

Rules and Regulations

Federal Register

Vol. 62, No. 176

Thursday, September 11, 1997

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 Parts 441 and 457

General Crop Insurance Regulations; Table Grape Crop Insurance Regulations and Common Crop Insurance Regulations; Table Grape Crop Insurance Provisions

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Final rule.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) finalizes specific crop provisions for the insurance of table grapes. The provisions will be used in conjunction with the Common Crop Insurance Policy Basic Provisions, which contain standard terms and conditions common to most crops. The intended effect of this action is to provide policy changes to better meet the needs of the insured, include the current table grape crop insurance regulations under the Common Crop Insurance Policy for ease of use and consistency of terms, and to restrict the effect of the current table grape crop insurance regulations to the 1997 and prior crop years.

EFFECTIVE DATE: October 14, 1997.

FOR FURTHER INFORMATION CONTACT: John Meyer, Insurance Management Specialist, Product Development Division, Policy Development and Standards Branch, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO, 64131, telephone (816) 926-7730.

SUPPLEMENTARY INFORMATION:

Executive Order No. 12866

The Office of Management and Budget (OMB) has determined this rule to be exempt for the purposes of Executive

Order No. 12866, and, therefore, this rule has not been reviewed by OMB.

Paperwork Reduction Act of 1995

Following publication of the proposed rule, 62 FR 2059, the public was afforded 60 days to submit written comments on information collection requirements currently being reviewed by OMB under OMB control number 0563-0003. No public comments were received.

Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Pub. L. 104-4, 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. Thus, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Executive Order No. 12612

It has been determined under section 6(a) of Executive Order No. 12612, Federalism, that this rule does not have sufficient Federalism implications to warrant the preparation of a Federalism Assessment. The provisions contained in this rule will not have a substantial direct effect on states or their political subdivisions, or on the distribution of power and responsibilities among the various levels of government.

Regulatory Flexibility Act

This regulation will not have a significant economic 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. Under the current regulations, all producers are required to complete an application and acreage report. If the crop is damaged or destroyed, insureds are required to give notice of loss and provide the necessary information to complete a claim for indemnity. This regulation does not alter those requirements. 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. This rule does not have any greater or lesser

impact on the producer. 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 No. 12372

This program is not subject to the provisions of Executive Order No. 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 No. 12988

This final rule has been reviewed in accordance with Executive Order No. 12988 on civil justice reform. The provisions of this rule will not have a retroactive effect prior to the effective date. The provisions of this rule will preempt state and local laws to the extent such state and local laws are inconsistent herewith. The administrative appeal provisions published at 7 CFR part 11 must be exhausted before any action 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.

National Performance Review

This regulatory action is being taken as part of the National Performance Review Initiative to eliminate unnecessary or duplicative regulations and improve those that remain in force.

Background

On Wednesday, January 15, 1997, FCIC published a proposed rule in the **Federal Register** at 62 FR 2059 to add to the Common Crop Insurance Regulations (7 CFR part 457), a new section, 7 CFR 457.149, (Table Grape Crop Insurance Provisions). The new provisions will replace and supersede the current provisions for insuring table grapes found at 7 CFR part 441 and will

be effective for the 1998 and succeeding crop years.

Following publication of the proposed rule, the public was afforded 60 days to submit written comments. A total of 14 comments were received from reinsured companies and an insurance service organization. The comments received, and FCIC's responses, follow:

Comment: A reinsured company questioned the need to define "FSA" and recommended it be deleted.

Response: FCIC agrees with the comment and has deleted the definition.

Comment: A reinsured company suggested that in the definition of "Good farming practices," the phrase "* * * by the Cooperative State Research, Education, and Extension Service" be deleted since some producers carry out practices that are compatible but not "generally" recognized by the Extension Service.

Response: FCIC has removed the word "generally" from this part of the definition. However, FCIC believes that the Cooperative State Research, Education, and Extension Service (CSREES) recognizes farming practices that are considered acceptable for producing table grapes. If a producer is following practices currently recognized as acceptable by the CSREES, there is no reason why such recognition cannot be sought by interested parties. CSREES pertains only to specific areas within a county. Such limitations would be considered by FCIC.

Comment: A reinsured company suggested that in the definition of "Irrigated practice," the words "and quality" be added after the words "* * * providing the quantity."

Response: FCIC agrees that water quality is an important issue. However, since no standards or procedures have been developed to measure water quality for insurance purposes, quality cannot be included in the definition. Therefore, no change will be made.

Comment: An insurance service organization questioned whether the change in the number of pounds of table grapes in a lug will require a recalculation of previously certified production history to bring it up-to-date, or does the change only apply to future production history.

Response: For 1996 and prior years, the certified actual production history must be adjusted by use of a factor to conform with the new weight standard for lugs. For all California districts and Arizona, the adjustment factor is 1.1000.

Comment: An insurance service organization stated that the language in section 2(a) "A unit * * * will be divided into basic units * * *" may be confusing since unit division usually

deals with optional units (as in section 2.(b)). It was suggested this be rewritten to read, "Basic units as defined in section 1 * * * will be established for each table grape variety you insure."

Response: FCIC agrees the provisions may be confusing and has clarified this section.

Comment: An insurance service organization indicated that section 2(f)(3) states that non-contiguous land qualifies for separate optional units and that basic units by non-contiguous land are allowed by current provisions. It was suggested that this policy change be identified in the Summary of Changes so agents and policyholders are made aware of the change and can make necessary adjustments.

Response: FCIC agrees that the change from basic to optional unit status should have been identified in the Summary of Changes. FCIC will describe this change to insurance providers when the policy is released for use.

Comment: A reinsured company suggested including the acreage reporting date in section 6 of the crop provisions.

Response: FCIC believes the acreage reporting date should remain in the Special Provisions because it could vary by region. Therefore, no changes have been made to these provisions.

Comment: A reinsured company recommended a new paragraph (7(b)(3)) be added to the policy to read as follows: "That, after grafting over, have reached the third growing season or produced at least 150 lugs per acre, whichever occurs first."

Response: FCIC agrees that mature grapes "grafted over" to produce a variety other than originally grown tend to produce faster than normal rootstock that is set out; however, occasionally grafts do not "take" and the vines may never produce 150 lugs per acre. Table grapes must have produced 150 lugs per acre before they are insurable. Therefore, no change has been made.

Comment: A reinsured company suggested that the first sentence in section 9(a)(1) be shortened to read, "Coverage begins on February 1 of each crop year." The industry believes the additional wordage only adds confusion and suggests a poor producer could avoid an inspection by sending an application in early. Also, they questioned whether 10 days was sufficient time for insurance providers to send adjusters out to inspect every table grape vineyard, and stated that section 7(a)(4) already specifies that the vineyard must be acceptable to the insurance provider.

Response: The provisions were revised to clarify that late-filed

applications are not allowed. The ten day waiting period is necessary to prevent insurance against an immediate cause of loss and avoid unnecessary exposure to uninsured causes of loss. The insurance provider must expedite its review of the application and any supporting documentation filed by the producer, determine if a visual inspection is necessary, and perform any necessary inspections within the 10-day period. The period of 10 days is believed appropriate to meet the needs of both the producer and the insurance provider. Section 7(a)(4) does not require an inspection, it just states, that if there is an inspection, the orchard must be acceptable. This is unrelated to the requirement for an inspection during the 10 day period to determine whether the producer is attempting to insure an existing or probable loss. Therefore, no change has been made.

Comment: A reinsured company suggested that section 9(a)(2) be changed to read, "This policy is continuous after the first year of application, except the calendar date for the end of the insurance period (as specified in the Special Provisions) for each crop year, is the date during the calendar year in which the grapes are normally harvested."

Response: Section 2(a) of the Basic Provisions states that the policy is continuous. Therefore, it is not necessary to repeat this provision in the Crop Provisions.

Comment: A reinsured company recommended removing the "end of insurance period dates" from the policy since they are currently listed in the Special Provisions. This would allow the addition of dates for new varieties or revisions of existing dates to be accomplished more quickly.

Response: FCIC agrees with this recommendation and has amended the provisions accordingly.

Comment: A reinsured company stated that phylloxera should not be excluded as a cause of loss, but should be included under "Disease or insect infestation" referenced in section 10(b)(1). The comment also stated that it is impossible to determine the amount of loss or damage attributable specifically to phylloxera and that implementation would be a loss adjusting nightmare and impossible to audit.

Response: It is widely accepted that Type B phylloxera will ultimately destroy nearly all vineyards that were planted on non-resistant root stock. The wine industry has done extensive research and worked with producers to develop plans to destroy and replace non-resistant vineyards and some

vineyards have been destroyed immediately after finding infestations. Providing coverage for phylloxera related losses may inhibit the efforts being made to stop the spread of this pest and may be considered to promote poor pest management practices. Attributing losses to phylloxera should be no more difficult than attributing losses to any other uninsurable cause of loss. Therefore, no changes have been made.

Comment: An insurance service organization suggested combining the provisions contained in section 13(e) with the provisions in section 13(a).

Response: The requirement that requests for written agreement be executed by the sales closing date is intended to be the rule and the application submitted after the sales closing date will only be an exception to this rule in limited circumstances. Therefore, no change will be made.

Comment: Two reinsured companies and an insurance service organization suggested the provision in section 13(d) stating "Each written agreement will only be valid for one year" be deleted. The valid period should be stated in the wording of the agreement. In most cases, written agreements should be continuous, like policies. Limiting written agreements to one year only increases administrative cost, complexity and opportunity for misunderstanding and error.

Response: Written agreements are intended to change policy terms or permit insurance in unusual or previously unknown situations. If such practices continue year to year, they should be incorporated into the policy or Special Provisions. It is important to keep non-uniform exceptions to the minimum and to insure that the insured is well aware of the specific terms of the policy. Therefore, no change will be made.

In addition to the changes indicated above, FCIC has made the following changes:

1. Preamble—Include the Catastrophic Risk Protection Endorsement for clarification.

2. Section 1—Add a definition for "adapted" to clarify the provisions that identify the insured crop (section 7(a)), and change the lug (box) weight in Arizona from 22 pounds to 20 pounds to be consistent with comparable marketing areas in Riverside and Imperial Counties, California (Coachella Valley).

3. Section 2—Clarify that written agreements may only be used to obtain optional units on other than non-contiguous land.

4. Section 11(c)—Clarify that the damaged crop must not be destroyed until the earlier of 15 days from the date notice of loss was given or after the insurance provider gives written consent to do so. Failure to meet this requirement will result in all such production to be considered undamaged and included as production to count.

List of Subjects in 7 CFR Parts 441 and 457

Crop insurance, Table grape, Table grape crop insurance regulations.

Final Rule

Accordingly, for the reasons set forth in the preamble, the Federal Crop Insurance Corporation hereby amends 7 CFR parts 441 and 457, as follows:

PART 441—TABLE GRAPE CROP INSURANCE REGULATIONS FOR THE 1987 THROUGH 1997 CROP YEARS

1. The authority citation for 7 CFR part 441 is amended to read as follows:

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

2. The part heading is revised to read as set forth above.

3. Subpart heading "Subpart—Regulations for the 1987 and Succeeding Crop Years" is removed.

4. Section 441.7 is amended by revising the introductory text of paragraph (d) to read as follows:

§ 441.7 The application and policy.

* * * * *

(d) The application for the 1987 and succeeding crop years is found at subpart D of part 400, General Administrative Regulations (7 CFR 400.37, 400.38). The provisions of the Table Grape Insurance Policy for the 1987 through 1997 crop years are as follows:

* * * * *

PART 457—COMMON CROP INSURANCE REGULATIONS; REGULATIONS FOR THE 1994 AND SUBSEQUENT CONTRACT YEARS

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

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

5. Section 457.149 is added to read as follows:

§ 457.149 Table grape crop insurance provisions.

The Table Grape Crop Insurance Provisions for the 1998 and succeeding crop years are as follows:

For FCIC policies:

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

For reinsured policies:

(Insurance provider's name or other appropriate heading)

For both FCIC and reinsured policies:

TABLE GRAPE CROP PROVISIONS

If a conflict exists among the Basic Provisions (§ 457.8), these Crop Provisions, the Special Provisions, and the Catastrophic Risk Protection Endorsement, if applicable, the Special Provisions will control these Crop Provisions and the Basic Provisions; and these Crop Provisions will control the Basic Provisions. The Catastrophic Risk Protection Endorsement, if applicable, will control all other provisions.

1. Definitions

Adapted. Varieties that are recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county.

Cluster thinning and removal. Removing parts of an immature cluster or the entire cluster of grapes.

Days. Calendar days.

Direct marketing. Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer's market, and permitting the general public to enter the field for the purpose of picking all or a portion of the crop.

Good farming practices. The cultural practices generally in use in the county for the crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee, and recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the area.

Graft. To unite a shoot or bud (scion) with a rootstock or an existing vine in accordance with recommended practices to form a living union.

Harvest. Severing the clusters of mature grapes from the vine.

Interplanted. Acreage on which two or more crops are planted in any form of alternating or mixed pattern.

Irrigated practice. A method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper times, with the intention of providing the quantity of water needed to produce at least the yield used to establish the irrigated production guarantee on the irrigated acreage planted to the insured crop.

Lug. Twenty pounds of table grapes in the Coachella Valley, California district; 21 pounds in all other California districts; and 20 pounds in Arizona.

Non-contiguous. Any two or more tracts of land whose boundaries do not touch at any point, except that land separated only by a public or private right-of-way, waterway, or an irrigation canal will be considered as contiguous.

Production guarantee (per acre). The number of lugs of grapes determined by multiplying the approved APH yield per acre by the coverage level percentage you elect.

Set out. Physically planting the grape plant in the vineyard.

Table grapes. Grapes that are grown for commercial sale for human consumption as fresh fruit on acreage where the cultural practices to produce fresh marketable grapes are carried out.

Written agreement. A written document that alters designated terms of this policy in accordance with section 13.

2. Unit Division

(a) In addition to the provisions of crop definition of unit contained in section 1 (Definitions) of the Basic Provisions (§ 457.8), a basic unit will also be established for each table grape variety you insure.

(b) Unless limited by the Special Provisions, these basic units may be divided into optional units if, for each optional unit, you meet all the conditions of this section.

(c) Basic units may not be divided into optional units on any basis including, but not limited to, production practice, type, and variety, other than as described in this section.

(d) If you do not comply fully with these provisions, we will combine all optional units that are not in compliance with these provisions into the basic unit from which they were formed. We will combine the optional units at any time we discover that you have failed to comply with these provisions. If failure to comply with these provisions is determined to be inadvertent, and the optional units are combined into a basic unit, that portion of the premium paid for the purpose of electing optional units will be refunded to you for the units combined.

(e) All optional units that you elect must be identified on the acreage report for that crop year.

(f) The following requirements must be met for each optional unit:

(1) You must have records, which can be independently verified, of acreage and production for each optional unit for at least the last crop year used to determine your production guarantee;

(2) You must have records of marketed production or measurement of stored production from each optional unit maintained in such a manner that permits us to verify the production from each optional unit, or the production from each unit must be kept separate until loss adjustment is completed by us; and

(3) Unless otherwise allowed by a written agreement, each optional unit must be located on non-contiguous land.

3. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities

In addition to the requirements of section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions (§ 457.8):

(a) You may select only one price election and coverage level for each table grape variety in the county insured under this policy.

(b) You must report, by the production reporting date designated in section 3

(Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions (§ 457.8), by variety if applicable:

(1) Any damage, removal of bearing vines, change in practices, or any other circumstance that may reduce the expected yield below the yield upon which the insurance guarantee is based, and the number of affected acres;

(2) The number of bearing vines on insurable and uninsurable acreage;

(3) The age of the vines and the planting pattern; and

(4) For the first year of insurance for acreage interplanted with another perennial crop, and any time the planting pattern of such acreage is changed:

(i) The age of the interplanted crop, and type if applicable;

(ii) The planting pattern; and

(iii) Any other information that we request in order to establish your approved yield.

We will reduce the yield used to establish your production guarantee as necessary, based on our estimate of the effect of the following: Interplanting perennial crop, removal of vines, damage, change in practices and any other circumstance that may affect the yield potential of the insured crop. If you fail to notify us of any circumstance that may reduce your yields from previous levels, we will reduce your production guarantee as necessary at any time we become aware of the circumstance.

4. Contract Changes

In accordance with section 4 (Contract Changes) of the Basic Provisions (§ 457.8), the contract change date is October 31 preceding the cancellation date.

5. Cancellation and Termination Dates

In accordance with section 2 (Life of Policy, Cancellation, and Termination) of the Basic Provisions (§ 457.8), the cancellation and termination dates are January 31.

6. Report of Acreage

In addition to the requirements of section 6 (Report of Acreage) of the Basic Provisions (§ 457.8), you must report the acreage of table grapes in the county by variety.

7. Insured Crop

(a) In accordance with section 8 (Insured Crop) of the Basic Provisions (§ 457.8), the crop insured will be any insurable variety of grapes in the county that you elect and for which a premium rate is provided by the actuarial table:

(1) In which you have a share;

(2) That are grown for harvest as table grapes;

(3) That are adapted to the area; and

(4) That are grown in a vineyard that, if inspected, is considered acceptable by us.

(b) In addition to table grapes not insurable under section 8 (Insured Crop) of the Basic Provisions (§ 457.8), we do not insure any table grapes grown on vines:

(1) That, after being set out or grafted, have not reached the number of growing seasons designated by the Special Provisions; or

(2) That have not produced an average of at least 150 lugs of table grapes per acre in at least one of the most recent three crop years in your actual production history base

period. However, we may inspect and agree in writing to insure acreage that has not produced this amount.

8. Insurable Acreage

In lieu of the provisions in section 9 (Insurable Acreage) of the Basic Provisions (§ 457.8) that prohibit insurance attaching to a crop planted with another crop, table grapes interplanted with another perennial crop are insurable unless we inspect the acreage and determine that it does not meet the requirements contained in your policy.

9. Insurance Period

(a) In accordance with the provisions of section 11 (Insurance Period) of the Basic Provisions (§ 457.8):

(1) Coverage begins on February 1 of each crop year, except that for the year of application, if your application is received after January 22 but prior to February 1, insurance will attach on the 10th day after your properly completed application is received in our local office, unless we inspect the acreage during the 10-day period and determine that it does not meet insurability requirements. You must provide any information that we require for the crop or to determine the condition of the vineyard.

(2) The calendar date for the end of the insurance period for each crop year is the date during the calendar year in which the grapes are normally harvested or contained in the Special Provisions as provided to you on or before the contract change date.

(b) In addition to the provisions of section 11 (Insurance Period) of the Basic Provisions (§ 457.8):

(1) If you acquire an insurable share in any insurable acreage after coverage begins but on or before the acreage reporting date for the crop year, and after an inspection we consider the acreage acceptable, insurance will be considered to have attached to such acreage on the calendar date for the beginning of the insurance period.

(2) If you relinquish your insurable share on any insurable acreage of table grapes on or before the acreage reporting date for the crop year, insurance will not be considered to have attached to, and no premium will be due or indemnity paid for such acreage for that crop year unless:

(i) A transfer of coverage and right to an indemnity, or a similar form approved by us, is completed by all affected parties;

(ii) We are notified by you or the transferee in writing of such transfer on or before the acreage reporting date; and

(iii) The transferee is eligible for crop insurance.

10. Causes of Loss

(a) In accordance with the provisions of section 12 (Causes of Loss) of the Basic Provisions (§ 457.8), insurance is provided only against the following causes of loss that occur during the insurance period:

(1) Adverse weather conditions;

(2) Fire, unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the vineyard;

(3) Wildlife;

(4) Earthquake;

(5) Volcanic eruption; or

(6) Failure of irrigation water supply, if caused by an insured cause of loss ((a)(1) through (5) of this section) that occurs during the insurance period.

(b) In addition to the causes of loss excluded in section 12 (Causes of Loss) of the Basic Provisions (§ 457.8), we will not insure against damage or loss of production due to:

(1) Disease or insect infestation, unless adverse weather;

(i) Prevents the proper application of control measures or causes properly applied control measures to be ineffective; or

(ii) Causes disease or insect infestation for which no effective control mechanism is available;

(2) Phylloxera, regardless of cause; or

(3) Inability to market the table grapes for any reason other than actual physical damage from an insurable cause specified in this section. For example, we will not pay you an indemnity if you are unable to market due to quarantine, boycott, or refusal of any person to accept production.

11. Duties In the Event of Damage or Loss

In addition to the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions (§ 457.8), the following will apply:

(a) You must notify us within 3 days after the date harvest should have started if the crop will not be harvested.

(b) You must notify us at least 15 days before any production from any unit will be sold by direct marketing. We will conduct an appraisal that will be used to determine your production to count for production that is sold by direct marketing. If damage occurs after this appraisal, we will conduct an additional appraisal. These appraisals, and any acceptable records provided by you, will be used to determine your production to count. Failure to give timely notice that production will be sold by direct marketing will result in an appraised amount of production to count of not less than the production guarantee per acre if such failure results in our inability to make the required appraisal.

(c) If the crop has been damaged during the growing season, you must provide notice at least 15 days prior to the beginning of harvest if you intend to claim an indemnity as a result of the damage previously reported. You must not destroy the damaged crop until the earlier of 15 days from the date you gave notice of loss, or our written consent to do so. If you fail to meet the requirements of this section all such production will be considered undamaged and included as production to count.

12. Settlement of Claim

(a) We will determine your loss on a unit basis. In the event you are unable to provide separate acceptable production records:

(1) For any optional unit, we will combine all optional units for which such production records were not provided; or

(2) For any basic unit, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for each unit.

(b) In the event of loss or damage covered by this policy, we will settle your claim by:

(1) Multiplying the insured acreage by its respective production guarantee;

(2) Multiplying the result in section 12(b)(1) by the respective price election for the variety;

(3) Totaling the results in section 12(b)(2);

(4) Multiplying the total production to be counted of the variety (see section 12(c)) by the respective price election;

(5) Totaling the results in section 12(b)(4);

(6) Subtracting the result of section 12(b)(5) from the result in section 12(b)(3); and

(7) Multiplying the result of section 12(b)(6) by your share.

(c) The total production to count (in lugs) from all insurable acreage on the unit will include:

(1) All appraised production as follows:

(i) Not less than the production guarantee per acre for acreage:

(A) That is abandoned;

(B) That is sold by direct marketing if you fail to meet the requirements in section 11(b);

(C) That is damaged solely by uninsured causes; or

(D) For which you fail to provide acceptable production records;

(ii) Production lost due to uninsured causes;

(iii) Unharvested production that meets, or would meet if properly handled, the California Department of Food and Agriculture minimum standards for table grapes; and

(iv) Potential production on insured acreage that you intend to abandon or no longer care for, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end. If you do not agree with our appraisal, we may defer the claim only if you agree to continue to care for the crop. We will then make another appraisal when you notify us of further damage or that harvest is general in the area unless you harvested the crop, in which case we will use the harvested production. If you do not continue to care for the crop, our appraisal made prior to deferring the claim will be used to determine the production to count; and

(2) All harvested production from insurable acreage regardless of condition or disposition. The quantity of production to count for table grape production damaged by insurable causes within the insurance period that is marketed for any use other than table grapes will be determined by multiplying the greater of (1) the value of the table grapes per ton or (2) \$50, by the number of tons and dividing that result by the highest price election available for the insured unit. This result will be the number of lugs to count.

13. Written Agreement

Terms of this policy which are specifically designated as allowing the use of a written agreement may be altered by written agreement in accordance with the following:

(a) You must apply in writing for each written agreement no later than the sales closing date, except as provided in section 13(e);

(b) The application for a written agreement must contain all variable terms of the contract between you and us that will be in effect if the written agreement is not approved;

(c) If approved, the written agreement will include all variable terms of the contract,

including, but not limited to, crop type or variety, the guarantee, premium rate, and price election;

(d) Each written agreement will only be valid for one year (If the written agreement is not specifically renewed the following year, insurance coverage for subsequent crop years will be in accordance with the printed policy); and

(e) An application for a written agreement submitted after the sales closing date may be approved if, after a physical inspection of the acreage, it is determined that no loss has occurred and the crop is insurable in accordance with the policy and written agreement provisions.

Signed in Washington, DC, on September 4, 1997.

Kenneth D. Ackerman,

Manager, Federal Crop Insurance Corporation.

[FR Doc. 97-23906 Filed 9-10-97; 8:45 am]

BILLING CODE 3410-08-P

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

8 CFR Part 235

[INS No. 1796-96]

RIN 1115-AE53

Canadian Border Boat Landing Program

AGENCY: Immigration and Naturalization Service, Justice.

ACTION: Interim rule with request for comments.

SUMMARY: This rule amends the Immigration and Naturalization Service (Service) regulations to clarify and standardize procedures for the application, issuance, and use of Form I-68, Canadian Border Boat Landing Card. This rule promotes uniformity and clarity in the application requirements, decision-making process, and issuance of entry documents, while enhancing effective and efficient border enforcement within the Canadian Border Boat Landing (I-68) program.

DATES: *Effective Date:* This rule is effective September 11, 1997.

Comment Date: Written comments must be received on or before November 10, 1997.

ADDRESSES: Please submit written comments, in triplicate, to the Policy Directives and Instructions Branch, Immigration and Naturalization Service, 425 I Street, NW., Room 5307, Washington, DC 20536. To ensure proper handling, please reference INS No. 1796-96 on your correspondence. Comments are available for public inspection at this location by calling