

for monetary losses to be paid to a claimant in accordance with this subpart. A determination rendered by the Controller, CCC, may be appealed to the Executive Vice President, CCC, within 30 days after the determination.

(b) Interest will accrue on the amount of compensation ultimately found to be due the claimant by the Controller, CCC, beginning on the ninety-first day following receipt by the Controller, CCC, of the claimant's final documentation supporting the monetary loss claimed, in accordance with section 1476.3(c), or the ninety-first day following the effective date of this rule, whichever is latest, and ending on the date of payment. The interest will accrue at the same rate charged by CCC on delinquent debts and published in a notice in the *Federal Register* in accordance with 7 CFR 1403.5.

(c) As a condition of payment by the CCC, each claimant must sign a release which states that the payment received from the CCC is in complete satisfaction of all compensation due the claimant from the Department under these regulations and the Act.

Signed in Washington, D.C. on May 21, 1984.

C. Hoke Leggett,

Acting Executive Vice-President, Commodity Credit Corporation.

[FR Doc. 84-14178 Filed 5-25-84; 8:45 am]

BILLING CODE 3410-05-M

Foreign Agricultural Service

7 CFR Part 1540

Emergency Relief From Duty-Free Imports of Perishable Products

AGENCY: Foreign Agricultural Service, USDA.

ACTION: Final rule.

SUMMARY: This rule establishes the procedure by which an entity representative of a U.S. industry producing perishable products can submit a request to the U.S. Department of Agriculture (USDA) for emergency relief from increased, injurious imports of like perishable products entering duty-free from beneficiary countries under the provisions of the Caribbean Basin Economic Recovery Act.

DATE: Effective on June 28, 1984.

FOR FURTHER INFORMATION CONTACT: Sharon Kelly, Western Europe and Inter-America Division, International Trade Policy, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250, Tel: (202) 382-1338.

SUPPLEMENTARY INFORMATION:

Background

The Caribbean Basin Economic Recovery Act of 1983, Title II of Pub. L. 98-67, 97 Stat. 384 (19 U.S.C. 2701 *et seq.*) (the "Act") provides for duty-free treatment of imports from beneficiary countries designated by Presidential proclamation.

Section 213(f) of the Act provides, in part, that if a petition is filed with the International Trade Commission pursuant to the provisions of section 201 of the Trade Act of 1974, as amended, regarding a perishable product and alleging injury from imports from beneficiary Caribbean countries, then the petition may also be filed with the Secretary of Agriculture with a request that emergency relief be granted by the President.

Under the rule, a U.S. entity seeking emergency relief should submit a request to the Administrator, Foreign Agricultural Service, USDA, providing, to the extent possible, such information as is necessary to permit the Secretary of Agriculture to make a determination as to whether a recommendation should be made to the President that emergency relief should be granted. The request should identify the perishable product concerned and its country of origin, show that increased imports of the perishable product are the substantial cause of serious injury or the threat of serious injury to a domestic industry producing a perishable product like or directly competitive with the imported product, and indicate why emergency action is warranted. A copy of the petition filed with the International Trade Commission pursuant to the provisions of section 201 of the Trade Act of 1974, as amended, should also be included.

Rule Making Matters

This rule has been reviewed under USDA procedures required by Executive Order 12291 and Departmental Regulation 1512-1 and has been classified as "not major" since the rule would not have any of the effects specified in those documents.

The Administrator, Foreign Agricultural Service, USDA, certifies that this rule will not have a significant economic impact on a substantial number of small entities. The rule implements Section 213(f) of the Act by establishing the procedure by which a U.S. industry producing perishable products may seek emergency relief from duty-free imports from beneficiary Caribbean countries during the time its request under Section 201 of the Trade Act of 1974 is under consideration by the International Trade Commission.

Consequently, no regulatory flexibility analysis is required under the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

An assessment of the impact of this rule on the environment was made and, based on this evaluation, it has been determined that this action is not a major federal action and will have no foreseeable adverse effects on the quality of the human environment. Consequently, no environmental impact statement is necessary for this rule. The environmental assessment is available for review in Room 5506, South Building, USDA during normal business hours.

Discussion of Comments

A proposed rule entitled "Emergency Relief from Duty-Free Imports of Perishable Products" was published in the *Federal Register* on December 19, 1983 (48 FR 56060) with corrections published January 4, 1984 (49 FR 414). Two written comments were submitted in response to the proposed rule and are available for inspection. All of the comments were considered in preparing the final rule.

Sufficiency of Evidence

One comment suggested that the decision by the Secretary of Agriculture whether to recommend that the President grant emergency relief be based not only on the information presented by the petitioning party but from all information available to USDA officials. Another comment suggested that the petitioner should have to submit hard evidence of the irreparable nature of the harm allegedly caused by the imports in order to prove that emergency action should be taken.

Under Section 1540.4 of the proposed rule, the petitioner is required to submit, to the extent possible, various information concerning the imported perishable product and the beneficiary country of origin, data on the importation of the perishable product, evidence of serious injury or threat thereof to the domestic industry substantially caused by the increased imports, and a statement indicating why emergency action would be warranted along with the request for emergency import relief. We believe that the information requested from the petitioner should, if provided, give USDA an adequate basis for the determination of the need for emergency relief. Obviously, USDA will utilize all other information available to it in making its determination. Accordingly, no change was made in the final rule.

Decision-Making Process

One comment suggested that the rule indicate how USDA will conduct its investigations. The comment proposed that some type of notification of the request for emergency relief be given to the affected Caribbean beneficiary countries and other affected persons. The comment also proposed that USDA coordinate closely with the International Trade Commission (ITC) when making its determinations regarding what product is like or directly competitive with the imports, what constitutes a "previous representative period" for comparison purposes, what is an acceptable indication of extraordinary conditions meriting emergency action, and the sufficiency of the causal link shown between the imports and the alleged injury. The comment also suggested that after one year or after several investigations the rule again be published for public comments.

The proposed rule establishes the procedure for the submission of petitions and is not designed to set out the decision-making process USDA will use in making a determination. It is not possible to define in advance detailed procedures that can be uniformly and appropriately applied to all cases. Under the Act, the Secretary of Agriculture is authorized to make the determination that emergency action is warranted. There is no requirement for coordination or consultation with other government agencies. While USDA does expect to discuss and consult with other government agencies when appropriate, it believes that it is neither appropriate nor necessary to include such consultative procedures in this regulation. Accordingly, the final rule incorporates no changes in the language of the proposed rule. USDA will, of course, consider any appropriate changes to the regulations if its experience under this regulation indicates the need for such changes.

List of Subjects in 7 CFR Part 1540

Agricultural commodities, Imports, International agricultural trade.

In accordance with the above, 7 CFR Chapter XV is amended by adding the following new Part 1540—International Agricultural Trade:

PART 1540—INTERNATIONAL AGRICULTURAL TRADE**Subpart A—Emergency Relief From Duty-Free Imports of Perishable Products**

- Sec.
- 1540.1 Applicability of subpart.
- 1540.2 Definitions.
- 1540.3 Who may file request.
- 1540.4 Contents of request.

- Sec.
- 1540.5 Submission of recommendations.
- 1540.6 Information.
- 1540.7 Paperwork Reduction Act assigned number.

Authority: Sec. 213(f), Pub. L. 98-67, 97 Stat. 391 (19 U.S.C. 2703(f)); 5 U.S.C. 301.

Cross Reference: For United States International Trade Commission regulations on investigations of import injury and the rules pertaining to the filing of a Section 201 petition, see 19 CFR Part 206.

§ 1540.1 Applicability of subpart.

This subpart applies to requests for emergency relief from duty-free imports of perishable products filed with the Department of Agriculture under section 213(f) of the Caribbean Basin Economic Recovery Act of 1983, Title II of Pub. L. 98-67, 97 Stat. 384 (19 U.S.C. 2701 *et seq.*) (the Act).

§ 1540.2 Definitions.

(a) "Perishable product" means:

(1) Live plants provided for in subpart A of part 6 of schedule 1 of the Tariff Schedules of the United States (TSUS);

(2) Fresh or chilled vegetables provided for in items 135.10 through 138.42 of the TSUS;

(3) Fresh mushrooms provided for in item 144.10 of the TSUS;

(4) Fresh fruit provided for in items 146.10, 146.20, 146.30, 146.50 through 146.62, 146.90, 146.91, 147.03 through 147.33, 147.50 through 149.21 and 149.50 of the TSUS;

(5) Fresh cut flowers provided for in items 192.17, 192.18, and 192.21 of the TSUS; and

(6) Concentrated citrus fruit juice provided for in items 165.25 and 165.35 of the TSUS.

(b) "Beneficiary country" means any country listed in section 212(b) of the Act with respect to which there is in effect a proclamation by the President designating such country as a beneficiary country for purposes of the Act.

§ 1540.3 Who may file request.

A request under this subpart may be filed by an entity, including a firm, or group or workers, trade association, or certified or recognized union which is representative of a domestic industry producing a perishable product like or directly competitive with a perishable product that such entity claims is being imported into the United States duty-free under the provisions of the Act from a beneficiary country(ies) in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to such domestic industry.

§ 1540.4 Contents of request.

A request for emergency action under section 213(f) of the Act shall be submitted in duplicate to the Administrator, Foreign Agricultural Service, United States Department of Agriculture, Washington, D.C. 20250. Such requests shall be supported by appropriate information and data and shall include to the extent possible: (a) A description of the imported perishable product(s) allegedly causing, or threatening to cause, serious injury; (b) the beneficiary country(ies) of origin of the allegedly injurious imports; (c) data showing that the perishable product allegedly causing, or threatening to cause, serious injury is being imported from the designated beneficiary country(ies) in increased quantities as compared with imports of the same product from the designated beneficiary country(ies) during a previous representative period of time (including a statement of why the period used should be considered to be representative); (d) evidence of serious injury or threat thereof to the domestic industry substantially caused by the increased quantities of imports of the product from the beneficiary country(ies); and (e) a statement indicating why emergency action would be warranted under section 213(f) of the Act (including all available evidence that the injury caused by the increased quantities of imports from the beneficiary country(ies) would be relieved by the suspension of the duty-free treatment accorded under the Act). A copy of the petition and the supporting evidence filed with the United States International Trade Commission under section 201 of the Trade Act of 1974, as amended, must be provided with the request for emergency action.

§ 1540.5 Submission of recommendations.

If the Secretary has reason to believe that the perishable product which is the subject of a petition under section 1540.4 of this subpart is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported perishable product and that emergency action is warranted, the Secretary, within 14 days after the filing of the petition under section 1540.4 of this subpart, shall recommend to the President that the President take emergency action. If the Secretary determines not to recommend the imposition of emergency action, the

Secretary shall publish a notice of such determination and will so advise the petitioner within 14 days after the filing of the petition.

§ 1540.6 Information.

Persons desiring information from the Department of Agriculture regarding the Department's implementation of section 213(f) of the Act should address such inquiries to the Administrator, Foreign Agricultural Service, United States Department of Agriculture, Washington, D.C. 20250.

§ 1540.7 Paperwork Reduction Act assigned number.

The Office of Management and Budget has approved the information collection requirements contained in these regulations in accordance with 44 U.S.C. Chapter 25, and OMB Number 0551-0018 has been assigned.

Issued at Washington, D.C. this 27th day of April 1984.

Leo Mayer,

Acting Administrator, FAS.

[FR Doc. 84-14189 Filed 5-25-84; 8:45 am]

BILLING CODE 3410-10-M

Rural Electrification Administration

7 CFR Part 1785

Loan Account Computations, Procedures and Policies

AGENCY: Rural Electrification Administration, USDA.

ACTION: Final rule.

SUMMARY: The Rural Electrification Administration (REA) hereby amends the agency's electric loan policies by adding a new part and section to 7 CFR Chapter XVII. The new part covers loan account payments, procedures and policies for electric borrowers. This final rule provides for the automatic termination of unadvanced loan fund commitments 4 years from the date of the loan contract or amendments thereto and includes provisions for needed exemptions. This helps to assure that REA's loan funds are used effectively and efficiently. The rule applies to insured loans from the Rural Electrification and Telephone Revolving Fund to electric distribution and power supply borrowers.

EFFECTIVE DATE: May 14, 1984.

FOR FURTHER INFORMATION CONTACT: Mr. Charles R. Weaver, Director, Electric Borrowers Management Division, Room 3342-S, Department of Agriculture, Washington, D.C. 20250, telephone number (202) 382-1900. The Final Impact Analysis describing the

options considered in developing and implementing the Final Rule is available on request from the above office.

SUPPLEMENTARY INFORMATION: Pursuant to the Rural Electrification Act, as amended (7 U.S.C. 901 *et seq.*), REA hereby amends 7 CFR Chapter XVII by adding a new part 1785, Loan Account Computations, Procedures and Policies, and § 1785.17, Basis Dates and Termination of Unadvanced Loan Fund Commitments—Electric. This action has been issued in conformance with Executive Order 12291, Federal Regulation. It will not: (1) Have an annual effect on the economy of \$100 million or more; (2) result in major increases in costs or prices for consumers, individual industries, Federal, State or local government agencies or geographic regions; or (3) result in significant adverse effects on competition, employment, investment or productivity, and therefore has been determined "not major."

This action does not fall within the scope of the Regulatory Flexibility Act. This program is listed in the Catalog of Federal Domestic Assistance as 10.850, Rural Electrification Loans and Loan Guarantees.

Background

Currently REA insured loans are based on workplans submitted by borrowers. Generally, the workplans cover a 2-year construction program for electric distribution borrowers and 3 years for power supply borrowers. In some cases borrowers have not drawn funds committed under specific loans for many years after the planned construction period. An audit identified that funds remain unadvanced from loan commitments approved in calendar year 1979 and earlier for 238 electric borrowers. The audit revealed that approximately \$220 million was unadvanced on these loan commitments.

Options Considered

Continue the present policy of approving loan contracts which do not provide for the automatic termination of advances. A second option would be to automatically terminate loan commitments after a specified time such as 4 years. A third option would be automatic termination after a period of time with exemptions provided in special circumstances when need is demonstrated.

REA considers the third option to be the preferred choice because it combines automatic termination of unused loan funds with the flexibility borrowers need to request extensions if circumstances so require. To assure that

loan funds are used effectively and efficiently REA will terminate all unadvanced electric loan fund commitments automatically 4 years from the date of the loan contract or amendments thereto. If the borrower demonstrates, to the satisfaction of the Administrator, that the committed funds are needed for approved loan purposes, i.e., facilities included in a construction workplan which supported the loan or approved amendments, an extension of the obligation of the government to advance loan funds may be granted. This action does not affect the majority of borrowers. The majority of borrowers draw all funds from REA loan commitments covering their 2-year workplans within a 4-year period from the date of the loan contract or amendments thereto.

Public Comment

A notice of proposed rule making was published in the *Federal Register* on December 16, Volume 48, Number 243, pages 55871-72. Approximately 130 letters were received with comments and suggestions on the proposed action. Many of the letters registered some concern over the plan to terminate unadvanced funds after 4 years. Many cited various individual experiences relating to their construction programs, local development situations and zoning requirements impacting on the drawdown of loan funds. Several indicated that 4 years would often be too short a time period for completing a transmission line. Such facilities may require environmental and other impact assessments prolonging construction periods. Slow growth in service areas and the use of unanticipated general funds to provide construction financing were situations discussed by some borrowers as reasons for failing to draw all approved loan funds within the 4-year period. According to some affected borrowers, termination of unadvanced loan funds for such situations would be unfair.

Several borrowers observed that automatic termination of an REA commitment to advance loan funds could generate more frequent applications for loans and force borrowers to complete some projects during the period covered by the loan even when they should be postponed.

The National Rural Utilities Cooperative Finance Corporation (CFC), a principal provider of supplemental financing for loans made concurrently with REA loans, also commented on the proposed rule. One of CFC's concerns regarding the automatic termination of a loan commitment after 4 years is that a

concurrent borrower not be forced into a supplemental loan ratio that is greater than the ratio for which it was eligible when the loan was made. It is possible, in the extreme instance, that the 70/30 REA/CFC loan ratio could result in a 54/46 ratio on a particular loan if the last half of an REA loan is terminated after the supplemental portion is advanced.

The National Rural Electric Cooperative Association (NRECA) responded to the proposed rule through recommendations of its Management Advisory Committee as follows:

(1) The Committee recommends that REA notify the borrower by mail at least six months prior to termination of unadvanced loan fund commitments and provide the borrower with the necessary documentation of procedures required for consideration of an extension.

(2) The Committee recommends that unadvanced loan fund commitments terminated under this rule be made available in the year of termination as an increase to new loan funds available for approval in addition to the minimum level established by the Congress.

(3) The Committee strongly recommends that REA simplify to the greatest extent possible the loan application and loan approval procedure to reduce the time lag between initiation of the planning process and the construction and permanent financing of facilities.

(4) The Committee does not support termination of unadvanced loan funds in instances where approved construction has been completed in a timely fashion but where general fund restrictions have not allowed the actual drawdown of the approved funds.

REA has considered all of the foregoing comments and observations in development of the final rule. The rule provides a procedure for borrowers to request an extension of time to draw such unadvanced funds. Because borrowers would be in the best position to monitor their own circumstances, construction schedules and financial needs, they would best know if and when an extension of time was required. It should therefore be the borrowers' responsibility to notify REA at least 120 days before the loan commitment termination dates.

REA will continue to make efforts to simplify and shorten the loan application and approval process. In addition, regarding the issue of permissible general funds levels as related to loans and the advance of loan funds, REA is developing a policy that will meet borrower needs while protecting the Rural Electrification and Telephone Revolving Fund (RETRF)

from excessive and/or premature drain. By termination of unused commitments for funds, the future liabilities and cash demands are reduced, thereby enhancing the cash flow of the RETRF. REA believes that terminated amounts from prior years' loans should not be added to the current year's authorization of insured loans.

The concern of CFC regarding the resulting loan proportions between REA and a supplemental lender as a result of a termination is also recognized. Such a termination would occur only if the affected borrower could not demonstrate a need for the remaining portion of the REA loan funds. Termination of a portion of a single loan would not normally materially affect the overall proportion of REA and supplemental loans of a borrower. In those cases where loan proportions are substantially affected, appropriate adjustments may be made in future loans.

List of Subjects in 7 CFR Part 1785

Administrative practice and procedure, Loan programs—energy.

In view of the above, 7 CFR Chapter XVII is hereby amended by adding Part 1785 and § 1785.17 to read as follows:

PART 1785—LOAN ACCOUNT COMPUTATIONS, PROCEDURES, AND POLICIES

Sec.

1785.1–1785.16 [Reserved].

1785.17 Basis dates and termination of unadvanced loan fund commitments—electric.

Authority: 7 U.S.C. 901 et seq.

§§ 1785.1–1785.16 [Reserved].

§ 1785.17 Basis dates and termination of unadvanced loan fund commitments—electric.

(a) Termination of Loan Fund Advances: Loan contracts or amendments thereto providing for insured loans approved by the Administrator on or after June 1, 1984, shall provide that the obligation of the Government to advance insured loans pursuant to such loan contract, as amended, shall terminate without further action by the Government after four years from the date of the loan contract or the most recent amendment thereto, unless the Administrator shall agree, in writing, to an extension of the obligation.

(b) Request for Extension: The Administrator may agree to an extension of the obligation of the Government to advance loan funds if the borrower demonstrates to the satisfaction of the Administrator that

the loan funds continue to be needed for approved loan purposes (i.e., facilities included in an REA-approved construction workplan). To apply for an extension, Borrowers must send to the appropriate REA office, at least 120 days before the Government's obligation to advance loan funds terminates, the following: (1) a certified copy of a board resolution requesting an extension of the obligation of the Government to advance loan funds; (2) evidence that the unadvanced loan funds continue to be needed for approved loan purposes; and (3) notice of the estimated date for completion of construction. If the Administrator approves a request for an extension, the Administrator shall notify the borrower in writing of the extension and the terms and conditions thereof.

Dated: May 14, 1984.

Harold V. Hunter,
Administrator.

[FR Doc. 84-14254 Filed 5-25-84; 8:45 am]

BILLING CODE 3410-15-M

SMALL BUSINESS ADMINISTRATION

13 CFR Part 101

[Revision 2—Amdt. 36]

Delegations of Authority To Conduct Program Activities in Field Offices

AGENCY: Small Business Administration.

ACTION: Final rule.

SUMMARY: The Regional Administrator in Region IV has proposed a change that would add authority for a new position of Center Manager in the Disaster Home Loan Center in Birmingham, Alabama. This proposal would give that position authority to take all necessary actions in connection with the administration, servicing, and collection of disaster home loans (with the usual exceptions) commensurate with existing authority of the Chief or Supervisory Loan Specialist, Portfolio Management Division for all SBA loans and guarantees.

After consideration by Central Office officials, the proposal's position title was changed to Supervisory Loan Specialist, Disaster Home Loans. The proposal, as modified, was then approved for Agencywide use by the Administrator.

EFFECTIVE DATE: May 29, 1984.

FOR FURTHER INFORMATION CONTACT: Ronald Allen, Information Resources Management Branch, Small Business Administration, 1441 "L" Street, NW., Washington, D.C. 20416. Telephone No. (202) 653-8538.

SUPPLEMENTARY INFORMATION: Part 101 consists of rules relating to the Agency's organization and procedures; therefore, notice of proposed rulemaking and public participation thereon as prescribed in 5 U.S.C. 553 are not required and this amendment to Part 101 is adopted without resort to those procedures.

List of Subjects in 13 CFR Part 101

Authority delegations (Government agencies), Administrative practice and procedure; Organization and functions (Government agencies).

PART 101—[AMENDED]

For the reasons set forth in the preamble and pursuant to authority in Section 5(b)(6) of the Small Business Act, 15 U.S.C. 634, Part 101, 13 CFR 101.3-2 is amended as set forth below.

Part IV, Section A, paragraph 2, add subparagraph (4) after subparagraph (3) and before paragraph 3 as follows:

§ 101.3-2 Delegations of authority to conduct program activities in field offices.

Part IV * * *
Section A * * *

(4) Supervisory loan specialist, disaster home loans (disaster home loan units only).

Dated: May 18, 1984.

James C. Sanders,
Administrator.

[FR Doc. 84-14168 Filed 5-25-84; 8:45 am]

BILLING CODE 8025-01-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Social Security Administration

20 CFR Parts 404 and 416

[Regs. No. 4 and 16]

Federal Old-Age, Survivors, and Disability Insurance Benefits; Supplemental Security Income for the Aged, Blind, and Disabled; Reentitlement to Disability Benefits

AGENCY: Social Security Administration, HHS.

ACTION: Final rule.

SUMMARY: The Social Security Administration is amending a portion of its regulations which cover Federal old-age, survivors and disability insurance, and the regulations on supplemental security income for the aged, blind and disabled.

These rules implement section 303 of Pub. L. 96-265, the Social Security

Disability Amendments of 1980. Section 303 became effective December 1, 1980. They provide disabled beneficiaries under titles II and XVI of the Social Security Act (the Act) who have completed 9 months of trial work with a 15-month reentitlement period immediately following the trial work period. During this 15-month reentitlement period, the beneficiary may continue to test his or her ability to do substantial gainful activity (SGA) and receive cash benefits for any months in which he or she does not perform SGA, without the need for a new application. However, title II disability benefits and title XVI benefits for persons who are disabled generally will not be paid for any month in the period in which the person preforms SGA.

These rules also provide a trial work period (and the reentitlement period) to disabled widows, widowers, and surviving divorced spouses under title II.

DATE: These rules will be effective May 29, 1984.

FOR FURTHER INFORMATION CONTACT:

Harry J. Short, Legal Assistant, Office of Regulations, Social Security Administration, 6401 Security Boulevard, Baltimore, Maryland 21235, telephone 301-594-7337.

SUPPLEMENTARY INFORMATION: Section 303 of Pub. L. 96-265, the Social Security Disability Amendments of 1980, enacted June 9, 1980, affects both the title II and title XVI disability programs. It (1) provides an extended period of 15 months during which beneficiaries with disabling impairments who have completed 9 months of trial work may continue to test their ability to work and remain eligible to have their disability payments reinstated if they do not continue substantial work, (2) provides a "termination month" for the payment of title II benefits and for the period during which a person may be considered disabled for SSI purposes under title XVI, (3) extends the trial work period provisions to disabled widows, disabled widowers, and disabled surviving divorced spouses who are receiving benefits under title II, and (4) revises the ending date of the title II period of disability in certain instances.

In order to obtain the public's views and comments before proceeding with these amendments implementing section 303, we published a Notice of Proposed Rulemaking in the *Federal Register* on October 19, 1982 (47 FR 46535). Interested persons and organization were invited to submit comments pertaining to the proposed amendments within a period of 60 days from the date

of publication of the notice. We have carefully considered all the comments we received pertaining to the proposed amendments and we have responded to the issues raised by the commenters later in this preamble.

Background

Under the law and regulations relating to the title II and title XVI disability programs prior to December 1, 1980, the effective date of section 303 of the Social Security Disability Amendments of 1980, after a person completed a 9-month trial work period and then in a later month was able to perform work at the substantial gainful activity (SGA) level, the person's benefit payments were terminated. The person's disability and any period of disability established under title II ended. (A "trial work period" is a period of 9 months, not necessarily consecutive, during which a beneficiary can test his or her ability to work. Work in those months is not considered in determining whether disability ceased during this period. "SGA" is work activity done for pay or profit that involves significant physical or mental activities. A person who is able to do SGA is, by definition, not disabled. A "period of disability", applicable only in the title II program, is a continuous period during which a person is disabled. Benefits are generally paid during this period and it may favorably affect the way title II benefits may be computed for the person in the future.) Except where other provisions of title II or title XVI reduced or prevented payment of benefits, a person could receive full benefits throughout the trial work period. This is still true. In addition, the person was eligible for benefits for the first month in which he or she was able to perform SGA following the trial work period and for the next 2 months. The period of disability terminated with the month before the month he or she became age 65 or, if earlier, the second month following the month in which disability ceased. Disability would cease because a person was able to do SGA. As a result, anyone whose title II period of disability or whose title XVI benefits terminated and who was unable to continue working had to file a new application which had to be processed as a new claim. Consideration was given to reopening the prior determination that disability ceased on the basis that the work activity that caused the termination of the person's benefits did not show that the person was able to continue to do SGA. Even so, new medical evidence and other documentation had to be obtained. Also,

under title II, disabled widow(er)s and disabled surviving divorced spouses were not entitled to a trial work period. Title XVI contains no provisions for disabled widow(er)s or disabled surviving divorced spouse's benefits.

Regulatory Provisions

These regulations apply to title II disabled worker's insurance benefits, disabled child's insurance benefits, disabled widow(er)s and disabled surviving divorced spouse's insurance benefits, the period of disability, and title XVI supplemental security income benefits based on disability. They implement section 303 of Pub. L. 96-265, the Social Security Disability Amendments of 1980.

The regulations provide an extended period of time (the reentitlement period) during which a person with a disabling impairment who has completed 9 months of trial work and who engages in SGA remains eligible to have his or her disability payments reinstated if the work attempt ends.

The reentitlement period, described in §§ 404.1592a and 416.992a, begins with the first month following completion of the trial work period (but not earlier than December 1, 1980, the effective date of section 303), and generally ends with the 15th month following the end of the trial work period. A person must complete a trial work period before becoming entitled to a reentitlement period and may have only one reentitlement period in a period of disability (title II) or in a period of entitlement to supplemental security income benefits (title XVI). Under title II of the Act, a person may have only one trial work period during a period of disability. Under title XVI of the Act, a person may have only one trial work period during a period of entitlement to supplemental security income benefits based on the same disability. Therefore, since the reentitlement period immediately follows the trial work period, a person may have only one reentitlement period in that same period.

During the reentitlement period, a person who has a disabling impairment is paid benefits for all months in which he or she does not do SGA. A person is not paid benefits for months in the reentitlement period in which he or she does SGA (except for the first month that he or she does SGA after the trial work period and the two succeeding months). A person's benefits are automatically resumed when he or she stops doing SGA during the reentitlement period. (However, if payments are stopped because a person does not have a medically disabling physical or mental impairment, they are

not automatically resumed.) Benefits may continue after the 15-month period if the person remains unable to do SGA.

In determining, for reentitlement purposes, whether an employee does SGA in a month in the reentitlement period, we consider only work in, or earnings for, that month; we do not consider the average amount of work or earnings over a period of months. In determining whether a self-employed person does SGA in a month in the reentitlement period, we consider that person's activities and services on a month-by-month basis. We do not average the activities and services over a period of months.

To effect the changes necessary to implement section 303, we have changed the rules in §§ 404.316, 404.321, 404.337, 404.352, 404.902, 404.1574, 404.1575, 404.1579, 404.1586, 404.1592, 404.1594, 416.974, 416.975, 416.994, 416.1331, and 416.1402. We have also added new §§ 404.325, 404.401a, 404.1511, 404.1592a, 416.911, and 416.992a and we have removed § 404.1580.

We amended §§ 404.316, 404.337, 404.352, and 416.1331 to show when disability benefits end for persons who, following completion of a trial work period, still continue to have disabling impairments.

In §§ 404.902 and 416.1402 we have provided that our determinations on whether a person has a disabling impairment are initial determinations and, therefore, subject to administrative review. In §§ 404.1511 and 416.911, we defined the term "disabling impairment" and in §§ 404.1592a and 416.992a we defined the term "reentitlement period."

These amendments also define (in §§ 404.325 and 416.994) the term "termination month" as established by section 303 of Pub. L. 96-265 as a reference point for determining when a person's disability benefits should end under title II and for determining when disability status ends under title XVI.

In addition, we modified the general discussion of the evaluation guides for employees in §§ 404.1574 and 416.974 to make it clear that a person's earnings may show whether or not he or she is able to do SGA.

We amended §§ 404.1579, 404.1586, 404.1594, and 416.1331 to show that a person may be paid benefits for certain months in and after the reentitlement period even though he or she has demonstrated the ability to do SGA.

These amendments also extend (in § 404.1592) the title II trial work period provisions to disabled widows, disabled widowers, and disabled surviving divorced spouses (who, for title II disability program purposes, are considered disabled widow(er)s). A

conforming change in section 404.1579 and the removal of § 404.1580 also reflect this change in the law.

The Social Security Disability Amendments of 1980 also revise the ending date of the title II period of disability in certain instances for persons who have completed 9 months of trial work. These regulations reflect this statutory change (§ 404.321). In § 404.401a, we explain that after the 9-month trial work period, a person cannot be paid disability insurance benefits for months in which he or she does SGA (except for the first month that he or she does SGA and the two succeeding months whether or not he or she does SGA in those two months) even though severely impaired.

Comments Received Following Publication of the Notice of Proposed Rulemaking

These regulations were published as proposed rules on October 19, 1982 (47 FR 46535). Interested parties were afforded 60 days within which to submit comments. The comment period closed December 20, 1982. We received five letters—two from a retarded citizens' group, one each from two different State social services agencies, and one from an attorney in private practice. Four of the writers expressed their support for the proposed changes. Two of those writers stated that these changes will help their efforts to obtain employment for their clients. Another writer agreed that these regulations are consistent with the purpose of the statute.

Comment: One writer feels that paragraph (b) of § 404.316 can be misleading in that it states that a person's entitlement to disability benefits ends with the month before the month he or she becomes 65 years old. The writer suggested that language be added to clarify that disability benefits are converted to old-age benefits when a person becomes 65 years old and that there is no interruption in a person's monthly benefits when he or she becomes age 65.

Response: We believe the writer's comment (while not on one of the proposed changes) to be well taken and we have amended § 404.316(b)(2) to clarify the point raised by the writer.

Comment: Another writer suggested that we consider adding language to the regulations at this time describing in more detail what we mean by the term "unsuccessful work attempt". The writer feels that the more detailed description of this policy now contained in a section of our Program Operations Manual System should be added to the regulations.

Response: Several parts of the discussion in the Program Operations Manual System, to which the writer refers, are presently being clarified. In addition, we plan to expand on the present discussion to achieve further clarity and foster better understanding of our policy in this area. We are, therefore, not adopting the writer's suggestion at this time. We will, however, give further consideration to this suggestion following completion of the revisions to the Program Operations Manual System.

Additional Changes

We rewrote paragraph (a) of § 404.1579; which deals with when we will find that a widow's, widower's, or surviving divorced wife's disability has ended. This change more closely conforms the language of this paragraph with the similar discussions in § 404.1586 (statutory blind persons) and § 404.1594 (disabled workers and persons disabled since childhood).

In the rules published with a Notice of Proposed Rulemaking on October 19, 1982, we proposed to rewrite paragraph (e)(2) of 404.1592 to read:

The month in which, based on new evidence, you are not disabled, even though you have not worked a full 9 months.

This revision would have removed the statement on work during the trial work period and the statement that we may find that a person's disability has ended at any time if the evidence shows that a person is able to do substantial gainful activity. These changes were merely attempts to shorten and streamline this paragraph and did not represent any changes in policy. However, it has been pointed out to us that these proposed changes could be interpreted as changes in policy. This was not our intent. To prevent any further misunderstanding, we have not made any change to paragraph (e)(2) in these final rules.

We had proposed in the Notice of Proposed Rulemaking not to apply the unsuccessful work attempt (UWA) policy during the reentitlement period following the trial work period. The UWA policy provides that although a person is receiving earnings from work at the SGA level but is forced to stop after a short time because of his or her impairment, such earnings do not necessarily show that he or she is able to do SGA. When applied in deciding whether a person continues to be disabled, this policy permits us to retain persons on the disability rolls who otherwise would have their disability benefits terminated because of brief work activity at the SGA level. However, upon further consideration

we have decided that this policy, since it is an integral part of the definition of SGA, should be retained and applied in deciding whether a person continues to be disabled. We have therefore not proceeded with the proposal to eliminate the UWA policy during the reentitlement period. Sections 404.1574(a)(1) and 416.974(a)(1) have been revised accordingly.

Executive Order 12291

These regulations have been reviewed under Executive Order 12291. Because they do not result in a cost impact of \$100 million or more yearly, or otherwise meet the criteria for a major rule, we have determined that a regulatory impact analysis is not required.

We estimate that these regulations will have only a negligible effect on benefits and payments to disabled persons. While some people may find it easier to return to the disability rolls because a new application is not required, we believe any resulting costs will be offset by the savings to the Social Security trust funds and general fund as a result of encouraging disabled persons to continue to test their ability to work and come off the disability rolls permanently. We believe that, overall, these regulations will have only a negligible effect on the number of disabled people drawing benefits. The cost attributable to the effect of these regulations will, in any event, be less than \$100 million a year.

Paperwork Reduction Act

These regulations impose no new reporting or recordkeeping requirements requiring Office of Management and Budget clearance.

Regulatory Flexibility Act

We certify that these regulations will not have a significant economic impact on a substantial number of small entities because these rules affect only individuals. Therefore, a regulatory flexibility analysis required under Pub. L. 96-354, the Regulatory Flexibility Act, is not necessary.

(Catalog of Federal Domestic Assistance Program No. 13.802, Disability Insurance; No. 13.807, Supplemental Security Income Program)

List of Subjects

20 CFR Part 404

Administrative practice and procedure, Death benefits, Disabled, Old-age, survivors and disability insurance.

20 CFR Part 416

Administrative practice and procedure, Aged, Blind, Disabled, Public assistance programs, Supplemental Security Income (SSI).

Dated: January 25, 1984.

Martha A. McSteen,

Acting Commissioner of Social Security.

Approved: May 23, 1984.

Margaret M. Heckler,

Secretary of Health and Human Services.

Part 404 of Chapter III of Title 20 of the Code of Federal Regulations is amended as follows:

PART 404—[AMENDED]

1. The authority citation for Subpart D of Part 404 reads as follows:

Authority: Secs. 202, 205, 216, 223, 228, 1102 of the Social Security Act, 49 Stat. 623, 53 Stat. 1368, 64 Stat. 492, 70 Stat. 815, 80 Stat. 67, 49 Stat. 647; Sec. 5, Reorganization Plan No. 1 of 1953, 67 Stat. 631; 42 U.S.C. 402, 405, 416, 423, 428, and 1302; and 5 U.S.C. Appendix; Sec. 303 of Pub. L. 96-265, 94 Stat. 451 [42 U.S.C. 402, 416, 422, 423].

2. Section 404.316 is amended by revising paragraph (b) and adding new paragraph (d) to read as follows:

§ 404.316 When entitlement to disability benefits begins and ends

(b) Your entitlement to disability benefits ends with the earliest of these months: (1) The month before the month of your death; (2) the month before the month you become 65 years old (at age 65 your disability benefits will be automatically changed to old-age benefits); (3) the second month after the month in which your disability ends as provided in § 404.1594(b)(1), unless continued subject to paragraph (c); or (4) subject to the provisions of paragraph (d) of this section, the month before your termination month (§ 404.325).

(d) If, after November 1980, you have a disabling impairment (§ 404.1511), you will be paid benefits for all months in which you do not do substantial gainful activity during the reentitlement period (§ 404.1592a) following the end of your trial work period (§ 404.1592). If you are unable to do substantial gainful activity in the first month following the reentitlement period, we will pay you benefits until you are able to do substantial gainful activity. (Earnings during your trial work period do not affect the payment of your benefit.) You will also be paid benefits for the first month after the trial work period in which you do substantial gainful activity and the two succeeding months, whether

or not you do substantial gainful activity during those succeeding months. After those three months, you cannot be paid benefits for any months in which you do substantial gainful activity.

3. Section 404.321 is revised to read as follows:

§ 404.321 When a period of disability begins and ends.

(a) *When a period of disability begins.* Your period of disability begins on the day your disability begins if you are insured for disability on that day. If you are not insured for disability on that day, your period of disability will begin on the first day of the first calendar quarter after your disability began in which you become insured for disability. Your period of disability may not begin after you become 65 years old.

(b) *When disability ended before December 1, 1980.* Your period of disability ends on the last day of the month before the month in which you become 65 years old or, if earlier, the last day of the second month following the month in which your disability ended.

(c) *When disability ends after November 1980.* Your period of disability ends with the close of whichever of the following is the earliest—

- (1) The month before the month in which you become 65 years old;
- (2) The month immediately preceding your termination month (§ 404.325); or
- (3) If you perform substantial gainful activity during the 15-month period following the end of your trial work period, the last month for which you received benefits.

4. A new § 404.325 is added to read as follows:

§ 404.325 The termination month.

If you do not have a disabling impairment, your termination month is the third month following the month in which your impairment is not disabling even if it occurs during the trial work period or the reentitlement period. If you continue to have a disabling impairment and complete 9 months of trial work, your termination month will be the third month following the earliest month you perform substantial gainful activity or are determined able to perform substantial gainful activity but in no event earlier than the first month after the 15th month following the end of your trial work period.

Example: You complete your trial work period in December 1980. You are then working at the substantial gainful activity level and continue to do so throughout the 15 months following completion of your trial work period and thereafter. Your termination

month will be April 1982, which is the 16th month—that is, the first month in which you performed substantial gainful activity after the 15th month following your trial work period.

Example: You complete your trial work period in December 1980 but you are not able to work at the substantial gainful activity level until December 1982. Your termination month will be March 1983—that is, the third month after the earliest month you perform or are determined able to perform substantial gainful activity.

5. Section 404.337 is amended by revising paragraph (b)(3) and by adding a new paragraph (d) to read as follows:

§ 404.337 When widow's and widower's benefits begin and end

(b) * * *

(3) If your widow's or widower's benefit is based upon a disability, the second month after the month your disability ends or, where disability ends on or after December 1, 1980, the month before your termination month (§ 404.325). However payments are subject to the provisions of paragraphs (c) and (d) of this section. You may remain eligible for payment of benefits if you became 65 years old before your termination month and you met the other requirements for widow's or widower's benefits.

(d) If, after November 1980, you have a disabling impairment (§ 404.1511), you will be paid benefits for all months in which you do not do substantial gainful activity during the reentitlement period (§ 404.1592a) following the end of your trial work period (§ 404.1592). If you are unable to do substantial gainful activity in the first month following the reentitlement period, we will pay you benefits until you are able to do substantial gainful activity (Earnings during your trial work period do not affect the payment of your benefits.) You will also be paid benefits for the first month after the trial work period in which you do substantial gainful activity and the two succeeding months, whether or not you do substantial gainful activity during those succeeding months. After those three months, you cannot be paid benefits for any months in which you do substantial gainful activity.

6. Section 404.352 is amended by revising the first three sentences in paragraph (b)(1) and adding new paragraph (d) to read as follows:

§ 404.352 When child's benefits begin and end.

(b) Your entitlement to benefits ends with the month before the month in

which one of the following events first occurs:

(1) You become 18 years old, unless you are disabled or a full-time student. If you become 18 years old and you are disabled, your entitlement to disability benefits ends with the second month following the month in which your disability ends. If your disability ends on or after December 1, 1980, your entitlement to disability benefits continues, subject to the provisions of paragraphs (c) and (d) of this section, until the month before your termination month (§ 404.325). If you become 18 years old and you qualify as a full-time student who is not disabled, your entitlement * * *

(d) If, after November 1980, you have a disabling impairment (§ 404.1511), you will be paid benefits for all months in which you do not do substantial gainful activity during the reentitlement period (§ 404.1592a) following the end of your trial work period (§ 404.1592). If you are unable to do substantial gainful activity in the first month following the reentitlement period, we will pay you benefits until you are able to do substantial gainful activity. (Earnings during your trial work period do not affect the payment of your benefits during that period.) You will also be paid benefits for the first month after the trial work period in which you do substantial gainful activity and the two succeeding months, whether or not you do substantial gainful activity during those succeeding months. After those three months, you cannot be paid benefits for any months in which you do substantial gainful activity.

7. The authority citation for Subpart E of Part 404 reads as follows:

Authority: Secs. 205, 207, and 1102, 53 Stat. 1368, as amended, 79 Stat. 379, as amended, 49 Stat. 647, as amended; sec. 5 of Reorganization Plan No. 1 of 1953, 67 Stat. 18; 42 U.S.C. 405, 427, 1302; Sec. 303 of Pub. L. 96-265, 94 Stat. 451 (42 U.S.C. 402, 416, 422, 423).

8. A new § 404.401a is added to read as follows:

§ 404.401a When we do not pay a disabled person because of work activity.

If you are receiving benefits because you are disabled or blind as defined in title II of the Social Security Act, we will stop your monthly benefits even though you have a disabling impairment. (§ 404.1511), if you engage in substantial gainful activity during the reentitlement period (§ 404.1592a) following completion of the trial work period (§ 404.1592). You will, however, be paid benefits for the first month after the trial work period in which you do substantial

gainful activity and the two succeeding months, whether or not you do substantial gainful activity in those two months. Earnings from work activity during a trial work period will not stop your benefits.

9. The authority citation for Subpart J of Part 404 reads as follows:

Authority: Secs. 205 and 1102 of the Social Security Act, sec. 5 of Reorganization Plan No. 1 of 1953, 53 Stat. 1368, 49 Stat. 647 (42 U.S.C. 405 and 1302); Section 303 of Pub. L. 96-265, 94 Stat. 451 (42 U.S.C. 402, 416, 422, 423).

10. Section 404.902 is amended by revising paragraphs (q) and (r) and adding a new paragraph (s) to read as follows:

§ 404.902 Administrative actions that are initial determinations.

Initial determinations are the determinations we make that are subject to administrative and judicial review. The initial determination will state the important facts and give the reasons for our conclusions. In the old age, survivors' and disability insurance programs, initial determinations include, but are not limited to, determinations about—

(q) An offset of your benefits under § 404.408b because you previously received supplemental security income payments for the same period;

(r) Whether your completion of or continuation for a specified period of time in an appropriate vocational rehabilitation program will significantly increase the likelihood that you will not have to return to the disability benefit rolls and thus, whether your benefits may be continued even though you are not disabled;

(s) Nonpayment of your benefits under § 404.468 because of your confinement in a jail, prison, or other penal institution or correctional facility for conviction of a felony; and

(t) Whether or not you have a disabling impairment(s) as defined in § 404.1511.

11. The authority citation for Subpart P of Part 404 reads as follows:

Authority: Secs. 202, 205, 216, 221, 222, 223, 225, and 1102 of the Social Security Act, as amended; 49 Stat. 623, as amended, 53 Stat. 1368, as amended, 68 Stat. 1080, as amended, 68 Stat. 1081, as amended, 68 Stat. 1082, as amended, 70 Stat. 815, as amended, 70 Stat. 817, as amended, 49 Stat. 647, as amended; 42 U.S.C. 402, 405, 416, 421, 422, 423, 425, and 1302. Sec. 303 of Pub. L. 96-265, 94 Stat. 451 (42 U.S.C. 402, 416, 422, 423).

12. A new § 404.1511 is added to read as follows:

§ 404.1511 Definition of disabling impairment.

(a) *Disabled workers and persons disabled since childhood.* If you are entitled to disability cash benefits as a disabled worker or to child's insurance benefits, a disabling impairment is an impairment (or combination of impairments) which, of itself, is so severe that it meets or equals a set of criteria in the Listing of Impairments in Appendix 1 or which, when considered with your age, education and work experience, would result in a finding that you are disabled. In determining whether you have a disabling impairment, earnings are not considered.

(b) *Disabled widows, widowers and surviving divorced spouses.* If you are entitled to disability benefits as a disabled widow, widower, or surviving divorced spouse, a disabling impairment is an impairment (or combination of impairments) which, of itself, is so severe that it meets or equals a set of criteria in the Listing of Impairments in Appendix 1 and would result in a finding that you are disabled. In determining whether you have a disabling impairment, earnings are not considered.

13. Section 404.1574 is amended by revising paragraph (a)(1) to read as follows:

§ 404.1574 Evaluation guides if you are an employee.

(a) *General.* We use several guides to decide whether the work you have done shows that you are able to do substantial gainful activity.

(1) *Your earnings may show you have done substantial gainful activity.* The amount of your earnings from work you have done may show that you have engaged in substantial gainful activity. Generally, if you worked for substantial earnings, this will show that you are able to do substantial gainful activity. On the other hand, the fact that your earnings are not substantial will not necessarily show that you are not able to do substantial gainful activity. We will generally consider work that you are forced to stop after a short time because of your impairment as an unsuccessful work attempt and your earnings from that work will not show that you are able to do substantial gainful activity.

14. Section 404.1575 is amended by revising paragraph (a) to read as follows:

§ 404.1575 Evaluation guides if you are self-employed.

(a) *If you are a self-employed person.* We will consider your activities and their value to your business to decide whether you have engaged in substantial gainful activity if you are self-employed. We will not consider your income alone since the amount of income you actually receive may depend upon a number of different factors like capital investment, profit sharing agreements, etc. We will generally consider work that you are forced to stop after a short time because of your impairment as an unsuccessful work attempt and your income from that work will not show that you are able to do substantial gainful activity. We will evaluate your work activity on the value to the business of your services regardless of whether you receive an immediate income for your services. We consider that you have engaged in substantial gainful activity if—

15. Section 404.1579 is amended by revising paragraph (a) to read as follows:

§ 404.1579 Why and when we will find that your disability has ended.

(a) *If you are not disabled.* If you are entitled to widow's or widower's benefits as a disabled widow, widower, or surviving divorced spouse, we will find that your disability ended in the earlier of the following months—

(1) The month your impairment, based on current medical evidence, no longer exists or is not an impairment listed in Appendix 1 or is not equal to a listed impairment; or

(2) The month in which you demonstrated your ability to engage in substantial gainful activity (following completion of a trial work period); however, we may pay you benefits for certain months in and after the reentitlement period which follows the trial work period. (See § 404.1592 for a discussion of the trial work period, § 404.1592a for a discussion of the reentitlement period, and § 404.337 for when your benefits will end.)

§ 404.1580 [Removed]

16. Section 404.1580 is hereby removed.

17. Section 404.1586 is amended by revising paragraph (a)(1) and (a)(2) to read as follows:

§ 404.1586 Why and when we will stop your cash benefits.

(a) *When you are not entitled to benefits.* If you become entitled to

disability cash benefits as a statutorily blind person, we will find that you are no longer entitled to benefits beginning with the earliest of—

(1) The month your vision, based on current medical evidence, does not meet the definition of blindness (and any remaining impairments do not make you unable to do substantial gainful activity considering your age, education and work experience);

(2) If you are under age 55, the month in which you demonstrated your ability to engage in substantial gainful activity (following completion of a trial work period); however, we may pay you benefits for certain months in and after the reentitlement period which follows the trial work period. (See § 404.1592a for a discussion of the reentitlement period, and § 404.316 for additional information on when your benefits will end.)

18. Section 404.1592 is amended by revising paragraphs (d) and (e) to read as follows:

§ 404.1592 The trial work period.

(d) *Who is and is not entitled to a trial work period.* (1) Those who are receiving disability insurance benefits, child's benefits based on disability and, beginning December 1, 1980, those who are receiving widows' or widowers' benefits based on disability, or surviving divorced spouses' benefits based on disability, generally are entitled to a trial work period.

(2) You are not entitled to a trial work period if—

(i) You are entitled to a period of disability but not to disability insurance cash benefits; or

(ii) You are receiving disability insurance benefits in a second period of disability for which you did not have to complete a waiting period.

(e) *When the trial work period begins and ends.* The trial work period begins with the month in which you become entitled to disability insurance cash benefits, to child's cash benefits based on disability or to widow's, widower's, or surviving divorced spouse's cash benefits based on disability. It cannot begin before the month in which you file your application for benefits and for widows, widowers, and surviving divorced spouses, it cannot begin before December 1, 1980. It ends with the close of whichever of the following calendar months is the earlier:

19. A new section 404.1592a is added to read as follows:

§ 404.1592a The reentitlement period.

(a) *General.* The reentitlement period is an additional period after 9 months of trial work during which you may continue to test your ability to work if you have a disabling impairment. You will not be paid benefits for any month, after the third month, in this period in which you do substantial gainful activity and you will be paid benefits for months in which you do not do substantial gainful activity. (See §§ 404.316, 404.337, 404.352 and 404.401a.) If your benefits are stopped because you do substantial gainful activity they may be started again without a new application and a new determination of disability if you discontinue doing substantial gainful activity during this period. In determining, for reentitlement benefit purposes, whether you do substantial gainful activity in a month, we consider only your work in or earnings for that month; we do not consider the average amount of your work or earnings over a period of months.

(b) *When the reentitlement period begins and ends.* The reentitlement period begins with the first month following completion of 9 months of trial work but cannot begin earlier than December 1, 1980. It ends with whichever is earlier—

(1) The month before the first month in which your impairment no longer exists or is not medically disabling; or

(2) The last day of the 15th month following the end of your trial work period. (See §§ 404.316, 404.337, and 404.352 for when your benefits end.)

(c) *When you are not entitled to a reentitlement period.* You are not entitled to a reentitlement period if:

(1) You are entitled to a period of disability, but not to disability insurance cash benefits;

(2) You are not entitled to a trial work period;

(3) Your entitlement to disability insurance benefits ended before you completed 9 months of trial work in that period of disability.

20. Section 404.1594 is amended by revising paragraph (b) to read as follows:

§ 404.1594 Why and when we will find that your disability has ended.

(a) *General.* When the medical or other evidence in your file shows that your disability has ended, we will contact you and tell you that the evidence in your file shows that you are able to do substantial gainful activity and that your eligibility for cash benefits and for a period of disability will end. Before we stop your benefits or a period of disability, we will give you a chance to give us your reasons why we should

not stop your benefits or your period of disability. Section 404.1595 describes your rights and the procedures we will follow. We may also stop payment on your benefits if you have not cooperated with us in getting information about your disability or if we cannot find you (see paragraph (c) of this section).

(b) *Disabled workers and persons disabled since childhood.* If you are entitled to disability cash benefits as a disabled worker or to child's insurance benefits, we will find that your disability ended in the earliest of the following months—

(1) The month your impairment, based on current medical or other evidence, no longer exists or is such that you are able to do substantial gainful activity;

(2) The month in which you demonstrated your ability to engage in substantial gainful activity (following completion of a trial work period); however, we may pay you benefits for certain months in and after the reentitlement period which follows the trial work period. (See § 404.1592a for a discussion of the reentitlement period. If you are receiving benefits on your own earnings record, see § 404.316 for when your benefits will end. See § 404.352 if you are receiving benefits on a parent's earnings as a disabled adult child.);

(3) The month in which you actually do substantially gainful activity (where you are not entitled to a trial work period).

PART 416—[AMENDED]

Part 416 of Chapter III of Title 20 of the Code of Federal Regulations is amended as follows:

The authority citation for Subpart I of Part 416 reads as follows:

Authority: Secs. 1102, 1614, and 1631 of the Social Security Act; 49 Stat. 647, as amended, 86 Stat. 1471, as amended by 88 Stat. 52, 86 Stat. 1475; 42 U.S.C. 1302, 1382c, and 1383. Section 303 of Pub. L. 96-265, 94 Stat. 453, (42 U.S.C. 1382, 1383).

2. A new § 416.911 is added to read as follows:

§ 416.911 Definition of disabling impairment.

A disabling impairment is an impairment (or combination of impairments) which, of itself, is so severe that it meets or equals a set of criteria in the Listing of Impairments in Appendix 1 of Subpart P of Part 404 of this chapter or which, when considered with your age, education and work experience, would result in a finding that you are disabled. In determining

whether you have a disabling impairment earnings are not considered.

3. Section 416.974 is amended by revising paragraph (a)(1) to read as follows:

§ 416.974 Evaluation guides if you are an employee.

(a) *General.* We use several guides to decide whether the work you have done shows that you are able to do substantial gainful activity.

(1) *Your earnings may show you have done substantial gainful activity.* The amount of your earnings from work you have done may show that you engaged in substantial gainful activity. Generally, if you worked for substantial earnings, this will show that you are able to do substantial gainful activity. On the other hand, the fact that your earnings are not substantial will not necessarily show that you are not able to do substantial gainful activity. We will generally consider work that you are forced to stop after a short time because of your impairment as an unsuccessful work attempt and your earnings from that work will not show that you are able to do substantial gainful activity.

4. Section 416.975 is amended by revising the introductory text of paragraph (a) to read as follows:

§ 416.975 Evaluation guides if you are self-employed.

(a) *If you are a self-employed person.* We will consider your activities and their value to your business to decide whether you have engaged in substantial gainful activity if you are self-employed. We will not consider your income alone since the amount of income you actually receive may depend upon a number of different factors like capital investment, profit sharing agreements, etc. We will generally consider work that you are forced to stop after a short time because of your impairment as an unsuccessful work attempt and your income from that work will not show that you are able to do substantial gainful activity. We will evaluate your work activity on the value to the business of your services regardless of whether you receive an immediate income for your services. We consider that you have engaged in substantial gainful activity if—

5. A new § 416.992a is added to read as follows:

§ 416.992a The reentitlement period.

(a) *General.* The reentitlement period is an additional period after 9 months of trial work during which you may

continue to test your ability to work if you have a disabling impairment.

Generally, you will not be paid benefits for any month, after the third month, in this period in which you do substantial gainful activity unless you qualify for the special benefits explained in § 416.261. You will be paid benefits for months in which you do not do substantial gainful activity and you meet all the other eligibility requirements. (See § 416.1331.) If your benefits are stopped because you do substantial gainful activity they may be started again without a new application and a new determination of disability if you discontinue doing substantial gainful activity during this period. In determining, for reentitlement benefit purposes, whether you do SGA in a month during the reentitlement period we only consider your work in or earnings for that month; we do not consider the average amount of your work or earnings over a period of months.

(b) *When the reentitlement period begins and ends.* The reentitlement period begins with the first month following completion of 9 months of trial work but cannot begin earlier than December 1, 1980. It ends with whichever is earlier—

(1) The month before the first month in which your impairment is determined to no longer exist or not to be disabling; or

(2) The last day of the 15th month following the end of your trial work period. (See § 416.1331 for when your benefits end.)

6. Section 416.994 is amended by revising paragraphs (a), (b) and (c) to read as follows:

§ 416.994 Why and when we will find that your disability has ended.

(a) *General.* When the evidence in your file shows that you are able to do substantial gainful activity we will contact you and tell you when your disability ended, and also tell you when your benefits will stop.

(b) *Disabled persons age 18 or over.* If you are age 18 or older, we will find that your disability ends in the following month—

(1) For purposes of § 416.1331 (under which benefits can be paid for the month in which disability ends and the two following months), the month in which your impairment is determined, based on current medical or other evidence, to no longer exist or to be such that you are able to do substantial gainful activity or, if earlier, the first month following completion of your trial work period for which it is determined

that you have demonstrated the ability to do substantial gainful activity.

(2) For all other purposes, the month preceding the termination month. The termination month, as that term is used in this paragraph, is the first month, after the 15-month reentitlement period (described in § 416.992a), in which you engage in or are determined able to engage in substantial gainful activity or, if earlier, the first month after a trial work period in which your impairment is determined, based on current medical or other evidence, to no longer exist or not to be a disabling impairment as described in § 416.911.

(c) *Disabled persons under age 18.* If you are under age 18, we will find that your disability ends in the following month—

(1) For purposes of § 416.1331, the month your impairment is determined, based on current medical evidence, to no longer exist or not to be an impairment listed in Appendix 1 of Subpart P of Part 404 of this chapter or not to be equal to a listed impairment, or, if earlier, the first month following completion of your trial work period for which it is determined that you have demonstrated the ability to do substantial gainful activity;

(2) For all other purposes, the month preceding the termination month. The termination month, as that term is used in this paragraph, is the first month, after the 15-month reentitlement period (described in § 416.992a), in which you engage in or are determined able to engage in substantial gainful activity or, if earlier, the first month after a trial work period in which your impairment is determined, based on current medical or other evidence, to no longer exist or not to be a disabling impairment as described in § 416.911.

7. The authority citation for Subpart M of Part 416 reads as follows:

Authority: Secs. 1102, 1611–1615, and 1631 of the Social Security Act, as amended, 49 Stat. 647, as amended, 86 Stat. 1466–1477; 42 U.S.C. 1302, 1382–1382d; 1383; Sec. 303 of Pub. L. 96–265, 94 Stat. 453 (42 U.S.C. 1382, 1383).

8. Section 416.1331 is revised to read as follows:

§ 416.1331 Termination of your disability or blindness payments.

(a) *General.* The last month for which we can pay you benefits based on disability is the earlier of the second month after the first month in which you are able to do substantial gainful activity following a trial work period (described in § 416.992), or the second month after the first month in which you are determined to no longer have a

disabling impairment (described in § 416.911). (See § 416.1338 for an exception to this rule if you are participating in an appropriate vocational rehabilitation program, and § 416.261 for an explanation of special benefits to which you may be entitled.) However, benefits may be resumed during the reentitlement period (described in § 416.992a) under certain circumstances. If you have a disabling impairment, you will receive benefits based on disability for any month in which you do not do substantial gainful activity in the reentitlement period and if we determine that you are not able to do substantial gainful activity in the first month following the reentitlement period, we will pay you benefits after the reentitlement period until you are able to do substantial gainful activity. These payments will stop with the earlier of the month before the first month in which you do substantial gainful activity or the month before the month in which you are determined to no longer have a disabling impairment. The last month for which we can pay you benefits based on blindness is the second month after the month in which your blindness ends (see § 416.986 for when blindness ends). You must meet the income, resources, and other eligibility requirements to receive any of the benefits described in this paragraph. We will also stop payment of your benefits if you have not cooperated with us in getting information about your disability or blindness.

(b) *After we make a determination that you are not now disabled.* If we determine that you do not meet the disability requirements of the law, we will send you an advance written notice telling you why we believe you are not disabled and when your benefits should stop. The notice will explain your right to appeal if you disagree with our determination. You may still appeal our determination that you are not now disabled even though your payments are continuing because of your participation in an appropriate vocational rehabilitation program. You may also appeal a determination that your completion of or continuation for a specified period of time in an appropriate vocational rehabilitation program will not significantly increase the likelihood that you will not have to return to the disability benefit rolls and, therefore, you are not entitled to continue to receive benefits.

9. The authority citation for Subpart N of Part 416 reads as follows:

Authority: Sections 1102, 1631(c), and 1633 of the Social Security Act, 49 Stat. 647, 86 Stat. 1475, 86 Stat. 1478 (42 U.S.C. 1302, 1383,

and 1383b); Section 301 of Pub. L. 96-265, 94 Stat. 450 (42 U.S.C. 1382c, 1383).

10. Section 416.1402 is amended by revising paragraphs (j) and (k) and adding a new paragraph (l) to read as follows:

§ 416.1402 Administrative actions that are initial determinations.

Initial determinations are the determinations we make that are subject to administrative and judicial review. The initial determination will state the important facts and give the reasons for our conclusions. Initial determinations regarding supplemental security income benefits include, but are not limited to, determinations about—

- (j) Your disability;
- (k) Whether your completion of or continuation for a specified period of time in an appropriate vocational rehabilitation program will significantly increase the likelihood that you will not have to return to the disability benefit rolls and thus, whether your benefits may be continued even though you are not disabled; and
- (l) Whether or not you have a disabling impairment as defined in § 416.911.

[FR Doc. 84-14232 Filed 5-25-84; 8:45 am]

BILLING CODE 4190-11-M

Food and Drug Administration

21 CFR Part 520

Oral Dosage Form New Animal Drugs Not Subject to Certification; Ivermectin Paste

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 new animal drug application (NADA) filed by Merck Sharp & Dohme Research Laboratories, providing for use of Eqvalan® (ivermectin) paste for horses for treating and controlling certain nematode and bot infections.

EFFECTIVE DATE: May 29, 1984.

FOR FURTHER INFORMATION CONTACT: Sandra K. Woods, Center for Veterinary Medicine (formerly Bureau of Veterinary Medicine) (HFV-114), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-443-3420.

SUPPLEMENTARY INFORMATION: Merck Sharp & Dohme Research Laboratories, Division of Merck & Co., Inc., P.O. Box 2000, Rahway, NJ 07065, filed NADA 134-314 providing for oral use of

Eqvalan® (ivermectin) paste for horses for the treatment and control of infections of certain internal nematodes and bots. Adequate and well-controlled studies demonstrate the safety and effectiveness of the product for treating and controlling internal bot and nematode infestations. The NADA is approved and the regulations are amended to reflect this approval. The basis for approval 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 Center for Veterinary Medicine has carefully considered the potential environmental effects of this action and has concluded that the action will not have a significant impact on the human environment and that an environmental impact statement therefore will not be prepared. The Center's finding of no significant impact and the evidence supporting this finding, contained in a statement of exemption (pursuant to 21 CFR 25.1(f)(1)(ii)(a)), may be seen in the Dockets Management Branch (address above).

List of Subjects in 21 CFR Part 520

Animal drugs, oral use.

PART 520—ORAL DOSAGE FORM NEW ANIMAL DRUGS NOT SUBJECT TO CERTIFICATION

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 Director of the Center for Veterinary Medicine (21 CFR 5.83), Part 520 is amended by adding new § 520.1192, to read as follows:

§ 520.1192 Ivermectin paste.

(a) *Specifications.* Paste contains 1.87 percent ivermectin.

(b) *Sponsor.* See No. 000006 in § 510.600(c) of this chapter.

(c) *Conditions of use—(1) Amount.* 200 micrograms per kilogram (91 micrograms per pound) of bodyweight.

(2) *Indications for use.* It is used in horses for the treatment and control of large strongyles (adult) (*Strongylus*