pruning debris has not been removed from the orchard;

(4) Wildlife;

(5) Earthquake;

(6) Volcanic eruption;

(7) An insufficient number of chilling hours to effectively break dormancy; or

(8) Failure of the irrigation water supply, if caused by an insured peril 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) Rejection of the crop by the packing house due to being undersized, immature, overripe, or mechanically damaged; or

(3) Inability to market the plums 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.

10. 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 of 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 you intend to claim an indemnity on any unit, you must notify us at least 15 days prior to the beginning of harvest or immediately if damage is discovered during harvest, so that we may inspect the damaged production.

(d) You must not sell or dispose of the damaged crop until after we have given you written consent to do so. If you fail to notify us and such failure results in our inability to inspect the damaged production, we may consider all such production to be undamaged and include it as production to count.

11. 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 units, we will combine all optional units for which acceptable production records were not provided; or

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

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

(1) Multiplying the insured acreage for each varietal group, if applicable, by its respective production guarantee;

(2) Multiplying the results in section 11(b)(1) by the respective price election for each varietal group, if applicable;

(3) Totaling the results in section 11(b)(2);

(4) Multiplying the total production to be counted of each varietal group, if applicable, (see section 11(c)) by the respective price election;

(5) Totaling the results in section 11(b)(4);

(6) Subtracting the results in section 11(b)(5) from the results in section 11 (b)(3); and

(7) Multiplying the result in section 11(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 directly if you fail to meet the requirement contained in section 10;

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

(D) For which you fail to provide production records that are acceptable to us.

(ii) Production lost due to uninsured causes;

(iii) Unharvested production; 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 the insurable acreage:

(i) That is packed and sold as fresh fruit and meets the California Marketing Order grade requirements, as amended, in effect for the applicable crop year;

(ii) That is packed and sold as fresh fruit but does not meet the grade requirements specified in section 11(c)(2)(i) due to insurable causes. Such production will be adjusted by:

(A) Dividing the value per lug of this production by the highest price election available for the applicable varietal group; and

(B) Multiplying the resulting factor, if less than 1.0, by the number of lugs of such plums.

(iii) That is damaged and is, or could be, marketed for any use other than fresh packed plums. Such production will be adjusted by:

(A) Multiplying the number of tons of such production by the value per ton of the damaged plums or $50.00, whichever is greater; and

(B) Dividing that result by the highest price election available for the applicable varietal group.

12. Written agreement.

Designated terms of this policy 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 12(e);

(b) The application for a written agreement must contain all 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 variety, the guarantee, premium rate, and price election;

(d) Each 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 written agreement submitted after the sales closing date may be approved if, after 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 February 6, 1997.

Kenneth D. Ackerman,

*Manager, Federal Crop Insurance Corporation.*

[FR Doc. 97–3330 Filed 2–10–97; 8:45 am]

BILLING CODE 3410–FA–P

## Agricultural Marketing Service

## 7 CFR Part 980

**[Docket No. FV96–980–1 PR]**

## Vegetables; Import Regulations; Reopening of Comment Period for Filing Written Comments on Removal of Banana and Fingerling Types of Potatoes and Exemption of Potatoes for Potato Salad From the Potato Import Regulation

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Proposed rule; reopening comment period.

**SUMMARY:** Notice is hereby given that the comment period on the proposed removal of banana and fingerling types of potatoes and exemption of potatoes for potato salad from the potato import

regulation is reopened until March 13, 1997.

**DATES:** Comments must be received by March 13, 1997.

**ADDRESSES:** Interested persons are invited to submit written comments concerning this proposal. Comments must be sent in triplicate to the Docket Clerk, Fruit and Vegetable Division, AMS, USDA, room 2525–S, P.O. Box 96456, Washington, DC 20090–6456, Fax Number (202) 720–5698. All comments should reference the docket number and the date and page number of this issue of the Federal Register and will be available for public inspection in the Office of the Docket Clerk during regular business hours.

**FOR FURTHER INFORMATION CONTACT:** Tom Tichenor, Marketing Order Administration Branch, F&V, AMS, USDA, room 2525–S, P.O. Box 96456, Washington, DC 20090–6456: telephone: (202) 720–6862. Small businesses may request information on compliance with this proposed regulation by contacting: Jay Guerber, Marketing Order Information Branch, Fruit and Vegetable Division, AMS, USDA, P.O. Box 96456, room 2525–S, Washington, DC 20090–6456; telephone: (202) 720–2491; Fax number: (202) 720–5698.

**SUPPLEMENTARY INFORMATION:** A proposed rule was issued on December 23, 1996, and published in the Federal Register (61 FR 67499). The proposed rule would: (1) Remove banana/fingerling potatoes from provisions of the potato import regulation (import regulation) and; (2) reclassify potatoes used to make fresh potato salad as potatoes for processing. The comment period ended January 22, 1997.

The National Potato Council (Council) requested that additional time be provided for interested persons to analyze the proposed rule. The Council stated that members of the industry need additional time to review all available information before making final comments on the proposed rule. Reopening the comment period to March 13, 1997, would allow the Council and other interested persons more time to review the proposed rule, perform a more complete analysis, and submit any written comments.

This delay should not substantially add to the time required to complete this rulemaking action. Accordingly, the period in which to file written comments is reopened until March 13, 1997. This notice is issued pursuant to the Agricultural Marketing Agreement Act of 1937.

Authority: 7 U.S.C. 601–674.

Dated: February 5, 1997.

Robert C. Keeney,

*Director, Fruit and Vegetable Division.*

[FR Doc. 97–3285 Filed 2–10–97; 8:45 am]

BILLING CODE 3410–02–P

## FEDERAL DEPOSIT INSURANCE CORPORATION

## 12 CFR Part 312

**RIN 3064–AC01**

## Prevention of Deposit Shifting

**AGENCY:** Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Proposed rule.

**SUMMARY:** The proposed rule would implement a new statute to prevent the shifting of deposits insured under the Savings Association Insurance Fund (SAIF) to deposits insured under the Bank Insurance Fund (BIF) for the purpose of evading the assessment rates applicable to SAIF deposits.

**DATES:** Written comments must be received by the FDIC on or before April 14, 1997.

**ADDRESSES:** Written comments are to be addressed to the Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429. Comments may be hand-delivered to Room F–402, 1776 F Street, NW., Washington, DC 20429, on business days between 8:30 a.m. and 5 p.m. (FAX number: (202) 898–3838; Internet address: comments@FDIC.gov). Comments will be available for inspection in the FDIC Public Information Center, room 100, 801 17th Street, NW., Washington, DC, between 9:00 a.m. and 5:00 p.m. on business days.

**FOR FURTHER INFORMATION CONTACT:** Joseph A. DiNuzzo, Counsel, (202) 898–7349; Richard J. Osterman, Senior Counsel, (202) 898–3523, Legal Division; or George Hanc, Associate Director, Division of Research and Statistics, (202) 898-8719, Federal Deposit Insurance Corporation, Washington, DC 20429.

**SUPPLEMENTARY INFORMATION:**

I. The Proposed Rule

*A. The Funds Act and the Deposit Shifting Statute*

The Deposit Insurance Funds Act of 1996 (Funds Act) was enacted as part of the Economic Growth and Regulatory Paperwork Reduction Act of 1996, Public Law 104–208, 110 Stat. 3009 *et seq.*, sections 2701–2711, and became effective September 30, 1996. The Funds Act provides for the capitalization of the SAIF through a special assessment on all depository institutions that hold SAIF-assessable deposits. Pursuant to this requirement, the FDIC recently issued a final rule imposing a special assessment on institutions holding SAIF-assessable deposits in an amount sufficient to increase the SAIF reserve ratio (SAIF reserve ratio) to the designated reserve ratio (DRR) of 1.25 percent as of October 1, 1996. 61 *FR* 53834 (Oct. 16, 1996), to be codified at 12 CFR 327.41.

Another provision of the Funds Act, entitled ''Prohibition on Deposit Shifting'' (deposit shifting statute), requires the Comptroller of the Currency, the Board of Directors of the FDIC, the Board of Governors of the Federal Reserve System, and the Director of the Office of Thrift Supervision (federal banking agencies) to take ''appropriate actions'' to prevent insured depository institutions and holding companies from ''facilitating or encouraging'' the shifting of deposits from SAIF-assessable deposits to BIF-assessable deposits for the purpose of evading the assessments applicable to SAIF-assessable deposits.[1] Funds Act, section 2703(d). The ''appropriate actions'' suggested in the deposit shifting statute are: denial of applications, enforcement actions and the imposition of entrance and exit fees.

The statute also specifies that its provisions shall not be construed to prohibit conduct or activity by any insured depository institution that is undertaken in the ''ordinary course of business'' and is not directed towards depositors of an insured depository institution affiliate of the insured institution.

The statute authorizes the FDIC to issue regulations, including regulations defining terms used in the statute, to prevent the shifting of deposits. The deposit shifting statute terminates on the earlier of December 31, 1999, or the date on which the last savings association ceases to exist.

*B. Need for a Regulation on Deposit Shifting*

The issuance of a regulation would provide guidance to the industry on the meaning and impact of the deposit shifting statute. This is particularly important in light of the relationship of the deposit shifting statute to section

[1] Although currently the range of risk-based assessments for BIF-assessable and SAIF-assessable deposits is the same, a higher assessment payable to the Financing Corporation must be paid on SAIF-assessable deposits. Thus, the overall assessment is higher for SAIF-assessable deposits than for BIF-assessable deposits.