objectives in ways that are more efficient?

(9) Are there application processes or reporting requirements that have been overtaken by technological developments? Can new technologies be used to modify, streamline, or do away with existing reporting requirements?

This non-exhaustive list is meant to assist in your input and is not intended to limit the issues that you choose to address. Although we are contemplating focusing our initial review on the area identified in the RFI and this notice, we welcome input from the public on any of USDA's regulations and ways to improve them to help USDA agencies advance the mission of the Department. We encourage you to provide input on rules that have been in effect for a sufficient amount of time to warrant meaningful evaluation. FFAS notes that this notice is issued solely for information and program-planning purposes. Responses to this notice do not bind USDA to any further action.

We will give public input full consideration as we consider changes to FSA acreage reporting requirements for farm programs and RMA acreage reporting requirements for crop insurance. The following suggestions may be helpful for preparing your comments:

- Explain your views as clearly as possible.
- Describe any assumptions that you used.
- Provide any information on which you based your views.
- Provide specific examples to illustrate your points.
- Offer specific alternatives to the current information reporting requirements.
- Participate in the discussion on USDA's open gov site during the summer of 2011. The requested public input through USDA's open gov site is on-going, but for the purposes of implementing ACRSI, input submitted during the summer of 2011 will be most helpful in implementing improvements as soon as possible.

#### **Paperwork Reduction Act**

In accordance with the Paperwork Reduction Act of 1995, the Farm Service Agency (FSA) and Risk Management Agency (RMA) are seeking comments from all interested individuals and organizations on a new information collection request associated with the Acreage and Crop Reporting Streamlining Initiative (ACRSI).

#### **Description of Information Collection**

*Title:* Acreage and Crop Reporting Streamlining Initiative (ACRSI).

*OMB Control Number:* 0563-NEW.

*Expiration Date of Approval:* 3 years from date of OMB approval.

*Type of Request:* New information collection.

*Abstract:* ASCRI is a new initiative in this information collection request to reengineer the procedures, processes, and standards to simplify commodity, acreage, and production reporting by producers, eliminate or minimize duplication of information collection by multiple agencies, and reduce the burden on producers, insurance agents, and AIPs. FSA and RMA are implementing a web-based single source reporting system to establish a single data collection and reporting in the initiative.

FSA and RMA are also improving the existing Office of Management and Budget (OMB) approved information collections for FSA and RMA, 0560-0004, Report of Acreage, and 0563-0053, Multiple Peril Crop Insurance, respectively. Currently, commodity,

acreage, and production information is generally collected from the respondent during a personal visit to the FSA Service Center and again from the respondent during a personal visit to the insurance agent. The forms will still be available to accommodate respondents with no Internet access and those who wish to continue to personally visit the FSA Service Center and insurance agent to report the information.

When a web-based single system is fully implemented, respondents will be allowed to report the information once. The information will also be shared by both FSA and RMA, as well as other USDA agencies, such as NRCS and NASS, that have the authority and need for such information.

In each phase of system implementation, some or all of the commodity, acreage, and production information in the existing approved information collections will be reported via web-based single source reporting system. Furthermore, the information collected will be the same as the information currently approved. Additionally, the respondent will only have to report it one time through a single source thereby reducing the respondent's burden of reporting such information and eliminating the duplicate reporting that may be currently required. The information will then be shared with the other agency without having the producer personally visit both offices. The information collected will be the same as the information currently approved and will be used in the same manner it would be used if reported separately to each agency. FSA and RMA anticipate that producers will be able to use their precision-ag systems, farm management information systems, or download data files to directly report commodity, acreage, and production information needed to participate in USDA programs.

The information being collected will consist of, but not be limited to: Producer name, location state, commodity name, commodity type or variety, location county, date planted, land location (legal description, FSA farm number, FSA track number, FSA field number), intended use, prevented planting acres, acres planted but failed, planted acres, and production of commodity produced.

FSA and RMA will implement the web-based system in phases until fully implemented. The first phase will be initiated in the fall of 2011 in Dickenson, Marion, McPherson, and Saline Counties in Kansas, and only for the collection of information from producers regarding winter wheat. In

the first phase, approximately 200 respondents will use a web-based single source reporting system and 3,705 respondents will report information during a personal visit.

To ensure statutory criteria are met for both Federal crop insurance programs, FSA, and Commodity Credit Corporation (CCC) programs, the collection of commodity, acreage, and production information is necessary. This is not a request for a change, addition or deletion to the currently approved information collections. However, the existing approved information collections will be updated, modified or eliminated, as applicable, to reflect the reduction in burden on the respondents when the web-based system is fully implemented.

*Respondents: Producers.*

*Estimated Annual Number of Respondents Utilizing the Web-Based Single Source Reporting System:* 204,250.

*Estimated Annual Number of Respondents Reporting the Information by Personally Visiting One Agency and Sharing Information Between Agencies:* 62,005.

*Estimated Annual Number of Responses per Respondent:* 1.5.

*Estimated Total Annual Burden on Respondents Utilizing the Web-Based Single Source Reporting System:* 230,287 hours. (This estimated public reporting burden is from the existing OMB approved information collections 0560-0004.)

*Estimated Total Annual Burden on Respondents Reporting the Information by Personally Visiting One Agency and Having That Information Sharing Information Between Agencies:* 131,761 hours. (This estimated public reporting burden is from the existing OMB approved information collections 0560-0004, including the estimated burden for travel time.)

We are requesting comments on all aspects of this information collection to help us to:

(1) Evaluate whether the collection of information is necessary for the proper performance of the functions of the agencies, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of burden including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility and clarity of the information to be collected;

(4) Minimize the burden of the collection of information on those who are to respond through use of appropriate automated, electronic, mechanical, or other technological

collection techniques or other forms to technology.

All comments in response to this notice, including names and addresses when provided, will be a matter of public record. Comments will be summarized and included in the request for Office of Management and Budget (OMB) approval.

#### **Executive Order 13563, "Improving Regulation and Regulatory Review"**

On January 18, 2011, the President issued Executive Order 13563, "Improving Regulation and Regulatory Review," to ensure that Federal regulations use the best available tools to promote innovation that will reduce costs and burden while allowing public participation and an open exchange of ideas. We are required to make the agency's regulatory program more effective or less burdensome in achieving the regulatory objectives. To read background information on Executive Order 13563, go to <http://www.regulations.gov/exchange/topic/eo-13563>.

Signed on July 11, 2011.

**Karis T. Gutter,**

*Acting Under Secretary, Farm and Foreign Agricultural Services.*

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**BILLING CODE 3410-05-P**

## **DEPARTMENT OF AGRICULTURE**

### **Rural Business-Cooperative Service**

#### **Rural Utilities Service**

#### **7 CFR Part 4279**

**RIN 0570-AA81**

#### **Conditions of Guarantee**

**AGENCY:** Rural Business-Cooperative Service, USDA.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Rural Business-Cooperative Service is proposing to amend its regulations for the Business and Industry Guaranteed Loan Program to ensure the Agency has sufficient right(s) for reimbursement when an Agency guaranteed portion of a loan is sold to a holder. This action is necessary because the rule is not sufficiently clear that the use of loan funds for purposes not approved by the Agency is a reason to find the guarantee unenforceable regardless of whether the guaranteed portion of the loan has been sold to a holder. This action ensures the Agency has sufficient rights for reimbursement when an Agency guaranteed portion of the loan is sold to a holder.