

Chemical	Threshold by base weight
(2) Distributions by person required to report under § 1310.03(c)	24 grams.
(3) All other domestic distributions (other than (F) (1) and (2))	2.5 kilograms.
(4) Imports and Exports	2.5 kilograms.

4. Section 1310.05 is proposed to be amended by adding a new paragraph (e) to read as follows:

§ 1310.05 Reports.

* * * * *

(e) Each regulated person required to report pursuant to § 1310.03(c) shall either:

(1) Submit a written report, containing the information set forth in § 1310.06(i), on or before the 15th day of each month following the month in which the distributions took place. The report shall be submitted under company letterhead, signed by the person authorized to sign the registration application forms on behalf of the registrant, to the Chemical Operations Section, Office of Diversion Control, Drug Enforcement Administration, Washington, D.C. 20537; or

(2) Upon request to and approval by the Administration, submit the report in electronic form, either via computer disk or direct electronic data transmission, in such form as the Administration shall direct. Requests to submit reports in electronic form should be submitted to the Chemical Operations Section, Office of Diversion Control, Drug Enforcement Administration, Washington, D.C. 20537, ATTN: Electronic Reporting.

5. Section 1310.06 is proposed to be amended by adding a new paragraph (i) to read as follows:

§ 13.10.06 Content of records and reports.

* * * * *

(i) Each monthly report required by § 1310.05(e) shall provide the following information for each distribution:

- (1) Supplier's name and registration number;
- (2) Purchaser's name and address;
- (3) Name/address shipped to (if different from purchaser's name/address);
- (4) Name of the Chemical and total amount shipped;
- (5) Date of shipment;
- (6) Product name (if drug product);
- (7) Dosage form (if drug product);
- (8) Dosage strength (if drug product);
- (9) Number of dosage units (if drug product);
- (10) Package type (if drug product);
- (11) Package quantity (if drug product);
- (12) Lot number (if drug product).

6. Section 1310.10 is proposed to be amended by revising paragraph (d) introductory text to read as follows:

§ 1310.10 Removal of the exemption of drugs distributed under the Food, Drug, and Cosmetic Act.

* * * * *

(d) Any manufacturer seeking reinstatement of a particular drug product that has been removed from an exemption may apply to the Administrator for reinstatement of the exemption for that particular drug product on the grounds that the particular drug product is manufactured and distributed in a manner that prevents diversion. In determining whether the exemption should be reinstated the Administrator shall consider:

* * * * *

Dated: September 26, 1997.

James S. Milford,

Acting Deputy Administrator.

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FEDERAL EMERGENCY MANAGEMENT AGENCY

44 CFR Part 61

RIN 3067-AC73

National Flood Insurance Program (NFIP); Standard Flood Insurance Policy

AGENCY: Federal Emergency Management Agency (FEMA).

ACTION: Proposed rule.

SUMMARY: This proposed rule would increase the amount of the deductible under the Standard Flood Insurance Policy—from \$750 to \$1,000—for structures with subsidized coverage.

DATES: All comments received on or before November 7, 1997 will be considered before final action is taken on the proposed rule.

ADDRESSES: Please submit any written comments to the Rules Docket Clerk, Office of General Counsel, Federal Emergency Management Agency, 500 C Street, S.W., room 840, Washington, DC 20472, (facsimile) 202-646-4536.

FOR FURTHER INFORMATION CONTACT:

Charles M. Plaxico, Jr., Federal Emergency Management Agency, Federal Insurance Administration, (202) 646-3422, (facsimile) (202) 646-4327.

SUPPLEMENTARY INFORMATION: This proposal is the result of an ongoing review and reappraisal of the National Flood Insurance Program (NFIP) to achieve greater administrative and fiscal effectiveness in the NFIP's operations. The proposed amendment is also intended to help the NFIP increase its capability to build reserves for catastrophic loss years. This can be handled either by rate increases, or by other means such as imposing coverage limitations or increasing deductibles, or by both.

Section 1308(b)(2) of the National Flood Insurance Act of 1968, as amended, charges the Director of FEMA with the responsibility of establishing "chargeable premium rates" which are "adequate, on the basis of accepted actuarial principles, to provide reserves for anticipated losses, or if less than such amount, consistent with the objective of making flood insurance available where necessary at reasonable rates so as to encourage prospective insureds to purchase such insurance".

Since there have been three premium increases in the last three years—two in the subsidized premium rates and a premium surcharge mandated by § 555 of the National Flood Insurance Reform Act of 1994, for the addition of increased cost of compliance coverage, FEMA believes that the better approach to enhancing fiscal soundness would be by adjustment to the deductible provisions for policies which are issued using subsidized rates. Therefore, this proposed rule would increase the standard deductible for structures covered by insurance at subsidized premium rates from \$750 to \$1,000. Concurrent with this proposed change, insureds would be provided the option to pay a higher premium at full-risk rates to "buy back" a reduced deductible under their Standard Flood Insurance Policy (SFIP).

New or renewed flood insurance policies issued on and after May 1, 1998, for buildings and contents in Emergency Program communities as well as those policies issued for buildings and/or contents in Regular Program communities in Zones A, AO, AH, A1-A30, AE, VO, V1-V30, VE, or V, which are rated using subsidized rates, would be subject to the higher deductible of \$1,000. These are buildings which, because they were built before the degree of flood risk had been ascertained and depicted on a Flood Insurance Rate Map (FIRM), are subject to a greater exposure to flood loss.

This proposed change to the deductibles would provide a greater flexibility to the Program and to the goal of designing the Program with an eye toward “* * * minimizing costs and distributing burdens equitably among those who will be protected by flood insurance and the general public” (Section 1302(d) of the 1968 Act).

In summary, this proposal is intended to balance the need for providing reasonable rates to the public for flood insurance as an incentive to purchase insurance against the requirement that the NFIP be flexible, minimize costs, and distribute burdens among those who will be protected by flood insurance and the general public. Loss cost savings, in a year equivalent to the historical average, are projected to be \$6.3 million as a result of implementing this proposed rule.

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 within the meaning of § 2(f) of E.O. 12866 of September 30, 1993, 58 FR 51735, but attempts to adhere to the regulatory principles set forth in E.O. 12866. The final rule has

been reviewed by the Office of Management and Budget under E.O. 12666.

Paperwork Reduction Act

This proposed rule does not contain a collection of information and therefore is 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 E.O. 12612, Federalism, dated October 26, 1987.

Executive Order 12778, Civil Justice Reform

This proposed rule meets the applicable standards of § 2(b)(2) of E.O. 12778.

List of Subjects in 44 CFR Part 61

Flood insurance.

Accordingly, 44 CFR Part 61 is proposed to be amended 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. Paragraph C. of Article 7 of Appendix A (l) is proposed to be revised follows:

* * * * *

C. For any flood insurance policy issued or renewed for property located in an Emergency Program community or for any property located in a Regular Program community in Zones A, AO, AH, A1-A30, AE, VO, V1-V30, VE, or V where the rates available for buildings built before the effective date of the initial Flood insurance Rate Map or December 31, 1994, whichever is later, are used to compute the premium, the amount of the deductible for each loss occurrence is determined as follows: We shall be liable only when such loss exceeds \$1,000, or the amount of any other deductible which you selected when you applied for this policy or subsequently by endorsement.

* * * * *

2. Paragraph C. of Article 7 of Appendix A (2) is proposed to be revised as follows:

* * * * *

C. For any flood insurance policy issued or renewed for a property located in an Emergency Program community or for any property located in a Regular Program community in Zones A, AO,

AH, A1-A30, AE, VO, V1-V30, VE, or V where the rates available for buildings built before the effective date of the initial Flood Insurance Rate Map or December 31, 1994, whichever is later, are used to compute the premium, the amount of the deductible for each loss occurrence is determined as follows: We shall be liable only when such loss exceeds \$1,000, or the amount of any other deductible which you selected when you applied for this *policy* or subsequently by endorsement.

* * * * *

2. Paragraph C. of Article 7 of Appendix A(2) is proposed to be revised as follows:

* * * * *

C. For any flood insurance policy issued or renewed for a property located in an Emergency Program community or for any property located in a Regular Program community in Zones A, AO, AH, A1-A30, AE, VO, V1-V30, VE, or V where the rates available for buildings built before the effective date of the initial Flood Insurance Rate Map or December 31, 1994, whichever is later, are used to compute the premium, the amount of the deductible for each loss occurrence is determined as follows: The Insurer shall be liable only when such loss exceeds \$1,000, or the amount of any other deductible which the Insured selected when it applied for this policy or subsequently by endorsement.

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2. Paragraph C. of Article 7 of Appendix A (3) is proposed to be revised as follows:

* * * * *

C. For any flood insurance policy issued or renewed for any property located in Zones A, AO, AH, A1-A30, AE, VO, V1-V30, VE, or V where the rates available for buildings built before the effective date of the initial Flood Insurance Rate Map or December 31, 1994, whichever is later, are used to compute the premium, the amount of the deductible for each loss occurrence is determined as follows: The Insurer shall be liable only when such loss exceeds \$1,000, or the amount of any other deductible which the Insured selected when it applied for this policy or subsequently by endorsement.

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(Catalog of Federal Domestic Assistance No. 83.100, “Flood Insurance”; No. 83.516, “Disaster Assistance”)

Dated: September 26, 1997.

Edward T. Pasterick,

Acting Executive Administrator, Federal Insurance Administration.

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