

acreage on the calendar date for the beginning of the insurance period.

(2) If you relinquish your insurable share on any insurable acreage of macadamia nuts on or before the acreage reporting date for the crop year, insurance will not be considered to have attached to, and no premium or indemnity will be due 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.

#### 9. 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 orchard;

(3) Earthquake;

(4) Volcanic eruption;

(5) Wildlife, unless proper measures to control wildlife have not been taken; 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) Inability to market the macadamia nuts 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. You must not destroy the damaged crop until after we have given you written consent to do so. If you fail to meet the requirements of this section 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 such 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 type, if applicable, by its respective production guarantee;

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

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

(4) Multiplying the total production to be counted of each type, 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 (wet, in-shell pounds) 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 contained in section 10;

(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; 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.

#### 12. Written Agreements.

Terms of this policy that are specifically designated for the use of 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 12(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 D.C., on June 26, 1997.

**Kenneth D. Ackerman,**

*Manager, Federal Crop Insurance Corporation.*

[FR Doc. 97-17354 Filed 7-1-97; 8:45 am]

BILLING CODE 3410-08-P

## DEPARTMENT OF AGRICULTURE

### Federal Crop Insurance Corporation

#### 7 CFR Parts 456 and 457

#### Macadamia Tree Crop Insurance Regulations; and Common Crop Insurance Regulations, Macadamia Tree 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 macadamia trees. 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 macadamia tree crop insurance

regulations with the Common Crop Insurance Policy for ease of use and consistency of terms, and to restrict the effect of the current macadamia tree crop insurance regulations to the 1997 and prior crop years.

**EFFECTIVE DATES:** July 2, 1997.

**FOR FURTHER INFORMATION CONTACT:** Stephen Hoy, Insurance Management Specialist, Research and Development, Product Development Division, 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, has not been reviewed by OMB.

**Paperwork Reduction Act of 1995**

Following publication of the proposed rule, the public was afforded 60 days to submit written comments and opinions on information collection requirements previously approved by OMB under OMB control number 0563-0053 through September 30, 1998. No public comments were received.

**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**

The Manager, FCIC, certifies that this regulation will not have a significant impact on a substantial number of small entities. The new provisions included in

this rule will not impact small entities to a greater extent than large entities. Under the current regulations, a producer is required to complete an application and acreage report. If the crop is damaged or destroyed, the insured is required to give notice of loss and provide the necessary information to complete a claim for indemnity. The producer must also annually certify to the previous years production if adequate records are available to support the certification. The producer must maintain the production 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. 12988**

This final rule has been reviewed in accordance with Executive Order No. 12988. 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 Friday, April 18, 1997, FCIC published a proposed rule in the **Federal Register** at 62 FR 19067-19071 to add to the Common Crop Insurance Regulations (7 CFR part 457), a new section, 7 CFR 457.130, Macadamia Tree 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 macadamia trees found at 7 CFR part 456 (Macadamia Tree Crop Insurance Regulations). FCIC also amends 7 CFR part 456 to limit its effect to the 1997 and prior crop years.

Following publication of the proposed rule, the public was afforded 30 days to submit written comments and opinions. A total of 12 comments were received from an insurance service organization, reinsured companies and an FCIC Regional Service Office (RSO). The comments received and FCIC's responses are as follows:

*Comment:* An insurance service organization recommended that the definition of "Destroyed" be revised to state "Trees damaged to the extent that we determine replacement, including grafts, is required."

*Response:* FCIC agrees and has revised the definition accordingly.

*Comment:* An insurance service organization and a reinsured company expressed concern with the definition of "Good farming practices," which makes reference to "cultural practices generally in use in the county \* \* \* recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county." The commenter questioned whether cultural practices exist that are not necessarily recognized (or possibly known) by the Cooperative State Research, Education, and Extension Service. The commenter also indicated that the term "county" in the definition of "Good farming practice" should be changed to "area."

*Response:* FCIC believes that the Cooperative State Research, Education, and Extension Service (CSREES) recognizes farming practices that are considered acceptable for growing and maintaining macadamia trees. If a producer is following practices currently not recognized as acceptable by the CSREES, there is no reason why such recognition cannot be sought by interested parties. The cultural practices recognized by the CSREES may pertain only to specific areas within a county.

Such limitation would be considered by FCIC; therefore, no change has been made. FCIC agrees with the recommendation to change the term "county" to "area" in the definition of "Good farming practice" and has revised the definition accordingly.

*Comment:* Comments received from reinsured companies, an insurance service organization, and an FCIC RSO expressed concern that the provisions for an optional unit in section 2(e) (2) and (3), as proposed, would require each unit to contain at least 80 acres of bearing macadamia trees and be located on non-contiguous land. Optional unit division guidelines currently require at least 80 acres of bearing macadamia trees. Requiring both minimum acreage and non-contiguous land would severely limit the number of units allowed, particularly for growers with large, contiguous orchards. The majority of commenters recommended that the word "and" be replaced with "or" so that the provisions require each optional unit to be at least 80 acres of bearing macadamia trees or be located on non-contiguous land.

*Response:* FCIC agrees and has revised the requirements accordingly.

*Comment:* An insurance service organization recommends that section 3(a)(3)(iv) be revised to clarify that the month and year of tree replacement are reported the first year of insurance coverage following replacement.

*Response:* FCIC agrees and has revised this section accordingly.

*Comment:* A reinsured company questioned the reason for the "10-day period" to inspect the acreage as specified in section 8(a)(1). The commenter indicated that the period limits their ability to reject an unacceptable orchard. In addition, an insurance service organization recommended that a specific date by which an application must be received for insurance to attach on January 1 should not be listed. Instead of a date, this section should state "if your application is received less than ten days before the sales closing date."

*Response:* FCIC believes that the insurance provider must expedite its review of the application and any supporting documentation filed by the producer, determine if a visual inspection of the orchard is necessary, and perform any inspection 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. Listing the date by which an application must be received for insurance to attach on January 1 is more specific, avoids possible confusion, and is consistent with other perennial crop

policies. No change has been made to these provisions.

*Comment:* An insurance service organization and a reinsured company recommended removal of the requirement for a written agreement to be renewed each year. If no substantive changes occur from one year to the next, allow the written agreement to be continuous.

*Response:* Written agreements are intended to supplement policy terms or permit insurance in unusual situations that require modification of the otherwise standard insurance provisions. If such practices continue year to year, they should be incorporated into the policy or Special Provisions. It is not intended that written agreements be so numerous that they would significantly increase administrative costs and cause producer misunderstanding. It is important to minimize written agreement exceptions to assure that the insured is well aware of the specific terms of the policy. Therefore, no change will be made.

In addition to the changes described above, FCIC has made the following editorial change to the Macadamia Tree Provisions:

Section 2(e)—Modified the language to clarify optional unit requirements. For each optional unit, the producer must have provided records of acreage and age of trees for each unit for at least the last crop year. Each optional unit must also meet specific criteria unless otherwise specified by written agreement.

Good cause is shown to make this rule effective upon publication in the **Federal Register**. This rule improves the macadamia tree insurance coverage and brings it under the Common Crop Insurance Policy Basic Provisions for consistency among policies. The current regulations are not continuous, and the actuarial filing date for the 1998 crop year is August 31, 1997. It is, therefore, imperative that these provisions be made final before that date so that the reinsured companies may have sufficient time to implement these changes. Therefore, public interest requires the agency to act immediately to make these provisions available for the 1998 crop year.

#### **List of Subjects in 7 CFR Parts 456 and 457**

Crop insurance, Macadamia trees.

#### **Final Rule**

Accordingly, for the reasons set forth in the preamble, the Federal Crop Insurance Corporation hereby amends 7 CFR parts 456 and 457, as follows:

#### **PART 456—MACADAMIA TREE CROP INSURANCE REGULATIONS FOR THE 1988 THROUGH 1997 CROP YEARS**

1. The authority citation for 7 CFR part 456 is revised to read as follows:

**Authority:** 7 U.S.C. 1506(1), 1506(p).

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

3. The subpart heading "Subpart—Regulations for the 1988 and Succeeding Crop Years" is removed.

4. Section 456.7 is amended by revising the introductory text of paragraph (d) to read as follows:

#### **§ 456.7 The application and policy.**

\* \* \* \* \*

(d) The application is found at subpart D of part 400, General Administrative Regulations (7 CFR 400.37, 400.38). The provisions of the Macadamia Tree Crop Insurance Policy for the 1988 through 1997 crop years are as follows:

\* \* \* \* \*

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

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

**Authority:** 7 U.S.C. 1506(1), 1506(p).

6. Section 457.130 is added to read as follows:

#### **§ 457.130 Macadamia tree crop insurance provisions.**

The Macadamia Tree Crop Insurance Provisions for the 1998 and succeeding crop years are as follows:

FCIC policies:

#### **DEPARTMENT OF AGRICULTURE**

##### *Federal Crop Insurance Corporation*

Reinsured policies: (appropriate title for insurance provider).

Both FCIC and reinsured policies: Macadamia Tree 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

**Age.** The number of complete 12-month periods that have elapsed since the month the trees were set out or were grafted, whichever is later. Age determination will be made for each unit, or portion thereof, as of January 1 of each crop year.

**Crop year.** A period beginning with the date insurance attaches to the macadamia tree crop extending through December 31 of the same calendar year. The crop year is designated by the calendar year in which insurance attaches.

*Days.* Calendar days.

*Destroyed.* Trees damaged to the extent that we determine replacement, including grafts, is required.

*Good farming practices.* The cultural practices generally in use in the county for the crop to have normal growth and vigor, and are those recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the area.

*Graft.* The uniting of a macadamia shoot to an established macadamia tree rootstock for future production of macadamia nuts.

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

*Irrigated practice.* A method by which the normal growth and vigor of the insured trees is maintained by artificially applying adequate quantities of water during the growing season by appropriate systems and at the proper times.

*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.

*Rootstock.* The root and stem portion of a macadamia tree to which a macadamia shoot can be grafted.

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

## 2. Unit Division

(a) Unless limited by the Special Provisions, a unit as defined in section 1 (Definitions) of the Basic Provisions (§ 457.8), (basic unit) may be divided into optional units if, for each optional unit, you meet all the conditions of this section.

(b) Basic units may not be divided into optional units on any basis other than as described in this section.

(c) 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 additional premium paid for the optional units that have been combined will be refunded to you for the units combined.

(d) All units you selected for the crop year must be identified on the acreage report for that crop year.

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

(1) You must have provided records, which can be independently verified, of acreage and age of trees for each unit for at least the last crop year; and

(2) Each optional unit must meet one or more of the following criteria, as applicable, unless otherwise specified by written agreement:

- (i) Contain at least 80 acres of insurable age macadamia trees; or
- (ii) Be located on non-contiguous land.

## 3. Insurance Guarantees, Coverage Levels, and Dollar Amounts for Determining Indemnities

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

(1) You may select only one dollar amount of insurance for all the macadamia trees in the county in each age group contained in the actuarial table that are insured under this policy. The dollar amount of insurance you choose for each age group must have the same percentage relationship to the maximum dollar amount offered by us for each age group. For example, if you choose 100 percent of the maximum dollar amount of insurance for one age group, you must also choose 100 percent of the maximum dollar amount of insurance for all other age groups.

(2) If the stand is less than 90 percent, based on the original planting pattern, the dollar amount of insurance will be reduced 1 percent for each percent below 90 percent. For example, if the dollar amount of insurance you selected is \$2,000 and the stand is 85 percent of the original stand, the dollar amount of insurance on which any indemnity will be based is \$1,900 (\$2,000 multiplied by 0.95).

(3) You must report, by the sales closing date contained in the Special Provisions, by type if applicable:

(i) Any damage, removal of trees, change in practices, or any other circumstance that may reduce the dollar amount of insurance and the number of affected acres;

(ii) The number of trees on insurable and uninsurable acreage;

(iii) The month and year on which the trees were set out or grafted and the planting pattern;

(iv) For the first year of insurance following replacement, the month and year of replacement if more than 10 percent of the trees on any unit have been replaced in the previous five crop years; and

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

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

(B) The planting pattern; and

(C) Any other information that we request in order to establish your dollar amount of insurance.

We will reduce the dollar amount of insurance as necessary, based on our estimate of the effect of interplanted perennial crop, removal of trees, damage, change in practices, and any other circumstance that adversely affects the insured crop. If you fail to notify us of any circumstance that may reduce your dollar amount of insurance from previous levels, we will reduce your dollar amount of insurance as necessary at any time we become aware of the circumstance.

(b) The production reporting requirements contained in section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions (§ 457.8), do not apply to macadamia trees.

## 4. Contract Changes

In accordance with section 4 (Contract Changes) of the Basic Provisions (§ 457.8),

the contract change date is August 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 December 31.

## 6. Insured Crop

In accordance with section 8 (Insured Crop) of the Basic Provisions (§ 457.8), the crop insured will be all macadamia trees in the county for which a premium rate is provided by the actuarial table:

(a) In which you have a share;

(b) That are grown for the production of macadamia nuts;

(c) For which the rootstock is adapted to the area;

(d) That are at least one year of age when the insurance period begins; and

(e) That, if the orchard is inspected, is considered acceptable by us.

## 7. 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, macadamia trees 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.

## 8. Insurance Period

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

(1) Coverage begins on January 1 of each crop year, except that for the year of application, if your application is received after December 22 but prior to January 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 orchard.

(2) The calendar date for the end of the insurance period for each crop year is December 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 macadamia trees on or before the acreage reporting date for the crop year, insurance will not be considered to have attached to, and no premium or indemnity will be due 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.

#### 9. 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 orchard;
- (3) Earthquake;
- (4) Volcanic eruption;
- (5) Wildlife, unless proper measures to control wildlife have not been taken; or
- (6) Failure of irrigation water supply, if caused by an insured cause of loss 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 due to disease or insect infestation, unless adverse weather:

- (1) Prevents the proper application of control measures or causes properly applied control measures to be ineffective; or
- (2) Causes disease or insect infestation for which no effective control mechanism is available.

#### 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), in case of damage or probable loss, if you intend to claim an indemnity on any unit, you must allow us to inspect all insured acreage before pruning or removing any damaged trees.

#### 11. Settlement of Claim

(a) We will determine your loss on a unit basis.

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

- (1) Multiplying the insured acreage by the dollar amount of insurance per acre for each age group;
- (2) Totaling the results in section 11(b)(1);
- (3) Multiplying the total dollar amount of insurance obtained in section 11(b)(2) by the applicable percent of loss, which is determined as follows:

(i) Subtract the coverage level percent you elected from 100 percent;

(ii) Subtract the result obtained in section 11(b)(3)(i) from the actual percent of loss;

(iii) Divide the result in section 11(b)(3)(ii) by the coverage level you elected (For example, if you elected the 75 percent coverage level and your actual percent of loss was 70 percent, the percent of loss specified in section 11(b)(3) would be calculated as follows:  $100\% - 75\% = 25\%$ ;

$70\% - 25\% = 45\%$ ;  $45\% + 75\% = 60\%$ .); and

(4) Multiply the result in section 11(b)(3) by your share.

(c) The total amount of loss will include both trees damaged and trees destroyed as follows:

(1) Any orchard with over 80 percent actual damage due to an insured cause of loss will be considered to be 100 percent damaged; and

(2) Any percent of damage by uninsured causes will not be included in the percent of loss.

#### 12. Written Agreements

Terms of this policy that are specifically designated for the use of 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 12(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 dollar 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 June 26, 1997.

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

[FR Doc. 97-17355 Filed 7-1-97; 8:45 am]

BILLING CODE 3410-08-P

## FEDERAL ELECTION COMMISSION

### 11 CFR Part 104

[Notice 1997-11]

#### Recordkeeping and Reporting by Political Committees: Best Efforts

AGENCY: Federal Election Commission.

ACTION: Final Rule: Announcement of effective date.

**SUMMARY:** On April 30, 1997 (62 FR 23335), the Commission published the text of revised regulations implementing the requirement of the Federal Election Campaign Act (FECA) that treasurers of political committees exercise their best efforts to obtain, maintain and report the complete identification of each contributor whose contributions aggregate more than \$200 per calendar year. The Commission announces that these rules are effective as of July 2, 1997.

**DATES:** Effective: July 2, 1997.

**FOR FURTHER INFORMATION CONTACT:** Ms. Susan E. Propper, Assistant General

Counsel, or Ms. Rosemary C. Smith, Senior Attorney, 999 E Street, N.W., Washington, D.C. 20463, (202) 219-3690 or toll free (800) 424-9530.

**SUPPLEMENTARY INFORMATION:** Section 438(d) of title 2, United States Code, requires that any rule or regulation prescribed by the Commission to implement title 2 of the United States Code be transmitted to the Speaker of the House of Representatives and the President of the Senate thirty legislative days prior to final promulgation. The revisions to 11 CFR 104.7 (b)(1) and (b)(3), which implement 2 U.S.C. 432(i), were transmitted to Congress on April 25, 1997. Thirty legislative days expired in the Senate on June 16, 1997 and in the House of Representatives on June 18, 1997.

Announcement of Effective Date: 11 CFR 104.7 (b)(1) and (b)(3), as published at 62 FR 23335, is effective as of July 2, 1997.

Dated: June 26, 1997.

**John Warren McGarry,**  
Chairman, Federal Election Commission.  
[FR Doc. 97-17251 Filed 7-1-97; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 96-CE-24-AD; Amendment 39-10058; AD 97-14-01]

RIN 2120-AA64

#### Airworthiness Directives; Pilatus Britten-Norman Ltd. BN-2A and BN-2A Mk 111 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

**SUMMARY:** This amendment supersedes Airworthiness Directive (AD) 75-24-07 R1, which currently requires repetitively inspecting the left-hand (LH) rudder bar assembly for cracks and loose fasteners on certain Pilatus Britten-Norman Ltd. BN-2A and BN-2A Mk 111 series airplanes, and replacing any cracked part. The superseding action requires inspecting the LH rudder bar assembly and determining the wall thickness of the slider tube unit. This action also would require modifying the rudder bar assembly by replacing the LH slider tube with a new strengthened slider tube unit as terminating action for the repetitive inspections currently required by AD 75-24-07 R1. The development of a modification to the rudder bar assembly, which terminates