

- (c) Final adjustment of a loss on a unit;
- (d) Abandonment of the insured crop;
- (e) The date grazing commences on the insured crop; or
- (f) May 21 of the calendar year following seeding for spring-planted forage; or October 15 of the calendar year following seeding for fall-planted forage.

#### 9. Causes of Loss

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 that result in loss of, or failure to establish, a stand of forage that occur during the insurance period:

- (a) Adverse weather conditions;
- (b) Fire;
- (c) Insects, but not damage due to insufficient or improper application of pest control measures;
- (d) Plant disease, but not damage due to insufficient or improper application of disease control measures;
- (e) Wildlife;
- (f) Earthquake;
- (g) Volcanic eruption; or
- (h) Failure of the irrigation water supply, if caused by an insured peril that occurs during the insurance period.

#### 10. Replanting Payment

In lieu of the provisions contained in section 13 (Replanting Payment) of the Basic Provisions (§ 457.8):

- (a) A replanting payment is allowed only in counties for which the Special Provisions designate both fall and spring final planting dates if:
  - (1) The insured fall-planted acreage is damaged by an insurable cause of loss to the extent that less than 75 percent (75%) of a normal stand remains;
  - (2) It is practical to replant;
  - (3) We give written consent to replant; and
  - (4) Such acreage is replanted the following spring by the spring final planting date.
- (b) The amount of the replanting payment will be equal to 50 percent (50%) of the amount of indemnity determined in accordance with section 12(a).
- (c) No replanting payment will be made on acreage for which one replanting payment has already been allowed for the crop year.
- (d) If the information reported by you on the acreage report results in a lower premium than the actual premium determined to be due based on the acreage, share, practice, or type determined actually to have existed, the replanting payment will be reduced proportionately.

#### 11. Duties In The Event of Damage or Loss

- (a) In accordance with the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions (§ 457.8), the representative samples of the crop must be at least 10 feet wide and extend the entire length of each field in the unit. The samples must not be harvested or destroyed until the earlier of our inspection or 15 days after tilling of the balance of the unit is completed.
- (b) In addition to the requirements of section 14 (Duties in the Event of Damage or Loss) of the Basic Provisions (§ 457.8), you must give us written notice if, during the

period before destroying the crop on any fall planted acreage that is damaged, you decide to replant the acreage by the spring final planting date.

#### 12. Settlement of Claim

- (a) In the event of loss or damage covered by this policy, we will settle your claim on any unit by:
  - (1) Multiplying the insured acreage of each type and practice by the amount of insurance for the applicable type and practice;
  - (2) Totaling the results of section 12(a)(1);
  - (3) Multiplying the total of the acres with an established stand plus 10 percent (10%) of the planted acres for the insured acreage of each type and practice in the unit by the amount of insurance for the applicable type and practice;
  - (4) Totaling the results of section 12(a)(3);
  - (5) Subtracting the result of section 12(a)(4) from the result of section 12(a)(2); and
  - (6) Multiplying the result of section 12(a)(5) by your share.
- (b) The acres with an established stand will include:
  - (1) Acreage that has at least 75 percent (75%) of a normal stand;
  - (2) Acreage abandoned or put to another use without our prior written consent;
  - (3) Acreage damaged solely by an uninsured cause; or
  - (4) Acreage that is harvested and not reseeded.
- (c) The amount of indemnity on any spring-planted acreage determined in accordance with section 12(a) will be reduced 50 percent (50%) if the stand is less than 75 percent (75%) but more than 55 percent (55%) of a normal stand.

#### 13. Written Agreements

- 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 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, practice, premium rate, and amount of insurance;
  - (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, D.C., on January 10, 1997.

Kenneth D. Ackerman,  
 Manager, Federal Crop Insurance  
 Corporation.

[FR Doc. 97-1014 Filed 1-14-97; 8:45 am]

BILLING CODE 3410-FA-P

#### 7 CFR Parts 441 and 457

### Common Crop Insurance Regulations; Table Grape Crop Insurance Provisions, and Table Grape Crop Insurance Regulations

**AGENCY:** Federal Crop Insurance Corporation, USDA.

**ACTION:** Proposed rule.

**SUMMARY:** The Federal Crop Insurance Corporation (FCIC) proposes 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.

**DATES:** Written comments, data, and opinions on this proposed rule will be accepted until close of business March 17, 1997 and will be considered when the rule is to be made final. The comment period for information collections under the Paperwork Reduction Act of 1995 is through March 17, 1997.

**ADDRESSES:** Interested persons are invited to submit written comments to the Chief, Product Development Branch, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131. Written comments will be available for public inspection and copying in room 0324, South Building, United States Department of Agriculture, 14th and Independence Avenue, SW., Washington, DC, 8:15 a.m. to 4:45 p.m., est, Monday through Friday, except holidays.

**FOR FURTHER INFORMATION CONTACT:** John Meyer, Insurance Management Specialist, Research and Development Division, Product Development Branch, Federal Crop Insurance Corporation, at the Kansas City, MO, address listed above, 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**

Section 8 of the 1998 Table Grape Crop Provisions adds interplanting as an insurable farming practice provided it does not adversely affect the crop. This practice was not insurable under the previous Table Grape crop insurance regulations. Consequently, interplanting information will need to be collected using the FCI-12-P Pre-Acceptance Perennial Crop Inspection Report form for approximately 0.5 percent of the 341 insureds who interplant their table grape crop. Standard interplanting language has been added to most perennial crops. This is a benefit to agriculture because insurance is now available for more perennial crop producers and, as a result, less acreage will need to be placed into the noninsured crop disaster assistance program (NAP).

The title of this information collection is "Catastrophic Risk Protection Plan and Related Requirements including, Common Crop Insurance Regulations; Table Grape Crop Insurance Provisions." The information to be collected includes a crop insurance application and an acreage report. Information collected from the application and acreage report is electronically submitted to FCIC by the reinsured companies. Potential respondents to this information collection are producers of table grapes that are eligible for Federal crop insurance.

The information requested is necessary for the reinsured companies and FCIC to provide insurance and reinsurance, determine eligibility, determine the correct parties to the agreement or contract, determine and collect premiums or other monetary amounts, and pay benefits.

All information is reported annually. The reporting burden for this collection of information is estimated to average 16.9 minutes per response for each of the 3.6 responses from approximately 1,755,015 respondents. The total annual burden on the public for this information collection is 2,669,970 hours.

FCIC requests comments for the following: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including

whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information gathering technology.

Comments regarding paperwork reduction should be submitted to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

The Office of Management and Budget (OMB) is required to make a decision concerning the collection(s) of information contained in these proposed regulations between 30 and 60 days after submission to OMB. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment on the proposed regulation.

**Unfunded Mandates Reform Act of 1995**

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 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 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, all insureds are required to give notice of loss and provide the necessary information to complete a claim for indemnity.

All insureds must also certify to the number of acres and production on an annual basis or receive a transitional yield. The producer must maintain the records to support the certified information for at least three years. 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. 12778**

The Office of the General Counsel has determined that these regulations meet the applicable standards provided in sections 2(a) and 2(b)(2) of Executive Order No. 12778. 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 parts 11 and 780 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

FCIC proposes 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 be effective for the 1998 and succeeding crop years. These provisions will replace and supersede the current provisions for insuring table grapes found at 7 CFR part 441 and restrict the application of that part to the 1997 and prior crop years. By separate rule, FCIC will later remove that part.

This rule makes minor editorial and format changes to improve the Table Grape crop insurance regulations' compatibility with the Common Crop Insurance Policy. In addition, FCIC is proposing substantive changes in the provisions for insuring table grapes as follows:

1. Section 1—Add definitions for the terms "days," "direct marketing," "FSA," "good farming practices," "graft," "interplanted," "irrigated practice," "lug," "non-contiguous land," "production guarantee, per acre," "set out," and "written agreement," for clarification, and change the lug (box weight) from 22 pounds to 20 pounds in the Coachella Valley, California district, and from 23 pounds to 21 pounds in all other California districts. Provisions are also added indicating a box weight of 22 pounds for Arizona. These changes were made by the California Table Grape Commission.

2. Section 2—Change provisions to allow basic units by table grape variety to be consistent with other policies which allow insurance for crop varieties.

3. Section 3(b)—Specify that the insured must report damage, removal of bearing vines, and change in practices that may reduce yields. For the first year of insurance for acreage interplanted with another perennial crop and anytime the planting pattern of such acreage is changed, the insured must also report the age and variety, if applicable, of any interplanted crop, its planting pattern, and any other information needed to establish the approved yield. If the insured fails to notify the insurer of factors that may reduce yields from previous levels, the insurer will reduce the production guarantee at any time the insurer becomes aware of damage, removal of vines, or change in practices. This allows the insurance provider to limit liability if necessary, before insurance attaches.

4. Section 7(a)—Clarify that the insured crop will be any insured variety of grapes in the county. Previous provisions required that all insurable table grape acreage in the county be insured. This change is commensurate with previous changes made in the regulations for insuring grapes.

5. Section 7(b)—Specify that at least 150 lugs per acre must have been produced in at least one of the most recent three years of a producer's actual production history base period. Previous provisions required a minimum of 150 lugs per acre, but did not specify an applicable time period.

6. Section 8—Allow insurance for table grapes interplanted with another perennial crop in order to make insurance available for more acreage and reduce reliance on the noninsured crop disaster assistance program (NAP) for protection against crop losses. Standard interplanting language has been added to most perennial crops. Interplanting is an insurable practice as long as it does not adversely affect the insured crop.

7. Section 9—Clarifies that for the year of application, if an application is received after January 22 but prior to February 1, insurance will attach on the 10th day after the properly completed application is received in the insurance provider's local office, unless we inspect the acreage during the 10 day period and determine that it does not meet insurability requirements. Provisions were also added to clarify insurability when an insurable share is acquired or relinquished on or before the acreage reporting date.

8. Section 10(b)—Clarify that disease and insect infestation are excluded causes of loss unless adverse weather prevents the proper application of control measures, causes control measures to be ineffective when properly applied, or causes disease or insect infestation for which no effective control mechanism is available. Add a provision that states that damage caused by phylloxera is not covered regardless of cause.

9. Section 11(b)—Require the producer to give notice at least 15 days prior to harvest so a preharvest inspection can be made if the insured intends to engage in direct marketing to consumers in order to permit an accurate appraisal of production to count since it is difficult to verify direct marketed production. Also removed provisions regarding harvest prior to full maturity. Table grapes are not harvested before the production reaches maturity.

10. Section 11(c)—Add provisions that the insured must give notice prior to harvest so that any damaged

production may be inspected. Failure to do so may result in all such production being considered undamaged and included as production to count.

11. Section 13—Add provisions for providing insurance coverage by written agreement. FCIC has a long standing policy of permitting certain modifications of the insurance contract by written agreement for some policies. This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover application for and duration of written agreements.

List of Subjects in 7 CFR Parts 441 and 457

Crop insurance, Table grape.

Accordingly, for the reasons set forth in the preamble, the Federal Crop Insurance Corporation hereby proposes to amend 7 CFR parts 441 and 457, effective for the 1998 and succeeding crop years, as follows:

#### **PART 441—TABLE GRAPE CROP INSURANCE REGULATIONS**

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 subpart heading preceding § 441.1 is revised to read as follows:

Subpart—Regulations for the 1987 through 1997 Crop Years.

3. 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 through 1997 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. A new § 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, and the Special Provisions; the Special Provisions will control these Crop Provisions and the Basic Provisions; and these Crop Provisions will control the Basic Provisions.

1. Definitions

*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.

*FSA*—The Farm Service Agency, an agency of the United States Department of Agriculture, or a successor agency.

*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 county.

*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 22 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 desired variety of grape plant in the ground in a desired planting pattern.

*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 were carried out.

*Written agreement*—A written document that alters designated terms of this policy in accordance with section 12.

2. Unit Division

(a) A unit as defined in section 1 (Definitions) of the Basic Provisions (§ 457.8), will be divided into basic units by 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 or if a written agreement to such division exists.

(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; and

(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) 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 anytime 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 interplanting the 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 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, as follows:

	Variety	Date
Arizona:		
All counties .....	Perlette .....	June 15.
	Flame Seedless .....	July 15.
	All others .....	July 31.
California:		
Fresno, Kern, Kings, Madera, and Tulare counties .....	Perlette .....	August 15.
	Cardinal .....	August 15.
	Exotic .....	August 31.
	Flame Seedless .....	September 15.
	Superior Seedless .....	August 31.
	Red Malaga .....	September 15.
	Queen .....	September 15.
	Thompson Seedless .....	September 15.
	Black Rose .....	September 30.
	Italia .....	September 30.
	White Malaga .....	October 15.
	Ribier .....	October 15.
	Ruby Seedless .....	October 15.
	All others .....	October 31.
Merced, Stanislaus, and San Joaquin counties .....	Flame Seedless .....	September 15.
	Thompson Seedless .....	September 30.
	Ribier .....	October 15.
	Flame Tokay .....	October 15.
	All others .....	October 31.
Imperial, Riverside, and San Bernardino counties .....	Beauty Seedless .....	July 15.
	Perlette .....	July 15.
	All others .....	July 31.

(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) Volanic eruption; or

(6) Failure of 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) 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 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 if you previously gave notice in accordance with section 14 of the Basic Provisions (§457.8) so that we may inspect any damaged production. If you fail to notify us, we may

consider all such production to be undamaged and include it 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.

(d) The quantity of production to count for table grape production damaged by insurable causes within the insurance period and 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

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 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 January 10, 1997.

Kenneth D. Ackerman,  
Manager, Federal Crop Insurance  
Corporation.

[FR Doc. 97-1015 Filed 1-14-97; 8:45 am]

BILLING CODE 3410-FA-P

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## DEPARTMENT OF JUSTICE

### Drug Enforcement Administration

#### 21 CFR Parts 1301 and 1304

[DEA-143C]

RIN 1117-AA36

#### Establishment of Freight Forwarding Facilities for DEA Distributor Registrants; Correction

AGENCY: Drug Enforcement Administration (DEA), Justice.

ACTION: Correction to Notice of Proposed Rulemaking.

SUMMARY: This document contains a correction to the proposed rule (DEA-143P) which was published Wednesday, December 18, 1996 (61 FR 66637). The proposed rule related to new regulations to allow the establishment of freight forwarding facilities by DEA distributor registrants.

FOR FURTHER INFORMATION CONTACT: G. Thomas Gitchel, Chief, Liaison and Policy Section, Office of Diversion

Control, Drug Enforcement Administration, Washington, D.C. 20537, Telephone (202) 307-7297.

#### SUPPLEMENTARY INFORMATION:

##### Background

The proposed regulations that are subject to this correction, make amendments to Parts 1301 and 1304 of Title 21 of the Code of Federal Regulations to allow the establishment of freight forwarding facilities by DEA distributor registrants.

##### Need for Correction

As published, the proposed rule contained an omission in the DATES section which may prove to be misleading and is in need of clarification.

##### Correction of Publication

Accordingly, the publication on December 18, 1996 of the proposed rule (DEA-143P), which was the subject of FR Doc. 96-32077, is corrected as follows:

On Page 66637, in the first column, in the DATES section, the entry "February 18, 1996" is corrected to read "Written comments or objections must be received on or before February 28, 1997".

\* \* \* \* \*

Dated: January 9, 1997.

Gene R. Haislip,

Deputy Assistant Administrator, Office of Diversion Control.

[FR Doc. 97-989 Filed 1-14-97; 8:45 am]

BILLING CODE 4410-09-M

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-209121-89]

RIN 1545-AN21

#### Certain Asset Transfers to a Tax-Exempt Entity

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and notice of public hearing.

SUMMARY: This document contains proposed regulations. The proposed regulations effectuate provisions of the Tax Reform Act of 1986 and the Technical and Miscellaneous Revenue Act of 1988. The proposed regulations generally affect a taxable corporation that transfers all or substantially all of its assets to a tax-exempt entity or converts from a taxable corporation to a