

Further, such changes regarding the inclusion of an informal reconsideration process for determinations of good farming practices and making determinations of good farming practices more objective are in the public interest. This is because these changes provide the producer with a less expensive mechanism to adjudicate disputes regarding good farming practices and benefits both producers and the insurance providers by providing more flexibility in the entities that can evaluate the farming practices used, and setting a standard that reduces the problems caused by a disagreement among experts.

Further, it is in the public interest because the changes regarding the limitation on providing multiple benefits on the same acreage in the same crop year will reduce program costs because producers will no longer be able to collect numerous indemnity payments on the same acreage in cases such as a continuing drought.

The public interest will also be served because this final rule also provides the basis for extending and clarifying coverage for crops produced under organic or sustainable farming practices. This provides producers with more meaningful coverage by eliminating the denial of coverage for failure to use the same good farming practices as used by producers under conventional practices.

In addition, the public interest is served because insurance providers will now be able to verify the cause of loss for prevented planted acreage in a timely manner and ensure that claims are properly paid. This should eliminate a significant program vulnerability and reduce program costs.

The public interest is further served by allowing producer the flexibility to determine which yields will be substituted on an annual basis because it will allow such producers to tailor their coverage to their individual risk management needs, which may change every year.

If FCIC is required to delay the implementation of this rule 30 days after the date it is published, the provisions of this rule could not be implemented until the next crop year for those crops having a contract change date of June 30, 2003. This would mean that the affected producers and insurance providers would be without the benefits described above for an additional year.

For the reasons stated above, good cause exists to make these policy changes effective upon filing with the Office of the Federal Register.

List of Subjects in 7 CFR Parts 400, 407, and 457

Administrative practice and procedure, Claims, Crop insurance, Fraud, Reporting and recordkeeping requirements.

Conforming Amendment

■ Accordingly, as set forth in the preamble, the Federal Crop Insurance Corporation amends 7 CFR part 400, subpart J to read as follows:

PART 400—GENERAL ADMINISTRATIVE REGULATIONS

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

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

Subpart J—Appeal Procedure

■ 2. In § 400.90, revise the definition of “good farming practices,” and add the definition of “insured”;

■ 3. In § 400.91:

■ a. Revise paragraph (a)(2); and

■ b. Revise paragraph (b)(2);

■ 4. In § 400.92, remove paragraph (c);

■ 5. In § 400.93, amend paragraph (a) by removing the second and third sentences;

■ 6. In § 400.95, amend paragraph (a) by removing the words “or determination regarding good farming practices” from the first sentence;

■ 7. In § 400.96:

■ a. Remove the paragraph (a) designation and revise the introductory text to read as follows: “Except as provided in § 400.98, with respect to adverse determinations:”;

■ b. Redesignate paragraphs (a)(1), (2) and (3) as paragraphs (a), (b) and (c), respectively;

■ c. Amend redesignated paragraph (c) by removing the words “paragraphs (a) and (b) of”; and

■ d. Remove paragraph (b); and

■ 8. Add § 400.98.

The revisions read as follows:

§ 400.90 Definitions.

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Good farming practices. For agricultural commodities insured under the terms contained in 7 CFR part 457 and all other crop insurance policies authorized under the Act, except as provided herein, means the good farming practices as defined at 7 CFR 457.8. For agricultural commodities insured under the terms contained in 7 CFR part 407, means the good farming practices as defined at 7 CFR 407.9.

Insured. An individual or entity that has applied for crop insurance or who holds a crop insurance policy that was

in effect for the previous crop year and continues to be in effect for the current crop year.

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§ 400.91 Applicability.

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(a) * * *

(1) * * *

(2) Determinations of good farming practices made by personnel of the Agency or the reinsured company (see § 400.98).

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(b) * * *

(1) * * *

(2) Made by any private insurance company with respect to any contract of insurance issued to any producer by the private insurance company and reinsured by FCIC under the provisions of the Act, except for determinations of good farming practices specified in § 400.91(a)(2).

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§ 400.98 Reconsideration process.

(a) This reconsideration process only applies to determinations of good farming practices under § 400.91(a)(2).

(b) There is no appeal to NAD of determinations or reconsideration decisions regarding good farming practices.

(c) Only reconsideration is available for determinations of good farming practices. Mediation is not available for determinations of good farming practices.

(d) If the insured seeks reconsideration, the insured must file a written request for reconsideration to the following: USDA/RMA/Deputy Administrator for Insurance Services/ Stop 0805, 1400 Independence Avenue SW., Washington, DC 20250-0801.

(1) A request for reconsideration must be filed within 30 days of receipt of written notice of the determination regarding good farming practices. A request for reconsideration will be considered to have been “filed” when personally delivered in writing to FCIC or when the properly addressed request, postage paid, is postmarked.

(2) Notwithstanding paragraph (d)(1) of this section, an untimely request for reconsideration may be accepted and acted upon if the insured can demonstrate a physical inability to timely file the request for reconsideration.

(3) The written request must state the basis upon which the insured relies to show that:

(i) The decision was not proper and not made in accordance with applicable program regulations and procedures; or