

**§ 224.6 United States district courts; location of divisional offices.**

A list of the divisional offices of the court in each judicial district where powers of attorney should be filed may be obtained from the Surety Bond Branch, Financial Management Service, Department of the Treasury, 3700 East-West Highway, Room 6F04, Hyattsville, MD 20782.

Dated: October 12, 1995.

Russell D. Morris,  
Commissioner.

[FR Doc. 95-27577 Filed 11-8-95; 8:45 am]

BILLING CODE 4810-35-P

**FEDERAL EMERGENCY  
MANAGEMENT AGENCY**

**44 CFR Part 61**

**RIN 3067-AC42**

**National Flood Insurance Program;  
Insurance Rates**

**AGENCY:** Federal Insurance Administration, FEMA.

**ACTION:** Proposed rule.

**SUMMARY:** This proposed rule would increase the National Flood Insurance Program (NFIP) chargeable (subsidized) rates, which apply to all structures located in communities participating in the Emergency Program of the NFIP and to certain structures in communities in the Regular Program of the NFIP. The rule is proposed in order to bring subsidized premiums more in line with the risk. We intend the proposed rule to help the NFIP increase the capability to build reserves for catastrophic loss years.

**DATES:** Comments must be received on or before January 8, 1996.

**ADDRESSES:** Please send comments to the Rules Docket Clerk, Office of the General Counsel, Federal Emergency Management Agency, 500 C Street SW., room 840, Washington, DC 20472, (fax) (202) 646-4536.

**FOR FURTHER INFORMATION CONTACT:** Charles M. Plaxico, Jr., Federal Emergency Management Agency, Federal Insurance Administration, 500 C Street SW., Washington, DC 20472, (202) 646-3422.

**SUPPLEMENTARY INFORMATION:** These proposed amendments, which would increase the National Flood Insurance Program (NFIP) chargeable (subsidized) rates, are the result of an ongoing review and reappraisal of the NFIP and of continuing efforts to maintain a business-like approach to its administration by emulating successful

property insurance programs in the private sector and, at the same time, to achieve greater administrative and fiscal effectiveness in its operations. The proposed amendments are intended to help the NFIP increase its capability to build reserves for catastrophic loss years. Coverage changes and optional deductibles, in addition to rate increases, are part of the ongoing effort to achieve these goals.

The chargeable (subsidized) rates, for which an increase is being proposed, are the rates applicable to structures located in communities participating in the Emergency Program of the NFIP and to certain structures in communities in the Regular Program of the NFIP.

These rates are countrywide rates for two broad building type classifications which, when applied to the amount of insurance purchased and added to the expense constant and Federal policy fee, produce a premium income less than the expense and loss payments that can be expected on the flood insurance policies issued on that basis. Funds needed to supplement the inadequate premium income are provided by the National Flood Insurance Fund. The subsidized rates are promulgated by the Administrator for use under the Emergency Program (added to the NFIP by the Congress in Section 408 of the Housing and Urban Development Act of 1969) and for use in the Regular Program on construction or substantial improvement started before the effective date of the initial Flood Insurance Rate Map (FIRM) or on or before December 31, 1974 (this additional grandfathering was added to the NFIP by Congress in section 103 of the Flood Disaster Protection Act of 1973), whichever is later.

It should be noted that over the NFIP's history, the Program has not been subjected to the truly catastrophic flood event. Thus, the historical average is substantially less than could be expected over the long term when the influence of the extremely infrequent, truly catastrophic flood would result in a significant increase in the average historical year's losses. It is because of these fortuitous conditions, the lack of market penetration in areas suffering very large floods, and relatively high market penetration in the southeastern part of the United States, which has not suffered a catastrophic flood event recently, that the Program has remained self-supporting since 1986. However, the chargeable (subsidized) rates are significantly less than those that would be charged on a full risk basis.

Using current subsidized rates and projected full risk loss costs at 1995 levels, it is expected that the average

annual shortfall in the risk portion of premiums needed to fund loss expenses, including the catastrophic potential, is over \$400.00 for each subsidized policyholder.

The statutory mandate to establish chargeable rates requires the Federal Emergency Management Agency (FEMA) to balance the need for providing reasonable rates to encourage potential insureds to purchase flood insurance with the requirement that the NFIP be a flexible program that minimizes cost and distributes burdens equitably among those who will be protected by flood insurance and the general public.

In the past, appropriations were required to replenish the program's borrowing authority when income was not sufficient due to the subsidy. Since 1986, FEMA has not asked Congress to appropriate any taxpayer funds to pay for this subsidy. Recent years have been extremely high loss years starting with Hurricane Hugo in 1989, Hurricanes Andrew and Iniki in 1992, the great Midwest flooding of 1993, and several other major flooding events in 1995. FEMA believes it is time for a reduction in the subsidy.

Section 1308(e) of the National Flood Insurance Act of 1968, as amended, contains an annual rate increase limitation of 10 percent. The rates to accomplish the proposed increase are in the following table. It should be noted that the entire premium paid by the consumer consists of two components: a risk rate as well as an expense constant—a standard cost charged for each policy for administrative processing. Although the rates in the table, which are the risk rates for \$100 worth of coverage, have been increased more than 10 percent, the actual premium paid by the consumer, which also includes the expense constant, would only increase by 10 percent.

Type of structure	Rates per year per \$100 coverage on	
	Structure	Contents
(1) Residential .....	\$0.68	\$0.79
(2) All other (including hotels and motels with normal occupancy of less than 6 months in duration) .....	.79	1.58

For comparison, the current subsidized rates are as follows:

Type of structure	Rates per year per \$100 coverage on	
	Structure	Contents
(1) Residential .....	\$0.60	\$0.70
(2) All other (including hotels and motels with normal occupancy of less than 6 months in duration) .....	.70	1.40

The proposed increase would be balanced between the need to decrease the subsidy and the objective of the statute for chargeable rates—rates that are less than actuarial rates—i.e., to make flood insurance available at reasonable rates so as to encourage prospective insureds to purchase flood insurance.

The projected average annual premium for subsidized policies using the revised chargeable rates and purchasing 1995 amounts of insurance is \$441.00, a \$40.00 increase over the present average. Despite this increase, the new rates produce only an estimated 39 percent of the premium that would have to be charged if these policies were actuarially rated (i.e., not subsidized).

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 1500–1508, FEMA is conducting an environmental assessment of this proposed rule. If the assessment concludes that there will be a significant impact on the human environment as a result of the issuance of the proposed rule, then an Environmental Impact Statement will be prepared. Copies of the environmental assessment, when developed, 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 as defined under Executive Order 12866 of September 30, 1993, Regulatory Planning and Review, 58 FR 51735, October 4, 1993. To the extent possible, this rule adheres to the principles of regulation as set forth in Executive Order 12866. This proposed rule has not been reviewed by the Office of Management and Budget under the provisions of Executive Order 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 of 1995.

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

List of Subjects in 44 CFR Part 61

Flood Insurance.

Accordingly, FEMA proposes 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. Section 61.9 is revised to read as follows:

**§ 61.9 Establishment of chargeable rates.**

(a) Pursuant to section 1308 of the Act, chargeable rates per year per \$100 of flood insurance are established as follows for all areas designated by the Administrator under part 64 of this subchapter for the offering of flood insurance.

**RATES FOR NEW AND RENEWAL POLICIES**

Type of structure	Rates per year per \$100 coverage on	
	Structure	Contents
(1) Residential .....	\$0.68	\$0.79
(2) All other (including hotels and motels with normal occupancy of less than 6 months in duration) .....	.79	1.58

(b) The contents rate shall be based upon the use of the individual premises for which contents coverage is purchased.

(Catalog of Federal Domestic Assistance No. 83.100, "Flood Insurance").

Dated: November 2, 1995.

Elaine A. McReynolds,  
*Administrator, Federal Insurance Administration.*

[FR Doc. 95–27803 Filed 11–8–95; 8:45 am]

BILLING CODE 6718–01–P

**FEDERAL COMMUNICATIONS COMMISSION**

**47 CFR Part 73**

[MM Docket No. 95–166, RM–8717]

**Radio Broadcasting Services; Chama, NM**

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

**SUMMARY:** The Commission requests comments on a petition filed by KNXX, Inc., seeking the allotment of Channel 255A to Chama, NM, as the community's first local aural service. Channel 255A can be allotted to Chama in compliance with the Commission's minimum distance separation requirements without the imposition of a site restriction, at coordinates 36–54–12 North Latitude and 106–34–42 West Longitude.

**DATES:** Comments must be filed on or before December 26, 1995, and reply comments on or before January 10, 1996.

**ADDRESSES:** Federal Communications Commission, Washington, DC 20554. In addition to filing comments with the FCC, interested parties should serve the petitioner, or its counsel or consultant, as follows: Don Davis, President, KNXX, Inc., 1217 Valencia Drive, NE., Albuquerque, NM 87110 (Petitioner).

**FOR FURTHER INFORMATION CONTACT:** Leslie K. Shapiro, Mass Media Bureau, (202) 418–2180.

**SUPPLEMENTARY INFORMATION:** This is a synopsis of the Commission's *Notice of Proposed Rule Making*, MM Docket No. 95–166, adopted October 24, 1995, and released November 3, 1995. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Reference Center (Room 239), 1919 M Street, NW., Washington, DC. The complete text of this decision may also be purchased from the Commission's copy contractor, International Transcription Services, Inc., (202) 857–3800, 2100 M Street, NW., Suite 140, Washington, DC 20037.

Provisions of the Regulatory Flexibility Act of 1980 do not apply to this proceeding.