

§ 412.202 "Status" programs.

Only employees serving under career appointments, or under career-type appointments as defined in 5 CFR 317.304(a)(2), may participate in "status" candidate development programs.

§ 412.203 "Nonstatus" programs.

(a) Eligibility. Candidates are from outside Government and/or from among employees serving on other than career or career-type appointments within the civil service.

(b) *Requirements.* (1) Candidates must be appointed utilizing the Schedule B authority authorized by 5 CFR 213.3202(j). The appointment may not exceed or be extended beyond 3 years.

(2) Assignments must be to a full-time position created for developmental purposes connected with the SES candidate development program. Candidates serving under Schedule B appointment may not be used to fill an agency's regular positions on a continuing basis.

(3) Schedule B appointments must be made in the same manner as merit staffing requirements prescribed for the SES, except that each agency shall follow the principle of veteran preference as far as administratively feasible. Positions filled through this authority are excluded under 5 CFR 302.101(c)(6) from the appointment procedures of part 302.

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DEPARTMENT OF AGRICULTURE**Federal Crop Insurance Corporation****7 CFR Part 457**

RIN 0563-AB24

Common Crop Insurance Regulations; Malting Barley Price and Quality Endorsement Crop Insurance Provisions

AGENCY: Federal Crop Insurance Corporation.

ACTION: Proposed rule.

SUMMARY: The Federal Crop Insurance Corporation ("FCIC") hereby proposes to revise the Malting Barley Option Crop Insurance provisions. The intended effect of this action is to improve the insurance coverage now available for producers who grow malting barley under contract with a brewery, or business that sells malt or processed mash to a brewery; and to provide a new option that will allow producers without contracts (open market

producers) to obtain insurance for their malting barley.

DATES: Written comments, data, and opinions on this proposed rule must be submitted by the close of business December 21, 1995 to be considered when the rule is to be made final. The comment period for information collections under the Paperwork Reduction Act of 1995 continues through February 5, 1996.

ADDRESSES: Written comments, data, and opinion on this proposed rule should be sent to Diana Moslak, Regulatory and Procedural Development Staff, Federal Crop Insurance Corporation, USDA, Washington, D.C. 20250. Hand or messenger delivery should be made to 14th and Independence Avenue, S.W., Room 6097, South Building, Washington, D.C. Written comments will be available for public inspection and copying in the Office of the Manager, 14th and Independence Avenue, S.W., Room 6097, South Building, Washington, D.C., during regular business hours, Monday through Friday.

FOR FURTHER INFORMATION CONTACT: For further information and a copy of the Regulatory Economic Analysis of the Malting Barley Endorsement Crop Insurance provisions, contact Diana Moslak, Regulatory and Procedural Development Staff, Federal Crop Insurance Corporation, USDA, Washington, D.C. 20250. Telephone (202) 720-0713.

SUPPLEMENTARY INFORMATION: This action has been reviewed under United States Department of Agriculture ("USDA") procedures established by Executive Order 12866 and Departmental Regulation 1512-1. This action constitutes a review as to the need, currency, clarity, and effectiveness of these regulations under those procedures. The sunset review date established for these regulations is July 1, 2000.

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").

A Regulatory Economic Analysis has been completed and is available to interested persons at the address listed above. In summary, the analysis finds that the expected benefits of this action outweigh the costs. The new Malting Barley Price and Quality Endorsement will simplify program operations, benefit FCIC and reinsured companies, and enhance the insurance coverage for malting barley producers.

Paperwork Reduction Act of 1995

The information collection requirements contained in these regulations were submitted to OMB for their approval under section 3507(j) of the Paperwork Reduction Act of 1995, and received emergency approval through March 5, 1996. The agency is also seeking a valid approval for 3 years under section 3507(d). These requirements were previously approved by OMB under OMB control number 0563-0003 through September 30, 1998. Public comments are due by February 5, 1996.

The title of this information collection is "Catastrophic Risk Protection Plan and Related Requirements including General Crop Insurance Regulations, Common Crop Insurance Regulations; Malting Barley Price and Quality Endorsement Crop Insurance Provisions." The information to be collected includes: a crop insurance acreage report, an insurance application and continuous contract. Information collected from the acreage report and application is electronically submitted to FCIC by the reinsured companies. Some respondents may provide additional information for the purpose of selecting malting barley insurance coverage options. Potential respondents to this information collection are growers of malting barley that are eligible for Federal crop insurance.

The information requested is necessary for the insurance company and FCIC to provide insurance, provide reinsurance, determine eligibility, determine and collect premiums or other monetary amounts (or fees), 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 2,676,932 hours.

The comment period for information collections under the Paperwork Reduction Act of 1995 continues through February 5, 1996, on 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 technology.

Comments should be submitted to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget (OMB), Washington, D.C. 20503 and to Bonnie Hart, Information Management Branch, Farm Service Agency, U.S. Department of Agriculture, Washington, D.C. 20250. Copies of the information collection may be obtained from Bonnie Hart at the above address. Telephone (202) 690-2857.

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.

This regulation will not have a significant impact on a substantial number of small entities. The impact of obtaining or delivering these policies will not vary significantly from that required to obtain or deliver the present policy. 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.

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 promulgated by the National Appeals Division under Pub. L. No. 103-354 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.

Background

FCIC proposes to amend the Common Crop Insurance Regulations (7 CFR part 457) by revising and reissuing 7 CFR 457.103, Malting Barley Option effective for the 1996 and succeeding crop years. The principal changes to the provisions for insuring malting barley are as follows:

1. The current Malting Barley Option will be replaced by the proposed Malting Barley Price and Quality Endorsement. The new endorsement is divided into two coverage options. Option A is intended to provide insurance coverage for producers who do not grow malting barley under contract with a brewery or with a business that makes or sells malt or processed mash to a brewery. Option B provides insurance coverage for producers who grow malting barley under such a contract. A producer may select only one option to cover all acreage planted to approved varieties of malting barley in the county during the crop year.

Option A

2. Section 1—Requires an applicant for insurance or insured to provide records of the sale of malting barley for at least four crop years to be eligible for coverage. These production records may be used to determine the malting barley production guarantee (see item 3 below).

3. Section 2—Provides that the malting barley production guarantee per acre will be the lesser of: (a) The production guarantee calculated under the APH regulations, 7 CFR part 400, subpart G, and the Small Grains Crop Provisions for feed barley for acreage planted to approved malting varieties; or (b) the average amount calculated under the APH regulations of malting barley sold per planted acre during the APH base period.

4. Section 3—Provides for the maximum malting barley additional value price to be designated in the Special Provisions.

5. Section 4—Indicates the production to count against the malting barley production guarantee. Quality standards specified in this section represent typical minimum acceptance standards in the malting barley industry.

6. Section 5—Provides that a claim cannot be settled until final disposition of all production can be determined, or May 31 of the calendar year following the crop year. Production stored after May 31 of the calendar year following the crop year will be adjusted based on the quality specifications contained in subsection 4(b) of the option. This

extended settlement period is intended to prevent the payment of an indemnity for production that does not meet quality specifications but is ultimately used for malting purposes due to a shortage of quality malting barley. If barley is used for malting purposes regardless of quality it is production to count against the guarantee.

Option B

7. Section 1—Requires an applicant for insurance or insured to provide a copy of the malting barley contract by the acreage reporting date to be eligible for coverage. The amount of production under contract may be used to determine the malting barley production guarantee (see item 8 below).

8. Section 2—Provides that the malting barley production guarantee per acre be the lesser of: (a) The production guarantee calculated under the APH regulations, 7 CFR part 400, subpart G, and the Small Grains Crop Provisions for feed barley for acreage planted to approved malting varieties; or (b) the amount determined by dividing the number of bushels of contracted production by the number of acres planted to approved malting varieties, and multiplying the result by the percentage for the coverage level you elected under the Small Grains Crop Provisions for feed barley.

9. Section 3—Establishes the maximum malting barley additional value price as: (a) The difference between the maximum price election available for feed barley under the Small Grains Crop Provisions and the established sale price in the malting barley contract provided such price is fixed on or before the acreage reporting date; or (b) the basis or differential per bushel shown in the malting barley contract if the sale price is based on a future market price for basic (feed) barley plus a differential amount for malting barley production. For example, if the malting barley contract provides for a fixed price of \$2.50 per bushel on or before the acreage reporting date and the maximum price election available for feed barley is \$1.90 per bushel, the additional value price would be \$0.60 per bushel (\$2.50-\$1.90); however, if the malting barley contract provides for a basis or differential of \$0.60 per bushel above a future market price, the additional value price would be \$0.60. In no event will the additional value price exceed 200% of the maximum additional value price shown in the Special Provisions.

10. Section 4—Indicates the production to count against the malting barley production guarantee in the event of a claim. Production meeting the

minimum acceptance standards specified in the malting barley contract for percentage of protein, plump kernels, thin kernels, germination, blight damage, mold injury or damage, sprout damage, frost injury or damage, and parts per million of substances or conditions, including mycotoxins, that are identified by the Food and Drug Administration as being injurious to human or animal health, or the standards specified in this section, will be considered production to count.

11. Section 5—Specifies that a claim cannot be settled until final disposition of all production can be determined, or May 31 of the calendar year following the crop year. Production stored after this date will be adjusted based on the quality specifications indicated in subsection 4(b) of the option. This extended settlement period is intended to prevent the payment of an indemnity for production that does not meet quality specifications but that is ultimately used for malting purposes due to a shortage of quality malting barley. If barley is used for malting purposes regardless of quality it is production to count against the guarantee.

List of Subjects in 7 CFR Part 457

Crop insurance, Malting Barley Price and Quality Endorsement Crop Provisions

Proposed Rule

Pursuant to the authority contained in the Federal Crop Insurance Act, as amended (7 U.S.C. § 1501 *et seq.*), the Federal Crop Insurance Corporation hereby proposes to amend the Common Crop Insurance Regulations (7 CFR part 457), effective for the 1996 and succeeding crop years, as follows:

PART 457—[AMENDED]

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

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

2. Section 457.103 is revised to read as follows:

§ 457.103 Malting Barley Crop Insurance.

The malting barley crop insurance provisions for the 1996 and succeeding crop years are as follows:

United States Department of Agriculture; Federal Crop Insurance Corporation; Small Grains Crop Insurance; Malting Barley Price and Quality Endorsement

(This is a continuous endorsement. Refer to section 2 of the Common Crop Insurance Policy.)

In return for your payment of premium for the coverage contained herein, this endorsement will be attached to and made

part of the Common Crop Insurance Policy (§ 457.8) and Small Grains Crop Provisions (§ 457.101), subject to the terms and conditions described herein.

1. You must have the Common Crop Insurance Policy (§ 457.8) and the Small Grains Crop Insurance Provisions (§ 457.101) in force to elect to insure malting barley under this endorsement.

2. You must select either option A or option B before the sales closing date. Failure to select either option A or option B, or failure to qualify for coverage under the terms of the option selected, will result in no coverage under this endorsement for the applicable crop year. For example, if you elect option B but fail to have a binding malting barley contract by the acreage reporting date, no coverage will be provided under this endorsement for the crop year. The selection will continue from year to year unless you cancel or change your selection prior to the sales closing date.

3. You must select an added value price election at the time of application.

4. The additional premium amount for this coverage will be determined by multiplying your malting barley production guarantee per acre times your selected additional value price election, times the premium rate, times the insured acreage, times your share at the time coverage begins.

5. In addition to the acreage reporting requirements contained in section 6 of the Common Crop Insurance Policy (§ 457.8), you must provide the information required by your selected option.

6. All barley acreage that is planted to approved malting varieties, and that is insurable under the feed barley crop provisions and the selected option must be insured under this endorsement and, on the acreage report, will be designated as, and limited to, one unit.

7. In lieu of provisions in the Common Crop Insurance Policy (§ 457.8) that require you to submit a claim for indemnity not later than 60 days after the end of the insurance period, you must submit a claim for indemnity declaring the amount of your loss not later than May 31 of the calendar year immediately following the crop year.

8. Prevented planting coverage is not provided by this endorsement but is available only under the terms of the Small Grains Crop Provisions for barley.

9. Definitions:

(a) APH—Actual Production History as determined in accordance with 7 CFR part 400, subpart G.

(b) Approved malting variety—A variety of barley specified as such in the Special Provisions.

(c) Brewery—A facility where malt beverages are commercially produced for human consumption.

(d) Contracted production—The quantity of malting barley the insured producer agrees to grow and deliver, and the buyer agrees to accept, under the terms of the malting barley contract.

(e) Licensed grain grader—A person who is authorized to inspect and grade barley under the United States Grain Standards Act or the United States Warehouse Act.

(f) Malting barley contract—A written contract with a brewery or business that

produces or sells malt or processed mash to a brewery or a company owned by such brewery or business, in which is stated the production contracted and a purchase price or a method to be used in determining such price.

(g) Objective test—A determination made by a qualified person using standardized equipment that is widely used in the malting industry, and following a procedure approved by the American Society of Brewing Chemists when determining percent germination or protein content; grading performed following a procedure approved by the Federal Grain Inspection Service when determining quality factors other than percent germination or protein content; or by the Food and Drug Administration when determining parts per million of mycotoxins or other substances or conditions that are identified as being injurious to human or animal health.

(h) Subjective test—A determination made using olfactory, visual, touch or feel, masticatory, or other senses unless performed by a licensed grain grader; or that uses non-standardized equipment, or that does not follow a procedure approved by the American Society of Brewing Chemists, the Federal Grain Inspection Service, or the Food and Drug Administration.

(i) Value per bushel—The highest price per bushel received or that could be received for the malting barley in the local market area.

(j) Unit—All insurable acreage of approved malting varieties in the county on the date coverage begins for the crop year.

Option A (for Non-Contracted Production or a Combination of Contracted and Non-Contracted Production)

This option provides coverage for malting barley production losses at a price per bushel greater than that available under the Small Grains Crop Provisions.

1. To be eligible for coverage under this option you must provide us acceptable records of the sale of malting barley and the number of acres planted to malting varieties for at least the four crop years prior to the crop year immediately preceding the current crop year. For example, to determine your production guarantee for the 1995 crop year, records must be provided for the 1990 through the 1993 crop years, if malting barley was planted in each of those crop years. You must provide these records to us no later than the production reporting date.

2. Your malting barley production guarantee per acre will be the lesser of:

(a) The production guarantee for feed barley for acreage planted to approved malting varieties calculated in accordance with the Small Grains Crop Provisions and APH regulations; or

(b) A production guarantee calculated in accordance with APH procedures using the malting barley sales and acreage records provided by you.

3. The additional value price per bushel elected cannot exceed the maximum price designated in the Special Provisions.

4. The amount of production to count against your malting barley production guarantee will include all:

(a) Appraised production determined in accordance with subsections 11(c)(1) (i) and (ii) of the Small Grains Crop Provisions;
 (b) Harvested production and potential unharvested production that meets, or would if properly handled, meet:

(1) Tolerances established by the Food and Drug Administration or other public health organization of the United States for substances or conditions, including mycotoxins, that are identified as being injurious to human or animal health; and

(2) The following quality standards, as applicable:

	Six-rowed malting barley	Two-rowed malting barley
Protein (dry basis)	14.0% maximum	14.0% maximum.
Plump kernels	65.0% minimum	75.0% minimum.
Thin kernels	10.0% maximum	10.0% maximum.
Germination	95.0% minimum	95.0% minimum.
Blight damaged	4.0% maximum	4.0% maximum.
Injured by mold	5.0% maximum	5.0% maximum.
Mold damaged	0.4% maximum	0.4% maximum.
Sprout damaged	1.0% maximum	1.0% maximum.
Injured by frost	5.0% maximum	5.0% maximum.
Frost damaged	0.4% maximum	0.4% maximum.

(c) Harvested production that does not meet the quality standards contained in subsection 4(b) of this option, but is accepted by a buyer for malting purposes.

(d) No reduction in value will be allowed for moisture content; damage due to uninsured causes; costs or reduced value associated with drying, handling, processing, or quality factors other than those contained in subsection (b) of this section; or any other costs associated with normal handling and marketing of malting barley. All grade and quality determinations must be based on the results of objective tests. No indemnity will be paid for any loss established by subjective tests. We may obtain one or more samples of the insured crop and have tests performed at an official grain inspection location established under the Grain Standards Act to verify the result of any test. In the event of a conflict in the test results, our results will be used to determine the amount of production to count. If failure to meet the quality standards is due to insurable causes, the quantity of such production may be reduced for quality deficiencies by:

- (1) Adding the maximum barley price election under the Small Grains Crop Provisions and the maximum additional value price;
- (2) Dividing this sum into the value per bushel of the damaged production; and
- (3) Multiplying the resulting factor (not to exceed 1.0) by the number of bushels of damaged production.

5. No claim under this option may be settled until the earlier of:

- (a) The date final disposition of production from all acreage planted to approved malting barley varieties is completed; or
- (b) May 31 of the calendar year immediately following the calendar year in which the insured malting barley is normally harvested. Production to count for malting barley that has not been sold by this May 31 date will include all production that meets the quality specifications contained in subsection 4(b) of this option.

The limitations specified in subsections 5(a) and (b) will not apply when all production from the insured malting barley unit grades U.S. No. 4 or lower in accordance with the grades and grade requirements for the subclasses Six-rowed barley, Two-rowed barley, and the class Barley in accordance

with the Official United States Standards for Grain.

- 6. In the event of loss or damage covered by this policy, we will settle your claim by:
 - (a) Multiplying the insured acreage by the malting barley production guarantee per acre;
 - (b) Multiplying the result by your elected additional value price per bushel;
 - (c) Multiplying the number of bushels of production to count by your elected additional value price per bushel; and
 - (d) Subtracting the result of step (c) from the result of step (b).

7. For example, assume you insure two units of barley under the Small Grains Crop Provisions in which you have a 100% share and that are planted to approved malting varieties. Assume that each unit contains 40 acres. Further assume that your production guarantee under the Small Grains Crop Provisions is 30 bushels per acre or a total of 2,400 bushels. Your malting barley unit production guarantee is limited to 2,100 bushels by subsection 2(b). A loss causes the total production to count for all units under the Small Grains Crop Provisions to drop to 1,000 bushels, none of which meet the quality standards covered by this option. The indemnity for the malting barley unit would be based on a combined production and quality loss of 2,100 bushels. The indemnity would be paid at the additional value price per bushel. If the price were \$0.40 per bushel, the indemnity for the malting barley unit would be \$840.00 (2,100 × \$0.40). The basic loss is paid under the Small Grains Crop Provisions for feed barley.

Option B—(for Contracted Production)

This option provides coverage for malting barley production losses at a price per bushel greater than that available under the Small Grains Crop Provisions.

1. To be eligible for coverage under this option you must provide us a copy of your malting barley contract by the acreage reporting date. Only production or acreage under contract is covered by this option (B). The contract must be in place and effective before the acreage reporting date.

- 2. Your malting barley production guarantee per acre will be the lesser of:
 - (a) The production guarantee for feed barley for acreage planted to approved malting varieties calculated in accordance

with the Small Grains Crop Provisions and APH regulations; or

- (b) The number of bushels obtained by:
 - (1) Dividing the number of bushels of contracted production by the number of acres planted to approved malting varieties in the current crop year; and
 - (2) Multiplying the result by the percentage for the coverage level you elected for barley covered under the Small Grains Crop Provisions.

3. The additional value price per bushel will not exceed 200% of the maximum additional value price shown on the Special Provisions and will be further limited to:

- (a) The difference between the maximum price election available for feed barley under the Small Grains Crop Provisions and the established sale price contained in the malting barley contract for production that meets the quality standards required by such contract (without regard to discounts or incentives) if the sale price is a fixed dollar amount established on or before the acreage reporting date; or
- (b) The premium amount per bushel contained in the malting barley contract for production that meets the quality specifications required by such contract (without regard to discounts or incentives) if the sale price is based on a future market price for feed barley plus a premium amount for malting barley production.

4. The amount of production to count against your malting barley production guarantee will include all:

- (a) Appraised production determined in accordance with subsection 11(c)(1) (i) and (ii) of the Small Grains Crop Provisions;
- (b) Either harvested production and potential unharvested production that meets, or would if properly handled meet, the minimum acceptance standards contained in the malting barley contract for protein, plump kernels, thin kernels, germination, blight damage, mold injury or damage, sprout damage, frost injury or damage, and mycotoxins or other substances or conditions identified by the Food and Drug Administration or other public health organization of the United States as being injurious to human or animal health, or the following quality standards as applicable:

	Six-rowed malting barley	Two-rowed malting barley
Protein (dry basis)	14.0% maximum	14.0% maximum.
Plump kernels	65.0% minimum	75.0% minimum.
Thin kernels	10.0% maximum	10.0% maximum.
Germination	95.0% minimum	95.0% minimum.
Blight damaged	4.0% maximum	4.0% maximum.
Injured by mold	5.0% maximum	5.0% maximum.
Mold damaged	0.4% maximum	0.4% maximum.
Sprout damaged	1.0% maximum	1.0% maximum.
Injured by frost	5.0% maximum	5.0% maximum.
Frost damaged	0.4% maximum	0.4% maximum.

(c) Harvested production that does not meet the minimum acceptance standards for the factors listed in subsection 4(b) of this option, but that is accepted by a buyer for malting purposes.

(d) No reduction in value will be allowed for moisture content; damage due to uninsured causes; costs or reduced value associated with drying, handling, processing, or quality factors other than those contained in subsection (b) of this section; or any other costs associated with normal handling and marketing of malting barley. All grade and quality determinations must be based on the results of objective tests. No indemnity will be paid for any loss established by subjective tests. We may obtain one or more samples of the insured crop and have tests performed at an official grain inspection location established under the Grain Standards Act to verify the result of any test. In the event of a conflict in the test results, our results will be used to determine the amount of production to count. If failure to meet the quality standards is due to insurable causes, the quantity of such production may be reduced for quality deficiencies by:

(1) Adding the maximum barley price election under the Small Grains Crop Provisions and the maximum additional value price;

(2) Dividing this sum into the value per bushel of the damaged production; and

(3) Multiplying the resulting factor (not to exceed 1.0) by the number of bushels of damaged production.

5. No claim under this option may be settled until the earlier of:

(a) The date final disposition of production from all acreage planted to approved malting barley varieties is completed; or

(b) May 31 of the calendar year immediately following the calendar year in which the insured malting barley is normally harvested. Production to count for malting barley that has not been sold by this May 31 date will include all production established in accordance with subsection 4(b) of this option.

The limitations specified in subsections 5 (a) and (b) will not apply when all production from the insured malting barley unit grades U.S. No. 4 or worse in accordance with the grades and grade requirements for the subclasses Six-rowed barley, Two-rowed barley, and the class Barley in accordance with the Official United States Standards for Grain.

6. In the event of loss or damage covered by this policy, we will settle your claim by:

(a) Multiplying the insured acreage by the malting barley production guarantee per acre;

(b) Multiplying the result by your elected additional value price per bushel;

(c) Multiplying the number of bushels of production to count by your elected additional value price per bushel; and

(d) Subtracting the result of step (c) from the result of step (b).

7. For example, assume you insure two units of barley under the Small Grains Crop Provisions in which you have a 100% share and that are planted to approved malting varieties. Assume that unit contains 40 acres. Further assume that your production guarantee under the Small Grains Crop Provisions is 30 bushels per acre or a total of 2,400 bushels. Your malting barley unit production guarantee is limited to 2,100 bushels by subsection 2(b). A loss causes the total production to count under the basic barley policy to drop to 1,000 bushels, none of which meet the minimum acceptance standards covered under this option. The indemnity for the malting barley unit would be based on a combined production and quality loss of 2,100 bushels. The indemnity would be paid at the additional value price per bushel. If the price were \$0.60 per bushel, the indemnity for the malting barley unit would be \$1,260.00 (2,100 × \$0.60). The basic loss is paid under the Small Grains Crop Provisions for feed barley.

Done in Washington, D.C., on December 5, 1995.

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

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DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Part 31

[Docket No. 95-29]

RIN 1557-AB40

Extensions of Credit to Insiders and Transactions With Affiliates

AGENCY: Office of the Comptroller of the Currency, Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Office of the Comptroller of the Currency (OCC) proposes to

revise its rules governing extensions of credit to national bank insiders and to relocate to part 31 several interpretive rulings dealing with transactions with affiliates. This proposal is another component of the OCC's Regulation Review Program to update and streamline OCC regulations and to reduce unnecessary regulatory costs and other burdens. The proposal modernizes and clarifies the insider lending rules and reduces unnecessary regulatory burdens where feasible, consistent with statutory requirements.

DATES: Comments must be received by February 9, 1996.

ADDRESSES: Comments should be directed to: Office of the Comptroller of the Currency, Communications Division, 250 E Street, SW, Washington, DC 20219, Attention: Docket No. 95-29. Comments will be available for public inspection and photocopying at the same location. In addition, comments may be sent by facsimile transmission to FAX number (202) 874-5274 or by electronic mail to reg.comments@occ.treas.gov.

FOR FURTHER INFORMATION CONTACT: Aline Henderson, Senior Attorney, Bank Activities and Structure (202) 874-5300; Emily McNaughton, National Bank Examiner, Credit & Management Policy (202) 874-5170; or Mark Tenhundfeld, Senior Attorney, Legislative and Regulatory Activities (202) 874-5090.

SUPPLEMENTARY INFORMATION:

Background

Summary of Regulation Review Program

The OCC proposes to revise 12 CFR part 31 as another component of its Regulation Review Program (Program). The goal of the Program is to review all of the OCC's rules and to eliminate provisions that do not contribute significantly to maintaining the safety and soundness of national banks or to accomplishing the OCC's other statutory responsibilities. Another goal of the Program is to clarify regulations so that they more effectively convey the standards the OCC seeks to apply.