amount of data collected by the agent for new insureds is not greater than the amount of data collected for existing insureds. Insureds may elect to keep production records to increase the amount of production covered by insurance but such production is not required to participate in the program. The benefits in terms of risk reduction and protection from severe losses will out-weigh any record-keeping costs. Therefore, this action is determined to be exempt from the provisions of the Regulatory Flexibility Act and no Regulatory Flexibility Analysis was prepared.

This program is listed in the Catalog of Federal Domestic Assistance under

No. 10.450.

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.

The Office of the General Counsel has determined that these regulations meet the applicable standards provided in subsections 2(a) and 2(b)(2) of Executive Order 12778. 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 located at 7 CFR part 400, subpart J, and for catastrophic risk protection contracts of insurance delivered through local USDA offices, the National Appeal Division administrative appeal provisions under the Department of Agriculture Reorganization Act of 1994 must be exhausted before judicial action may be brought.

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

needed.

This interim rule implements programs mandated by the amendments to the Federal Crop Insurance Act by the Federal Crop Insurance Reform Act of 1994. Those amendments required that the statutory changes be implemented for the 1995 crop year. All of the contract change dates and many of the sales closing dates for 1995 insured crops have passed or will soon pass. Many of the changes contained in these regulations are mandated by statute. Planting decisions for 1995 crops have been or will shortly be made and it is necessary that producers, lenders, and suppliers know the parameters and requirements of the program. Therefore, it is impractical and contrary to the

public interest to publish this rule for notice and comment prior to making the rule effective. However, comments are solicited for 60 days after the date of publication in the **Federal Register** and will be considered by FCIC before this rule is made final.

On October 13, 1994, the amendments to the Federal Crop Insurance Act made by the Federal Crop Insurance Reform Act of 1994, were effective. This regulation will provide the policy and procedures to carry out the insurance requirements of the Reform Act. A separate part will be issued to address noninsured assistance.

List of Subjects in 7 CFR Part 400, Subpart T

General administrative regulations, Federal Crop Insurance Reform Act of 1994, Insurance.

Interim Rule

For the reasons set out in the preamble, a new subpart T is added to 7 CFR part 400, effective for the 1995 and succeeding crop years, to read as follows:

PART 400—GENERAL ADMINISTRATIVE REGULATIONS

Subpart T—Federal Crop Insurance Reform Act of 1994, Insurance Implementation; Regulations for the 1995 and Subsequent Crop Years

Sec.

400.650 Purpose.

400.651 Definitions.

400.652 Insurance availability.

400.653 Application and acreage report.400.654 Coverage provided.

400.654 Coverage provided. 400.655 Administrative fees and waivers.

400.656 Eligibility for other program benefits.

Deficitis.

400.657 Coverage for acreage that is prevented from being planted.

400.658 Transitional yield for forage or feed crops, 1995–1997 crop years.

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

§ 400.650 Purpose.

The Federal Crop Insurance Act as amended by the Federal Crop Insurance Reform Act of 1994 (the "Act") requires the Federal Crop Insurance Corporation ("FCIC") to implement a crop insurance program which offers several levels of insurance coverage for producers. These levels of protection include catastrophic risk protection, limited coverage and additional coverage insurance. This subpart provides notice of the availability of these new crop insurance options and establishes provisions and requirements for implementation of the insurance provisions of the Act. The regulations for the noninsured

assistance provisions of the Act will be published elsewhere in chapter IV.

§ 400.651 Definitions.

- (a) Additional coverage—A plan of crop insurance providing a level of coverage equal to or greater than sixty-five percent (65%) of the approved yield indemnified at one-hundred percent (100%) of the expected market price or comparable coverage as established by FCIC.
- (b) Approved insurance provider—A private insurance company, including their agents, that has been approved and reinsured by FCIC to provide insurance coverage to producers participating in the Federal crop insurance program.
- (c) Approved yield—The average amount of production per acre obtained under FCIC's Actual Production History Program (7 CFR part 400, subpart G) using production records of the insured or yields assigned by FCIC. At least four crop years of yields must be averaged to obtain the approved yield.
- (d) Catastrophic risk protection endorsement—The part of the crop insurance policy that contains provisions of insurance that are specific to catastrophic risk protection.
- (e) Catastrophic risk protection—The minimal level of coverage offered by FCIC, which is required before a person may qualify for certain other United States Department of Agriculture ("USDA") program benefits. For the 1995 through 1998 crop years, such coverage will be equal to fifty percent (50%) of the approved yield indemnified at sixty percent (60%) of the expected market price, or a comparable coverage as established by FCIC. For the 1999 and subsequent crop years, such coverage will be equal to fifty percent (50%) of the approved yield indemnified at fifty-five percent (55%) of the expected market price, or a comparable coverage as established by FCIC.
- (f) Crop of economic significance—A crop that has either contributed in the previous crop year, or is expected to contribute in the current crop year, ten percent (10%) or more of the total expected value of your share of all crops grown by the producer in the county. However, notwithstanding the preceding sentence, if the total expected liability under the catastrophic risk protection endorsement is equal to or less than the administrative fee required for the crop, such crop will not be considered a crop of economic significance.
- (g) FCIC—The Federal Crop Insurance Corporation, a wholly owned Government Corporation within the