contain appropriate and prominent disclosure of the registrant's financial difficulties and viable plans to overcome these difficulties. Such disclosure is required by existing rules and by the antifraud provisions of the federal securities laws.[3]

For example, the requirements of Item 303 of Regulation S-K, Management's Discussion and Analysis, insofar as they relate to disclosure of any known demands, commitments or uncertainties that will result in (or that are reasonably likely to result in) the registrant's liquidity increasing or decreasing in any material way, are intended to and should elicit detailed cash flow discussions from any registrant whose independent accountant's report is qualified because of doubt about the entity's continued existence. In responding to these requirements, any registrant with such pressing financial problems should include a reasonably detailed discussion of its ability or inability to generate sufficient cash to support its operations during the twelve month period following the date of the financial statements being reported upon. Thereafter, this discussion would be updated as necessary on a quarterly basis.

The Commission notes that generally accepted auditing standards provide in Statement on Auditing Standards No. 34 ("SAS 34") [4] that the auditor who issues a report that is qualified as a result of questions about the entity's continued existence must evaluate the disclosure about the financial problems giving rise to the accountant's qualification. The Commission believes that in such cases Paragraph 10 of SAS 34 requires the auditor to include in his report, if not otherwise disclosed in the financial statements, appropriate "disclosure of the principal conditions that raise [the] question about [the] entity's ability to continue in existence, the possible effects of such conditions, and management's evaluation of the significance of those conditions and any mitigating factors". The Commission also believes that paragraph 10 of SAS 34 requires auditors to assure the adequacy of disclosure about plans to resolve the doubts about the entity's continued existence.[5]

[3] See, *e.g.*, Items 101, 303, 503 and 504 of Regulation S-K [17 CFR 229], Description of Business, Management's Discussion and Analysis, Summary Information and Risk Factors, and Use of Proceeds, respectively, and Rule 408 [17 CFR 230.408], Additional Information.

[4] SAS 34, "The Auditors Considerations When a Question Arises About an Entity's continued Existence", issued in 1981, provides guidance regarding the auditor's responsibilities when there are questions about an entity's continued existence and outlines the appropriate form of the auditor's report when such questions exist.

Codification Update

The "Codification of Financial Reporting Policies" announced in Financial Reporting Release No. 1 (April 15, 1982) [47 FR 21028] is updated to:

1. Delete old § 607.02, entitled as follows: 607.02 Uncertainty About an Entity's Continued Existence.

2. Add new § 607.02, entitled as follows: 607.02 Uncertainty About an Entity's Continued Existence.

3. Include in § 607.02 the following, followed by the last two paragraphs of this release:

Financial statements will be considered false and misleading if those statements are prepared on the assumption of a going concern but should more appropriately be based on the assumption of liquidation or if the classification and amounts of assets and liabilities should be otherwise adjusted. Moreover, filings containing accountant's reports that are qualified as a result of questions about the entity's continued existence must contain appropriate and prominent disclosure of the registrant's financial difficulties and viable plans to overcome these difficulties. Such disclosure is required by existing rules and by the antifraud provisions of the federal securities laws.[6]

This codification is a separate publication issued by the SEC. It will not be published in the Federal Register/ Code of Federal Regulations system.

List of Subjects in 17 CFR Part 211

Accounting, Reporting and recordkeeping requirements, Securities.

PART 211—[AMENDED]

Commission Action: The Commission hereby amends Subpart A 17 CFR Part 211 by adding a reference to this release.

By the Commission.

Shirley E. Hollis,

Assistant Secretary.

February 15, 1984.

[FR Doc. 84-4773 Filed 2-22-84; 8:45 am]

BILLING CODE 8010-01-M

[5] Paragraph 10 of SAS 34 concludes by stating "* * * [i]f disclosure is necessary and a satisfactory resolution of the question [about an entity's ability to continue in existence] depends primarily on the realization of particular plans of management, the disclosure should deal with that fact and such plans."

[6] See, *e.g.*, Items 101, 303, 503 and 504 of Regulation S-K [17 CFR 229], Description of Business, Management's Discussion and Analysis, Summary Information and Risk Factors, and Use of Proceeds, respectively, and Rule 408 [17 CFR 230.408], Additional Information.

17 CFR Part 270

[Release No. 33-6510; IC-13768]

Revised Procedures for Processing Registration Statements, Post-Effective Amendments and Preliminary Proxy Materials Filed by Registered Investment Companies

AGENCY: Securities and Exchange Commission.

ACTION: Announcement of new procedures.

SUMMARY: The Commission's Division of Investment Management, which is responsible for reviewing disclosure documents filed by registered investment companies, is adopting new procedures for the selective review of investment company registration statements and post-effective amendments. The Division is also implementing new processing procedures for preliminary proxy solicitation materials filed by registered investment companies, and is withdrawing its previously published procedures for the limited review of certain proxy materials. These steps are being taken so that the Division's resources may be concentrated on those filings that most need review and to ensure that the review of investment company disclosure filings is thorough, timely and accomplished in a manner that is fair to all registrants.

EFFECTIVE DATE: March 26, 1984.

FOR FURTHER INFORMATION CONTACT: Jane A. Kanter, Special Counsel (202) 272-2115, or Larry L. Greene, Esq. (202) 272-7320, Office of Disclosure Legal Services, Division of Investment Management, Securities and Exchange Commission, Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION: Consistent with its practice of publishing staff views to assist issuers, their counsel and accountants, and other interested persons, the Commission is announcing the implementation by the Division of Investment Management ("Division") of certain new procedures for the review of registration statements, post-effective amendments and preliminary proxy materials filed by registered investment companies. These steps are being taken to help assure that the processing of disclosure filings by investment companies is accomplished in a prompt and orderly manner.

Background

In recent years, the number of filings by investment companies has increased. Because of this, the Division has implemented various procedures to avoid delay in processing these filings. Since September of 1976, the staff has revised its procedures for processing certain disclosure filings three times.[1] During the same period, the Commission adopted three new rules under the Securities Act of the 1933 (the "Securities Act") [15 U.S.C. 77a *et seq.*] that permit most post-effective amendments filed by open-end management investment companies and unit investment trusts, and certain registration statements filed by registered unit investment trust to become effective automatically without staff review.[2]

These changes have helped the Division to make more efficient use of its resources. The number of filings made by investment company registrants has, however, continued to dramatically increase.[3] As a result, the Division is again revising its review procedures in order to ensure that its resources are directed to those filings which most need review, and that these filings are reviewed in a prompt and orderly manner.[4]

Discussion

Many registration statements and post-effective amendments filed by investment companies that are members of the same fund complex are similar to filings by other funds in the complex.[5] The staff's current practice is to fully review each new registration statement even though the staff may have already reviewed a similar filing by a fund in that complex and resolved many substantive issues in that context.[6] Also, under current procedures, all post-effective amendments filed by any one fund under paragraph (a) of rules 485 [17 CFR 230.485] or 486 [17 CFR 230.486] [7] are subject to full review despite the fact that many matters in the filing may have been considered by the staff in processing other filings by that fund, e.g., in proxy solicitation materials. The Division's experience has been that such filings, generally, do not present novel questions of law or fact, and are routine in many respects. Further, fund complexes usually try to use in their filings disclosure from prior filings that already have been subject to staff review and comment. As a result, the Division believes that staff time currently devoted to reviewing such disclosure could be better used elsewhere.

Registration Statements

In view of the foregoing, the Division is instituting new selective review procedures for all investment company registration statements and post-effective amendments. Under the new procedures, any registration statement filed by a fund in a complex for an offering that: (1) Employs investment objectives, policies and techniques that are similar to a recent prior offering by another fund in that complex, and (2) contains disclosure that is not substantially different than the disclosure contained in one or more prior filings by funds in the complex, generally, will be subject only to a cursory review by the staff to determine that the registration statement contains no other information that should be reviewed. To facilitate this process, registrants should describe in their transmittal letters to the Commission: (1) Any material changes from the most recent filing of the same kind by that fund complex, (2) any problem areas that in the registrant's view warrant particular attention, (3) any new investment techniques, products or methods of distribution covered by the filings, and (4) the identity of any prior filings, or portions thereof, that the registrant considers similar to, or intends as precedent for, the current filing.

The Division will determine whether the current filing is similar to a prior filing by the same sponsor or fund complex by considering various factors including: (1) Type of fund, e.g., money market fund, equity fund, bond fund (taxable and tax-exempt), or balanced fund; (2) the fund's investment objective, e.g., growth, income, total return or preservation of capital; and (3) the investment techniques used by the fund, e.g., use of repurchase agreements, puts, options, futures, when issued securities, or reverse repurchase agreements. In identifying prior filings which are intended to serve as disclosure precedent, funds will not be restricted to a single filing, but may rely on any number of prior filings by that fund complex. The cover letter accompanying the filing, however, should identify all prior filings relied on and should identify those portions of the prior filing that the registrant considers similar to its latest filing.

In order to determine whether a particular filing would be subject to full review, each reviewing branch will designate one or more senior staff members to perform a cursory review of every filing subject to this procedure. Based on the information available to the staff, including the information contained in the cover letter, the branch will determine whether the filing needs: (1) A full review, (2) a partial review of only certain portions of the filing, or (3) no further review.

The Division will try to notify each registrant promptly concerning what level of review will be accorded their filing. In most cases, the staff expects to notify registrants concerning the status of their filings within ten calendar days of the filing date. Under these procedures, certain registration statements may not be reviewed, in

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[1] *See* Securities Act Release No. 5738 (September 3, 1976) [41 FR 39013 (September 14, 1976)]; Securities Act Release No. 5988 (October 19, 1978) [43 FR 49866 (October 25, 1978)]; and Securities Act Release No. 6353 (October 2, 1981) [46 FR 50649 (October 14, 1981)].

[2] *See* Securities Act Release No. 6229 (August 25, 1980) [45 FR 57702 (August 29, 1980)]; Securities Act Release No. 6402 (May 14, 1982) [47 FR 22356 (May 24, 1982)]; and Securities Act Release No. 6401 (May 7, 1982) [47 FR 20290 (May 12, 1982)].

[3] From fiscal year 1979 to fiscal year 1983, the annual number of registration statements, post-effective amendments and proxy statements filed with the Commission increased by 226%, 68% and 34%, respectively. The Division expects that this trend will continue and that there will be an approximately 34% increase from fiscal year 1983 in all filings requiring staff review during the current fiscal year.

[4] At the same time, the Commission is proposing for comment amendments to rules 485(b) and 486(b) under the Securities Act to expand the category of filings that may become automatically effective upon filing to include post-effective amendments filed by registered investment companies in compliance with an undertaking to file financial statements, which may be unaudited, within four to six months after the effective date of an investment company's Securities Act registration statement.

[5] While certain funds in a complex may have different investment objectives and techniques, in many instances their prospectuses contain similar disclosure concerning other aspects of the funds' operations (e.g., procedures for purchase and redemption, and the description of the investment adviser, underwriters, officers and directors). On the other hand, prospectuses of funds in the same complex having similar investment objectives or techniques may contain different disclosure for other items (e.g., presence or absence of a rule 12b–1 plan).

[6] Certain registration statements filed by unit investment trusts are permitted to become effective automatically pursuant to Rule 487. *See* Securities Act Release No. 6401 (May 7, 1982) [47 FR 20290 (May 12, 1982)]. Under that rule, a registration statement filed by a unit investment trust, except the first series of such a trust, that, among other things: (1) is composed of portfolio securities that do not differ materially from those deposited in the first series of the trust, and (2) does not contain disclosures that differ in any material respect from those contained in the registration statement of the prior series identified by the registrant, may become automatically effective on a date and time designated by the registrant. During fiscal year 1983, approximately 590 registration statements were filed under this rule.

[7] Rule 485 is applicable to all open-end management investment companies and unit investment trusts, except separate accounts of insurance companies. Rule 486 is solely applicable to insurance company separate accounts. Rules 485(a) and 486(a) permit most post-effective amendments filed by open-end management investment companies and unit investment trusts to become effective automatically either on the sixtieth day after its filing, or on, any day between the sixtieth and eightieth day after its filing as designated by the registrant.

which case requests for acceleration of effectiveness will be treated as confirmation by those registrants of their awareness of their statutory obligations under the federal securities laws.

Post-Effective Amendments

With regard to post-effective amendments to investment company registration statements, the Division will employ similar review procedures. Currently, post-effective amendments filed pursuant to rules 485(b) [17 CFR 230.485(b)] or 486(b) [17 CFR 230.486(b)] may become effective on the date that they are filed with the Commission and are, therefore, normally not reviewed by the staff. Only post-effective amendments filed pursuant to rules 485(a) [17 CFR 230.485(a)] or 486(a) [17 CFR 230.486(a)] are given staff review. In most cases, the Division limits its review of such post-effective amendments to an examination of: (1) The financial statements, (2) narrative material that is underscored or otherwise marked to indicate textual changes, and (3) areas in which recent developments suggest that changes in prospectus disclosure are likely to be necessary.[8]

To expedite the processing of such filings under the new procedures, the Division requests that issuers describe in their transmittal letters to the Commission the reason, or reasons, for filing their current post-effective amendment under paragraph (a) of rules 485 or 486, and whether the material portions of the issuer's registration statement that are being amended have been reviewed by the staff in some other context (i.e., in proxy solicitation materials for that fund or in the registration statement or post-effective amendment of another fund in that complex). As in the case of registration statements, based on the information available to the staff, the branch will determine whether the filing should be given: (1) A full review, (2) a partial review of only certain portions of the filing, or (3) no further review. Under these procedures, when a post-effective amendment is not being reviewed, requests for acceleration of effectiveness will be considered as an acknowledgement by the issuer of their statutory obligations under the federal securities laws to provide appropriate disclosure of material information.

Revised Proxy Review Procedures

Currently, preliminary proxy materials containing only proposals relating to: (1) Uncontested election of directors, (2) ratification of the selection of accountants, (3) the continuation of a current advisory contract, (4) increases in the number or amount of shares authorized to be issued by the registrant, and (5) continuation of any current contract relating to the distribution of shares issued by the registrant that is not associated with a distribution plan permitted by Rule 12b–1 under the Investment Company Act of 1940, are reviewed by the staff only to make sure that these proxy materials contain no other proposals or information which should be reviewed.[9] Under normal circumstances, proxy materials concerning other material matters continue to receive full staff review.[10]

These procedures for the processing of proxy statements have, for the most part, worked well, but can be improved. Therefore, the Division is withdrawing the existing procedures for processing proxy materials enumerated in Securities Act Release Nos. 5988 and 6353[11] and is implementing new ones.

Under the new procedures, an issuer whose preliminary proxy statement or information statement has been on file for the required ten days may mail such materials without first receiving any notice or comments from the staff, except for proxy materials which contain proposals subject to the information requirements of Item 14 of Schedule 14A under the Securities Exchange Act of 1934 [17 CFR 240.14a–101]. If the staff has comments, or will have comments, on a preliminary proxy statement or information statement, the staff will advise the issuer promptly (but in no event later than the tenth day after filing). If an issuer is not alerted by the staff within that ten-day period, the issuer should consider itself free to mail its proxy materials without waiting to hear from the staff. The staff will no longer advise issuers or respond to issuer inquiries concerning the review status of a preliminary proxy statement or information statement. However, clerical assistants in the appropriate branch will be prepared to answer inquiries as to the date of receipt of such filings. Since proxy materials containing proposals subject to Item 14 of Schedule 14A involve a significant alteration in the operation of an investment company, and, generally, will require staff review, those proxy materials are not subject to the new review procedures.

By the Commission.

Dated: February 15, 1984.

Shirley E. Hollis,

Assistant Secretary.

[FR Doc. 84-4750 Filed 2-22-84; 8:45 am]

BILLING CODE 8010-01-M

[8] *See* Securities Act Release No. 5988 (October 2, 1981) [43 FR 49866 (October 25, 1978)]. In addition, the Division does not review certain post-effective amendments or proxy statements that otherwise would be subject to review when necessary to maintain the timely processing of all filings pursuant to its "stand-by procedures" *See* Securities Act Release No. 6353 (October 2, 1981) [46 FR 50649 (October 14, 1981)]. Pursuant to the "stand-by procedures" announced in that release, filings are selected for review based on: (1) random sampling, (2) information in the transmittal letter suggesting a need for review, (3) unusual findings resulting from a test check of the financial statements, or (4) staff experience through review of other filings of a particular registrant or inspection of the registrant which indicates that review would be appropriate.

[9] *See* Securities Act Release No. 5988 (October 19, 1978) [43 FR 49866 (October 25, 1978)]; Securities Act Release No. 6353 (October 2, 1981).

[10] *See* Securities Act Release No. 6353 (October 2, 1981) concerning certain "stand-by procedures" for the review of proxy materials which might be implemented by the Division if necessary to maintain the timely and orderly processing of all filings.

[11] Securities Act Release No. 5988 (October 19, 1978) and Securities Act Release No. 6353 (October 2, 1981). The Division is withdrawing the procedures described in these releases because they are not entirely consistent with the new procedures, e.g., those releases request issuers to ascertain that the staff has no comments on proxy materials, even if they contain only the routine proposals described in those releases. The Division will, however, select proxy materials for review on a basis that reflects the process described in these releases.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 155

[Docket No. 83N-0327]

Certain Other Canned Vegetables; Amendment of Standards of Identity

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the standards of identity for canned bean sprouts, lima beans, carrots, green sweet peppers, red sweet peppers, and potatoes to permit the use of safe and suitable calcium salts. This action will promote honesty and fair dealing in the interest of consumers.

DATES: Effective July 1, 1985, for all affected products initially introduced or initially delivered for introduction into interstate commerce on or after this date. Voluntary compliance may begin April 23, 1984. Objections by March 26, 1984.

ADDRESS: Written objections to the Dockets Management Branch (HFA–305), Food and Drug Administration, Rm. 4–62, 5600 Fishers Lane, Rockville, MD 20857.

FOR FURTHER INFORMATION CONTACT: F. Leo Kauffman, Bureau of Foods (HFF-214), Food and Drug Administration, 200 C St. SW., Washington, DC 20204, 202-485-0107.

SUPPLEMENTARY INFORMATION: In the **Federal Register** of October 21, 1983 (48 FR 48836), FDA published a proposal to amend the standards of identity for canned bean sprouts, lima beans, carrots, green sweet peppers, red sweet peppers, and potatoes in § 155.200 (21 CFR 155.200) to provide for the use of safe and suitable calcium salts as optional firming agents. Interested persons were given until December 20, 1983, to comment on the proposal. FDA received only one comment. The comment supported the proposal.

The regulation will provide a food processor the flexibilty to use different safe and suitable calcium salts without having to initiate lengthy and costly proceedings to amend a given food standard each time a processor wants to use a new or different calcium salt. Accordingly, consumers and manufacturers will benefit from this regulation. In light of the absence of any negative comments and of the benefits of this regulation, the agency is issuing the proposed rule as a final rule with no changes.

List of Subjects in 21 CFR Part 155

Canned vegetables, Food standards, Vegetables.

Therefore, under the Federal Food, Drug, and Cosmetic Act (secs. 401, 701(e), 52 Stat. 1046 as amended, 70 Stat. 919 as amended (21 U.S.C. 341, 371(e))) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 5.10), Part 155 is amended in § 155.200 by revising paragraph (c)(6) to read as follows:

PART 155—CANNED VEGETABLES

§ 155.200 Certain other canned vegetables.

* * * * *

(c) * * *

(6) In the case of bean sprouts, lima beans, carrots, green sweet peppers, red sweet peppers, and potatoes, any safe and suitable calcium salts may be added as a firming agent.

* * * * *

Any person who will be adversely affected by the foregoing regulation may at any time on or before March 26, 1984 submit to the Dockets Management Branch (HFA-305), Food and Drug Administration, Rm. 4-62, 5600 Fishers Lane, Rockville, MD 20857, written objections thereto and may make a written request for a public hearing on the stated objections. Each objection shall be separately numbered and each numbered objection shallspecify with particularity the provision of the regulation to which objection is made. Each numbered objection on which a hearing is requested shall specifically so state; failure to request a hearing for any particular objection shall constitute a waiver of the right to a hearing on that objection. Each numbered objection for which a hearing is requested shall include a detailed description and analysis of the specific factual information intended to be presented in support of the objection in the event that a hearing is held; failure to include such a description and analysis for any particular objection shall constitute a waiver of the right to a hearing on the objection. Three copies of all documents shall be submitted and shall be identified with the docket number found in brackets in the heading of this regulation. Received objections may be seen in the office above between 9 a.m. and 4 p.m., Monday through Friday.

Effective date. Except as to any provisions that may be stayed by the filing of proper objections, compliance with this final regulation, including any required labeling changes, may begin April 23, 1984, and all affected products initially introduced or initially delivered for introduction into interstate commerce on or after July 1, 1985, shall fully comply. Notice of the filing of objections or lack thereof will be published in the **Federal Register.**

(Secs. 401, 701(e), 52 Stat. 1046 as amended, 70 Stat. 919 as amended (21 U.S.C. 341, 371(e)))

Dated: February 14, 1984.

William F. Randolph,

Acting Associate Commissioner for Regulatory Affairs.

[FR Doc. 84-4703 Filed 2-22-84; 8:45 am]

BILLING CODE 4160-01-M

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21 CFR Part 558

New Animal Drugs for Use in Animal Feeds; Tylosin

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to reflect approval of a supplemental new animal drug application (NADA) filed for Walnut Grove Products, Division of W. R. Grace & Co., providing for manufacture of a 40-gram-per-pound tylosin premix. The premix will subsequently be used to make finished feeds for swine, beef cattle, and chickens.

EFFECTIVE DATE: February 23, 1984.

FOR FURTHER INFORMATION CONTACT: Benjamin A. Puyot, Bureau of Veterinary Medicine (HFV-130), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-443-4913.

SUPPLEMENTARY INFORMATION: Walnut Grove Products, Division of W. R. Grace & Co., 201 Linn St., Atlantic, IA 50022, is the sponsor of a supplement to NADA 98-595 submitted on its behalf by Elanco Products Co. This supplement provides for the manufacture of a 40-gram-per-pound premix subsequently used to make complete feeds for swine, beef cattle, and chickens for use as in 21 CFR 558.625(f)(1)(i) through (vi). The supplement is approved and the regulations are amended accordingly. The basis for approval of this supplement is discussed in the freedom of information summary.

In accordance with the freedom of information provisions of Part 20 (21 CFR Part 20) and § 514.11(e)(2)(ii) (21 CFR 514.11(e)(2)(ii)), a summary of safety and effectiveness data and information submitted to support approval of this application may be seen in the Dockets Management Branch (HFA-305), Food and Drug Administration, Rm. 4-62, 5600 Fishers Lane, Rockville, MD 20857, from 9 a.m. to 4 p.m., Monday through Friday.

The Bureau of Veterinary Medicine has determined pursuant to 21 CFR 25.24(d)(1)(i) (proposed December 11, 1979; 44 FR 71742) that this action is of a type that does not individually or cumulatively have a significant impact on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

List of Subjects in 21 CFR Part 558

Animal drugs, Animal feeds.

Therefore, under the Federal Food, Drug, and Cosmetic Act (sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(i))) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 5.10) and redelegated to the Bureau of Veterinary Medicine (21 CFR 5.83), Part 558 is amended in § 558.625 by revising paragraph (b) (28) to read as follows:

PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS

§ 558.625 Tylosin.

* * * * *

(b) * * *

(28) To 034139: 0.8 gram and 4 grams per pound, paragraph (f)(1)(vi)(*a*) of this section; 10 grams per pound, paragraph (f)(1)(i), (iii), (iv), and (vi) of this section;

40 grams per pound, paragraph (f)(1)(i) through (vi) of this section.

* * * * *

Effective date. February 23, 1984.

(Sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(i)))

Dated: February 14, 1984.

Richard A. Carnevale,

Acting Associate Director for Scientific Evaluation.

[FR Doc. 84-4702 Filed 2-22-84; 8:45 am]

BILLING CODE 4160-01-M

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Secretary

24 CFR Subtitle A and Chs. II, IV, V, VII, VIII, IX, X, and XXII

[Docket No. R-84-1143; FR-1846]

Reorganization of Rules Relating to Housing Management, the Section 8 Program, and Public and Indian Housing Programs

AGENCY: Office of the Secretary, HUD.

ACTION: Final rule.

SUMMARY: This document redesignates the material in several Chapters of HUD's regulations. These changes are designed to help implement a recent reorganization within the Department and the creation of a new position of Assistant Secretary for Public and Indian Housing. These changes, which include clarifying amendments to some Chapter headings in Title 24, should enhance the usability of HUD's regulations.

EFFECTIVE DATE: March 26, 1984.

FOR FURTHER INFORMATION CONTACT: Susan E. Schruth, Department of Housing and Urban Development, Room 10276, 451 Seventh Street, S.W., Washington, D.C. 20410 (202) 755-7055. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION:

Background

The Secretary of Housing and Urban Development recently established within the Department a new position of Assistant Secretary for Public and Indian Housing to carry out the Department's programs relating to public housing and Indian housing. These functions were transferred to the new Assistant Secretary by a delegation of authority signed by the Secretary on September 7, 1983 (published in the **Federal Register** on September 13, 1983, 48 FR 41097).

On September 27, 1983 the Secretary established a new Chapter IX in Title 24 for the regulations of the Assistant Secretary of Public and Indian Housing. To create this new Chapter IX, the Secretary moved existing material in Chapter IX to a new Chapter X, and existing material in Chapter X to a new Chapter XI. (See 48 FR 44071, September 27, 1983, effective December 13, 1983). The September 1983 document allowed the Assistant Secretary to promulgate new regulations; the document did not move existing regulations on public and Indian housing into Chapter IX, but noted that this would be done by a later, more complete reorganization document.

This Document

This document reorders portions of HUD's regulations to reflect the new organization of the Department. Because the functions of the new Assistant Secretary for Public and Indian Housing were previously carried out by the Assistant Secretary for Housing-Federal Housing Commissioner, the Department must redesignate portions of its regulations contained in Chapter VIII to a new Chapter VII and new Chapter IX. Existing Chapter VIII contains regulations on the Section 8 housing assistance programs, the Section 202 direct loan program for the elderly or handicapped and public and Indian housing programs. Chapter VIII retains those regulations applicable to the Section 8 housing programs and to other authorities retained by the Assistant Secretary for Housing-Federal Housing Commissioner. New Chapter IX contains regulations pertaining to the public and Indian housing programs. New Chapter VII contains regulations issued by the Secretary that apply both to the Section 8 housing programs and to public and Indian housing programs.

Old Chapter VII has been given a new Chapter assignment of XXII. In addition to these changes, the Department is taking this opportunity to make other technical changes to HUD regulations that are designed to enhance their usability. These changes include removing Part 470 from the CFR and moving all other material currently in Chapter IV to other parts of Title 24. Existing Chapter IV, regulations of the Assistant Secretary for Housing Management, no longer reflects the organizational structure of the Department. Regulations in this Chapter have been moved to Chapter II or Chapter V, depending on which Assistant Secretary administers the regulations. In addition, the Department is clarifying the titles of Chapters VIII and X. Tables following the Preamble to this rule show in list format the redesignation changes being made by this rule, as well as the Chapters and Chapter titles which now make up the Department's regulations.

This document does not represent a complete recodification and updating of the Department's regulations, but, rather, is limited to those areas specifically identified above. The Department will continue to revise other outdated references in regulations as they are amended substantively.

The Department has determined that this reorganization of regulations need not be published as a proposed rule, as generally required by the Administrative Procedure Act (APA), since this rulemaking merely reflects agency practice. It is thus exempt under section 553(b)(A) of the APA.

A Finding of No Significant Impact with respect to the environment required by the National Environmental Policy Act (42 U.S.C. 4321-4347) is unnecessary, since this redesignation of regulations is categorically excluded under HUD regulations at 24 CFR 50.21(k).

This rule does not constitute a "major rule" as that term is defined in Section 1(b) of Executive order 12291 on Federal Regulation issued on February 17, 1981. Analysis of the rule indicates that it does not: (1) Have an annual effect on the economy of $100 million or more; (2) cause a major increase in cost or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions; or (3) have a significant adverse effect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

As required by section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601), the Undersigned hereby certifies that this rule does not have a significant economic impact on a substantial number of small entities because it merely changes the organization of the Department's regulations.

This rule was not listed in the Department's Semiannual Agenda of Regulations published on October 17, 1983 (48 FR 47418).

List of Subjects

24 CFR Part 799

Great programs—housing and community development, Intergovernmental relations, Housing, Waiver authority.

24 CFR Part 899

Grant programs—housing and community development, Low and