

Final Rule

Accordingly, as set forth in the preamble, the interim rule amending 7 CFR parts 400 and 402, published on July 30, 1998 at 63 FR 40630, is adopted as final with the following changes:

PART 402—CATASTROPHIC RISK PROTECTION ENDORSEMENT; REGULATIONS FOR THE 1999 AND SUBSEQUENT REINSURANCE YEARS

1. The authority citation for 7 CFR part 402 continues to read as follows:

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

§ 402.4 [Amended]

2. Amend § 402.4 as follows:

a. Remove the definitions of "additional coverage," "administrative fee," "catastrophic risk protection," "limited coverage," and "limited resource farmer" in Section 1.

b. Revise Section 6 paragraph (b)(1).

c. Revise Section 9 paragraph (b). The revisions to § 402.4 read as follows:

§ 402.4 Catastrophic Risk Protection Endorsement Provisions.

6. Annual Premium and Administrative Fees.

* * * * *

(b) * * *

(1) The administrative fee owed for each crop in the county is \$60.

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9. Claim for Indemnity.

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(b) If you are eligible to receive an indemnity under this endorsement and benefits compensating you for the same loss under any other USDA program, you must elect the program from which you wish to receive benefits. Only one payment or program benefit is allowed. However, if other USDA program benefits are not available until after you filed a claim for indemnity, you may refund the total amount of the indemnity and receive the other program benefit. Notwithstanding the first sentence of this subsection, farm ownership, operating, and emergency loans may be obtained from the USDA in addition to an indemnity under this endorsement.

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Signed in Washington, DC, on July 20, 1999.

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

[FR Doc. 99-19014 Filed 7-27-99; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Parts 400 and 457

RIN 0563-AB67

General Administrative Regulations, Subpart T—Federal Crop Insurance Reform, Insurance Implementation; Regulations for the 1999 and Subsequent Reinsurance Years; and the Common Crop Insurance Regulations; Basic Provisions

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Final rule.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) finalizes subpart T in the General Administrative Regulations (7 CFR part 400, subpart T) and the Common Crop Insurance Regulations, Basic Provisions (7 CFR 457.8), to implement the statutory mandates of the Agricultural Research, Extension, and Education Reform Act of 1998 (1998 Research Act) and Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 1999 (1999 Appropriations Act), enacted on October 19, 1998.

EFFECTIVE DATE: This rule is effective September 27, 1999.

FOR FURTHER INFORMATION CONTACT: Louise Narber, 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 12866

This rule has been determined to be significant for the purposes of Executive Order 12866 and, therefore, has been reviewed by the Office of Management and Budget (OMB).

Paperwork Reduction Act of 1995

Under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the collections of information for this rule have been previously approved by OMB under control number 0563-0053 through April 30, 2001. This rule was amended to implement the statutory mandates of the 1998 Research Act which changed the administrative fee for additional coverage from \$10 per crop to \$20 per crop. The amendments set forth in this rule do not revise the content or alter the frequency of reporting for any of the

forms or information collections cleared under the above-referenced docket.

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 UMRA) for State, local, and tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Executive Order 12612

It has been determined under section 6(a) of Executive Order 12612, Federalism, that this rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment. The provisions contained in this rule will not have a substantial direct effect on States or their political subdivisions or on the distribution of power and responsibilities among the various levels of government.

Regulatory Flexibility Act

This regulation will not have a significant economic impact on a substantial number of small entities. The regulation does not require any more action on the part of the small entities than is required on the part of large entities. 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 12372

This program is not subject to the provisions of Executive Order 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 12988

This rule has been reviewed in accordance with Executive Order 12988 on civil justice reform. The provisions of this rule will not have a retroactive effect. 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 of any determination made by FCIC may be brought.

Environmental Evaluation

This action is not expected to have a significant economic impact on the quality of the human environment, health, and safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

Background

This rule finalizes revisions to subpart T and the Basic Provisions mandated by the 1998 Research Act, enacted June 23, 1998, and subsequently amended by the 1999 Appropriations Act, enacted on October 19, 1998. On Thursday, July 30, 1998, FCIC published an interim rule in the **Federal Register** at 63 FR 40632-40635 to amend subpart T and the Basic Provisions to implement the statutory mandates of the 1998 Research Act, which required the provisions be implemented for the 1999 and subsequent reinsurance years. The 1999 Appropriations Act, which was enacted after publication of the interim rule, waives the administrative fee of 10 percent of the premium that was enacted in the 1998 Research Act for the 1999 and subsequent reinsurance years. Changes in this rule, not made effective by the interim rule, are not in effect until the effective date of this rule.

Following publication of the interim rule, the public was afforded 60 days to submit written comments. A total of 18 comments was received from an insurance company and an insurance service organization. The comments received and FCIC's responses are as follows:

Comment: An insurance company and an insurance service organization suggested the word "expected" be replaced with the word "projected" in the definitions of "additional coverage" and "limited coverage" in the Basic Provisions since that is the word used when market price elections are announced.

Response: Sections 508(b), (c), (d), and (e) of the Federal Crop Insurance Act all refer to the phrase "expected market price" and the regulations, procedures, and clarifications were written accordingly. When market price elections are announced, FCIC will also use the term "expected market price." Therefore, no change has been made.

Comment: An insurance service organization suggested revising the definition of "limited resource farmer" in the Basic Provisions by removing the words "notwithstanding the previous

sentence" and adding two parts such as "A producer or operator of a farm or farms:

- (a) With an annual gross income * * * each of the prior two years; or
- (b) Of less than 25 acres * * * does not exceed \$20,000."

Response: This definition of "limited resource farmer" is more clear. Therefore, this definition will be added to the Basic Provisions and the definition removed from Subpart T.

Comment: An insurance company and an insurance service organization suggested that exceptions for: (1) a producer who grows hybrid seed corn or hybrid sorghum seed with different companies; and (2) when the crop provisions allow for a crop to be insured at different levels and at multiple prices, should be added to section 3(f) of the Basic Provisions since this section identifies exceptions to the requirement that the producer must obtain the same level of coverage for all acreage of the crop in the county. The insurance service organization also suggested deleting the example of California grape varieties which only deals with one crop in one state.

Response: The Basic Provisions are intended to provide the terms that are general to all policies. Exceptions are provided in the Crop Provisions, which take precedence over the Basic Provisions. The Hybrid Sorghum Seed Crop Provisions and the Hybrid Seed Corn Crop Provisions have the exception to allow any of the insured crop under contract with different seed companies to be insured under separate policies with different insurance providers provided all acreage of the insured crop in the county is insured. Likewise, those Crop Provisions that allow the crop to be insured at different levels and multiple prices will also contain the exception to the Basic Provisions. The example of two grape varieties insured under CAT coverage and two varieties insured under limited coverage in California, which specifies that separate administrative fees will be due for each of the four varieties, adds clarity even though it is only for one crop in one state. Therefore, no change has been made.

Comment: An insurance company and an insurance service organization suggested the entire administrative fee for nursery be collected at one time and not at three different dates since 40 percent of the premium is due at the time of application, with the balance due at two other times during the year. They asked if section 7(e)(3) of the Basic Provisions should specify when the administrative fee is due since it is not accurate for nursery as written.

Response: With respect to section 7(e)(3) of the Basic Provisions, these provisions are intended to apply to all crops and the premium due date is not the same for each crop. Therefore, a fixed date cannot be included here. The new Nursery Crop Provisions (99-073), which are effective for the 1999 and succeeding crop years, will only have one premium due date specified in the Special Provisions, and this will be the date that all premium and administrative fees are due. For the 1999 crop year, for the old Nursery Crop Insurance Provisions (96-056), all administrative fees must be paid by the third billing date, which is not inconsistent with the Basic Provisions. This policy will not be effective after the 1999 crop year. Therefore, no change has been made.

Comment: An insurance service organization suggested revising section 7(e)(5) of the Basic Provisions to read "The administrative fee for limited coverage will be waived if you request it and qualify as a limited resource farmer."

Response: FCIC has made the requested change.

Comment: An insurance company and an insurance service organization asked if the phrase "is not refundable" should be deleted from section 7(e)(6) of the Basic Provisions since the administrative fee for additional coverage is not due until the premium is due, and this provision for CAT coverage was removed from the CAT provisions after the fee due date was changed.

Response: FCIC has removed the phrase.

Comment: An insurance company and an insurance service organization questioned what is meant by section 35(b) of the Basic Provisions and how it will be implemented, who will make the determination and the timing of the determination. They also asked if this provision should be added to the Crop Provisions instead of the Basic Provisions since not all crops have other USDA programs. They stated that section 35(c) of the Basic Provisions implies that crop insurance indemnity payments would always be done prior to any USDA payment. They asked if insurance companies would be in a position to determine the additional USDA amount due if non-crop insurance USDA benefits are distributed through the crop insurance delivery system. They do not think this will always be the case, which would add confusion and could reduce the perceived value of crop insurance to policyholders. The company also stated that it appears that due to the producers

decision to purchase crop insurance other free benefits could be limited or reduced and this situation should be avoided.

Response: Section 508(n) of the Act specifies that a producer who purchases limited or additional coverage may also receive assistance for the same crop loss under other programs administered by the Secretary, except the amount received for the loss under the limited or additional coverage together with the amount received under the other programs may not exceed the amount of the actual loss of the producer. Section 35(b) of the Basic Provisions specifies how to determine the amount of the actual loss. Since a producer pays for crop insurance coverage, the indemnity will always be paid in accordance with the terms and conditions of the policy. FSA will determine and pay any additional amount due or collect any overpayment if such benefits are paid prior to the payment of any indemnity regardless of how such benefits are delivered. These provisions are only needed in the Basic Provisions.

Therefore, no change has been made.

In addition to the changes described above, FCIC has made a few minor editorial changes.

List of Subjects in 7 CFR Parts 400 and 457

Administrative practice and procedure, Basic Provisions, Claims, Common Crop Insurance Regulations, Crop Insurance, Reporting and record keeping requirements.

Final Rule

Accordingly, as set forth in the preamble, the interim rule amending 7 CFR parts 400 and 457, published on July 30, 1998, at 63 FR 40632, is adopted as final with the following changes:

PART 400—GENERAL ADMINISTRATIVE REGULATIONS

Subpart T—Federal Crop Insurance Reform, Insurance Implementation; Regulations for the 1999 and Subsequent Reinsurance Years

1. The authority citation for 7 CFR part 400 continues to read as follows:

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

§ 400.651 [Amended]

2. Amend § 400.651 by removing the definition of "limited resource farmer."

3. Amend the definition of "linkage requirement," in § 400.651, the introductory text of § 400.653, and §§ 400.653(a), 400.654(b) and (c)(4) by removing the section designation of

"§ 400.657" and adding in its place the section designation of "§ 400.655."

PART 457—COMMON CROP INSURANCE REGULATIONS

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

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

§ 457.8 [Amended]

5. Amend § 457.8 as follows:

- a. Revise the definitions of "administrative fee," "catastrophic risk protection" and "limited resource farmer" in Section 1 of the Basic Provisions.
b. Revise Section 2 paragraph (i) of the Basic Provisions.
c. Revise Section 3 paragraph (f) of the Basic Provisions.
d. Revise Section 7 paragraphs (e)(1), (4), (5), and (6) of the Basic Provisions.
e. Revise Section 15 paragraph (d) of the Basic Provisions.
f. Remove Section 35 paragraph (d) of the Basic Provisions. The revisions to § 457.8 read as follows:

§ 457.8 The application and policy.

* * * * *

1. Definitions.

* * * * *

Administrative fee. An amount you must pay for catastrophic risk protection, limited, and additional coverage for each crop year as specified in section 7 and the Catastrophic Risk Protection Endorsement.

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Catastrophic risk protection. The minimum level of coverage offered by FCIC that is required before you may qualify for certain other USDA program benefits unless you execute a waiver of any eligibility for emergency crop loss assistance in connection with the crop.

* * * * *

Limited resource farmer. A producer or operator of a farm:

- (a) With an annual gross income of \$20,000 or less derived from all sources, including income from a spouse or other members of the household, for each of the prior two years; or
(b) With less than 25 acres aggregated for all crops, where a majority of the producer's gross income is derived from such farm or farms, but the producer's gross income from farming operations does not exceed \$20,000.

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2. Life of Policy, Cancellation, and Termination.

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(i) When obtaining catastrophic, limited, or additional coverage, you must provide information regarding

crop insurance coverage on any crop previously obtained at any other local FSA office or from an approved insurance provider, including the date such insurance was obtained and the amount of the administrative fee.

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

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(f) You must obtain the same level of coverage (catastrophic risk protection, limited or additional) for all acreage of the crop in the county unless one of the following applies:

(1) The applicable Crop Provisions allow you the option to separately insure individual crop types or varieties. In this case, each individual type or variety insured by you will be subject to separate administrative fees. For example, if two grape varieties in California are insured under the Catastrophic Risk Protection Endorsement and two varieties are insured under a limited coverage policy, a separate administrative fee will be charged for each of the four varieties. Although insurance may be elected by type or variety in these instances, failure to insure a type or variety that is of economic significance may result in the denial of other farm program benefits unless you execute a waiver of any eligibility for emergency crop loss assistance in connection with the crop.

(2) If you have limited or additional coverage for the crop in the county and the acreage has been designated as "high risk" by FCIC, you will be able to obtain a High Risk Land Exclusion Option for the high risk land under the limited or additional coverage policies and insure the high risk acreage under a separate Catastrophic Risk Protection Endorsement, provided that the Catastrophic Risk Protection Endorsement is obtained from the same insurance provider from which the limited or additional coverage was obtained.

* * * * *

7. Annual Premium and Administrative Fees.

(e) * * *

(1) If you elect limited coverage, you must pay an administrative fee each crop year of \$50 per crop per county, not to exceed \$200 per county, or \$600 for all counties in which you elected to obtain limited coverage.

* * * * *

(4) Payment of an administrative fee will not be required if you file a bona fide zero acreage report on or before the acreage reporting date for the crop. If you falsely file a zero acreage report you

may be subject to criminal and administrative sanctions.

(5) The administrative fee for limited coverage will be waived if you request it and you qualify as a limited resource farmer.

(6) The administrative fee for additional coverage is not subject to any limits and may not be waived.

* * * * *

15. Production Included in Determining Indemnities.

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(d) The amount of an indemnity that may be determined under the applicable provisions of your crop policy may be reduced by an amount, determined in accordance with the Crop Provisions or Special Provisions, to reflect out-of-pocket expenses that were not incurred by you as a result of not planting, caring for, or harvesting the crop. Indemnities paid for acreage prevented from being planted will be based on a reduced guarantee as provided for in the crop policy and will not be further reduced to reflect expenses not incurred.

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Signed in Washington, DC, on July 20, 1999.

Kenneth D. Ackerman,

Manager, Federal Crop Insurance Corporation.

[FR Doc. 99-19013 Filed 7-27-99; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 98-NM-62-AD; Amendment 39-11236; AD 99-16-01]

RIN 2120-AA64

Airworthiness Directives; Airbus Industrie Model A300-600 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment supersedes an existing airworthiness directive (AD), applicable to certain Airbus Industrie Model A300-600 series airplanes, that currently requires repetitive high frequency eddy current inspections to detect cracks in bolt holes where parts of the main landing gear are attached to the rear spar, and repair, if necessary. This amendment requires repetitive ultrasonic inspections to detect cracking in certain bolt holes of the rear spar, and repair, if necessary. This amendment is prompted by issuance of mandatory

continuing airworthiness information by a foreign civil airworthiness authority. The actions specified by this AD are intended to detect and correct cracking of the rear spar of the wing, which could result in reduced structural integrity of the airplane.

DATES: Effective September 1, 1999.

The incorporation by reference of Airbus Industrie Service Bulletin A300-57-6017, Revision 3, dated November 19, 1997, as listed in the regulations is approved by the Director of the Federal Register as of September 1, 1999.

The incorporation by reference of Airbus Industrie Service Bulletin A300-57-6017, Revision 1 (includes Appendix 1), dated July 25, 1994, as listed in the regulations was approved previously by the Director of the Federal Register as of November 9, 1995 (60 FR 52618, October 10, 1995).

ADDRESSES: The service information referenced in this AD may be obtained from Airbus Industrie, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France. This information may be examined at the Federal Aviation Administration (FAA), Transport Airplane Directorate, Rules Docket, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT:

Norman B. Martenson, Manager, International Branch, ANM-116, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 227-2110; fax (425) 227-1149.

SUPPLEMENTARY INFORMATION:

A proposal to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) by superseding AD 95-20-02, amendment 39-9380 (60 FR 52618, October 10, 1995), which is applicable to certain Airbus Industrie Model A300-600 series airplanes, was published in the **Federal Register** on April 23, 1999 (64 FR 19942). The action proposed to require repetitive ultrasonic inspections to detect cracking in certain bolt holes of the rear spar, and repair, if necessary.

Interested persons have been afforded an opportunity to participate in the making of this amendment. No comments were submitted in response to the proposal or the FAA's determination of the cost to the public.

Conclusion

The FAA has determined that air safety and the public interest require the adoption of the rule as proposed.

Cost Impact

There are approximately 54 airplanes of U.S. registry that will be affected by this AD.

The new inspections that are required by this AD will take approximately 226 work hours per airplane to accomplish, at an average labor rate of \$60 per work hour. Based on these figures, the cost impact of the new requirements of this AD on U.S. operators is estimated to be \$732,240, or \$13,560 per airplane, per inspection cycle.

The cost impact figure discussed above is based on assumptions that no operator has yet accomplished any of the requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted.

Regulatory Impact

The regulations adopted herein will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this action (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A final evaluation has been prepared for this action and it is contained in the Rules Docket. A copy of it may be obtained from the Rules Docket at the location provided under the caption **ADDRESSES**.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows: