

(j) When the HPC front hub is inspected, visually inspect for fretting wear and FMPI for cracks on 7th stage HPC disks and 9th stage-through-12th stage HPC disks coated with PWA 110–21. Inspection information can be found in the applicable sections of JT8D–200 Engine Manual P/N 773128, listed in Table 3 of this AD.

JT8D–209, –217, –217A, –217C, and –219 Turbofan Engines—Cycle Adjustment for HPC Front Hubs That Entered Service With Nickel-Cadmium Plating and PWA 110–21 Coating

(k) For JT8D–209, –217, –217A, –217C, and –219 turbofan engines with HPC front hubs that entered service with Nickel-Cadmium plating, but have also operated during the life of the hub with PWA 110–21 coating:

(1) You are allowed to make a cycle adjustment.

(2) Use the information under “CONDITION A” of PW ASB JT8D A6430, Revision 2, dated December 23, 2004, to determine the adjustment.

Replacement of HPC Front Hubs and Stage 8–9 Spacers That Have Operated With PWA 110–21 Coating, As Optional Action—All Engines

(l) For all applicable engines, as an optional action for the visual inspections in this AD, replace HPC front hubs and stage 8–9 spacers that have operated with PWA 110–21 coating in the interface between the hub and the stage 8–9 spacer and HPC disks currently coated with PWA 110–21, as follows:

(1) Install a Nickel-Cadmium plated HPC front hub that has never operated with PWA 110–21 coating in the interface between the HPC front hub and the stage 8–9 spacer.

(2) Install a Nickel-Cadmium plated or Electroless Nickel-plated stage 8–9 spacer.

(3) Install HPC disks that have never operated with PWA 110–21 coating.

Prohibition Against Recoating the HPC Front Hub, Stage 7 HPC Disk, and Stage 8–9 Spacer With PWA 110–21—All Engines

(m) Do not recoat the HPC front hub with PWA 110–21 (Repair-23 of Chapter/Section 72–36–42 of JT8D–200 Engine Manual, P/N 773128, and Repair-27 and Repair-28 of Chapter/Section 72–36–42 of JT8D Engine Manual, P/N 481672).

(n) Do not recoat the 7th stage disk with PWA 110–21 (Repair-15 of Chapter/Section 72–36–41 of JT8D–200 Engine Manual, P/N 773128, and Repair-15 of Chapter/Section 72–36–41 of JT8D Engine Manual, P/N 481672).

(o) Do not recoat the stage 8–9 spacer with PWA 110–21 (Repair-03, Task 72–36–12–30–003–002, of Chapter/Section 72–36–12 of JT8D–200 Engine Manual, P/N 773128, and Repair-01, Task 72–36–12–30–001–002, of Chapter/Section 72–36–12 of JT8D Engine Manual, P/N 481672).

Prohibition Against Reinstalling HPC Front Hubs and Stage 8–9 Spacers Coated With PWA 110–21

(p) After the effective date of this AD, do not reinstall HPC front hubs and stage 8–9 spacers coated with PWA 110–21.

Definition

(q) For the purpose of this AD, “accessible” is defined as when the HPC front hub is removed from the engine and the hub is debled.

Alternative Methods of Compliance

(r) The Manager, Engine Certification Office, has the authority to approve alternative methods of compliance for this AD if requested using the procedures found in 14 CFR 39.19.

Related Information

(s) None.

Material Incorporated by Reference

(t) You must use the service information specified in Table 6 of this AD to perform the actions required by this AD. The Director of the Federal Register previously approved the incorporation by reference of these alert service bulletins in accordance with 5 U.S.C. 552(a) and 1 CFR part 51, as of October 4, 2006 (71 FR 51459, August 30, 2006). Contact Pratt & Whitney, 400 Main St., East Hartford, CT 06108, telephone (860) 565–7700; fax (860) 565–1605 for a copy of this service information. You may review copies at the FAA, New England Region, Office of the Regional Counsel, 12 New England Executive Park, Burlington, MA; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202–741–6030, or go to: <http://www.archives.gov/federal-register/cfr/ibr-locations.html>.

TABLE 6.—INCORPORATION BY REFERENCE

Pratt & Whitney Alert Service Bulletin No.	Page	Revision	Date
JT8D A6430, Total Pages: 35	ALL	2	December 23, 2004.
JT8D A6468, Total Pages: 20	ALL	Original	December 23, 2004.

Issued in Burlington, Massachusetts, on October 11, 2006.

Thomas A. Boudreau,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. E6–17327 Filed 10–17–06; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF HOMELAND SECURITY

Bureau of Customs and Border Protection

DEPARTMENT OF THE TREASURY

19 CFR Parts 12 and 163

[USCBP–2006–0108; CBP Dec. 06–25]

RIN 1505–AB73

Entry of Softwood Lumber Products From Canada

AGENCIES: Customs and Border Protection, Department of Homeland Security; Department of the Treasury.

ACTION: Interim rule.

SUMMARY: This document sets forth interim amendments to title 19 of the Code of Federal Regulations (CFR) establishing special entry requirements applicable to shipments of softwood lumber products from Canada. The

interim amendments involve the collection of additional entry summary information for purposes of monitoring and enforcing the Softwood Lumber Agreement between the Governments of Canada and the United States, entered into on September 12, 2006.

DATES: Interim rule effective October 16, 2006. Comments must be received on or before December 18, 2006.

ADDRESSES: You may submit comments, identified by *docket number*, by one of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments via docket number USCBP–2006–0108.

- Mail: Trade and Commercial Regulations Branch, Office of Regulations and Rulings, Bureau of Customs and Border Protection, 1300 Pennsylvania Avenue, NW. (Mint Annex), Washington, DC 20229.

Instructions: All submissions received must include the agency name and

docket number for this rulemaking. All comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided. For detailed instructions on submitting comments and additional information on the rulemaking process, see the "Public Participation" heading of the **SUPPLEMENTARY INFORMATION** section of this document.

Docket: For access to the docket to read background documents or comments received, go to <http://www.regulations.gov>. Submitted comments may also be inspected during regular business days between the hours of 9 a.m. and 4:30 p.m. at the Office of Regulations and Rulings, Bureau of Customs and Border Protection, 799 9th Street, NW., 5th Floor, Washington, DC. Arrangements to inspect submitted comments should be made in advance by calling Joseph Clark at (202) 572-8768.

FOR FURTHER INFORMATION CONTACT:

Millie Gleason, Office of Field Operations, Tel: (202) 344-1131.

SUPPLEMENTARY INFORMATION:

Public Participation

Interested persons are invited to participate in this rulemaking by submitting written data, views, or arguments on all aspects of the interim rule. The Bureau of Customs and Border Protection (CBP) also invites comments that relate to the economic, environmental, or federalism effects that might result from this interim rule. Comments that will provide the most assistance to CBP in developing these procedures will reference a specific portion of the interim rule, explain the reason for any recommended change, and include data, information, or authority that supports such recommended change.

Background

Softwood Lumber Agreement

On September 12, 2006, the Governments of the United States and Canada (the "Parties") signed a bilateral Softwood Lumber Agreement ("SLA 2006") concerning trade in softwood lumber products. The scope of the SLA 2006 is limited to the softwood lumber products listed as covered by the Agreement in Annex 1A of that document. A copy of the SLA 2006 is available for public viewing on the website of the Office of the United States Trade Representative located at <http://www.ustr.gov>.

The SLA 2006 entered into force on October 12, 2006, (effective date), as designated by the Parties in an exchange

of letters certifying that certain conditions have been met pursuant to Article II.1 of the Agreement. Unless terminated according to the terms set forth in Article XX, the SLA 2006 will remain in force until October 12, 2013, and may be extended by agreement of the Parties for an additional 2 years.

The SLA 2006, in pertinent part requires:

- The United States to retroactively revoke, in their entirety, any antidumping (AD) and countervailing duty (CVD) orders that relate to softwood lumber products beginning May 22, 2002 (the initiation date of the order) to the effective date of the Agreement, without the possibility of their reinstatement, and terminates all U.S. Department of Commerce proceedings related to the orders. The United States is also required to liquidate unliquidated entries subject to AD/CVD orders made on or after May 22, 2002, without regard to antidumping or countervailing duties, and with interest, pursuant to 19 U.S.C. 1677g(b).
- The United States to not initiate and/or take action concerning trade remedy investigations.

- Canada to apply export measures to exports of Softwood Lumber Products to the United States. For example, Canada will impose either an export charge or an export charge coupled with a volume restraint on exports of softwood lumber products to the United States from each Region described in 5 the Agreement and issue Export Permits on each entry of softwood lumber products exported from Canada to the United States.

SLA 2006 Entry Requirements

In addition to the entry and entry summary information otherwise required for importation into the United States, as per section 484 of the Tariff Act of 1930, as amended, (19 U.S.C. 1484), the SLA 2006 obligates the United States to require that a U.S. importer provide specific information in connection with each entry of covered softwood lumber products from Canada. The information required under the SLA 2006 includes the following data elements:

- (1) The Region of Origin of the softwood lumber product. The identified Regions are: Alberta, British Columbia (B.C.) Coast, B.C. Interior, Manitoba, Ontario, Saskatchewan, and Quebec. The regions designated as B.C. Coast and B.C. Interior are defined in *Forest Regions and Districts Regulation*, B.C. Reg. 123/2003, which is available for public viewing at http://www.qp.gov.bc.ca/statreg/reg/F/Forest/123_2003.htm.

(2) The Export Permit Number issued by the Government of Canada for the shipment; and

(3) The original paper Certificate of Origin issued by the Maritime Lumber Bureau, where applicable.

Exclusions From SLA 2006 Export Measures

Article X of the SLA 2006 identifies lumber products that are first produced in certain Canadian provinces, or produced by specific companies, as excluded from the export measures set forth in the Agreement. Specifically, Article X provides that SLA 2006 export measures will not apply to the following products:

(1) Softwood lumber products first produced in the Maritimes from logs originating in the Maritimes or State of Maine, that are:

- (i) Exported directly to the United States from a Maritime province or
- (ii) Shipped to a province that is not a Maritime province, and reloaded or further processed and subsequently exported to the United States, provided that the products are accompanied by an original Certificate of Origin issued by the Maritime Lumber Bureau. An original Certificate of Origin issued by the Maritime Lumber Bureau is a required entry summary document by CBP. The Certificate must specifically state that the corresponding CBP entries are for softwood lumber products first produced in the Maritimes from logs originating in the Maritimes or State of Maine;

(2) Softwood lumber products first produced in the Yukon, Northwest Territories or Nunavut from logs originating therein; and

(3) Softwood lumber products produced by the companies listed in Annex 10 of the SLA 2006.

Certificate of Origin From Maritime Lumber Bureau

As the SLA 2006 requires softwood lumber products whose Region of Origin is the Maritimes to be accompanied by an original Certificate of Origin issued by the Maritime Lumber Bureau, and provides that the Certificate of Origin is a required entry summary document, CBP requires importers of this commodity to submit the original paper Certificate of Origin to CBP with the paper entry summary documentation (CBP Form 7501) for each entry. All other entries of softwood lumber products from Canada subject to the SLA 2006 may be filed electronically using the CBP Form e-7501.

It is noted that the Certificate of Origin issued by the Maritime Lumber Bureau is distinct from the NAFTA

Certificate of Origin required under § 181.22 of title 19 of the CFR.

This interim regulation adds the Certificate of Origin to the “List of Records Required for the Entry of Merchandise” set forth in the Appendix to part 163. The list, commonly referred to as the “(a)(1)(A) list,” implements section 509(e) of the Trade Act of 1930, as amended (19 U.S.C. 1509(e)), whereby CBP is required to identify and publish a list of the records and entry information that is required to be maintained and produced under section 509(a)(1)(A) of the Tariff Act of 1930, as amended by title VI of Public Law 103–182 (19 U.S.C. 1509(a)(1)(A)). Section 509(a)(1)(A) requires the production of records, within a reasonable time after demand by CBP, “if such record is required by law or regulation for the entry of the merchandise (whether or not the Customs Service required its presentation at the time of entry).”

SLA 2006 Exchange of Information and Monitoring

In order to facilitate monitoring of the SLA 2006, and in order to ensure that Canadian exporters have obtained the required export permits, the SLA 2006 also sets forth various cooperative measures which include the periodic exchange of export and import information collected by the two countries. The SLA 2006 also requires the Parties to establish Technical Working Groups to ensure the effective implementation and application of the export charges and the administration of the customs-related aspects of the Agreement, including export permits, volume restraints, data collection, and exchange of information.

CBP Entry Requirements Specific to Softwood Lumber Products From Canada in Revised 19 CFR 12.140

The purpose of this document is to provide an appropriate regulatory context for the new requirements resulting from the SLA 2006. As these requirements relate to a special class of imported products, CBP is of the view that a distinct provision pertaining to this commodity and its specific entry requirements is appropriate. As existing § 12.140 of title 19 of the Code of Federal Regulations (CFR) contains obsolete provisions pertaining to a prior Softwood Lumber Agreement between the Governments of Canada and the United States that expired in March, 2001, this document amends, on an interim basis, § 12.140 to set forth the entry requirements mandated by the SLA 2006, as discussed below.

Section 12.140(a) sets forth definitions pertinent to the administration of this provision.

Section 12.140(b) specifies the information required to be collected pursuant to the SLA 2006. Importers are required to enter a letter code representing the softwood lumber product's Canadian Region of Origin in the data entry field entitled “Country of Origin” located on the CBP Form 7501. Importers must also enter a Canadian-issued 8-digit export permit number preceded by a letter code designating either: (1) The date of shipment; (2) a Canadian Region whose exports of softwood lumber products are exempt from the export measures contained in the SLA 2006; or (3) a company listed in Annex 10 of the SLA 2006 as exempt from the Agreement's export measures.

Section 12.140(c) states that where a softwood lumber product's Region of Origin is the Maritimes, the original paper Certificate of Origin issued by the Maritime Lumber Bureau must be submitted to CBP with the paper entry summary documentation.

The letter codes described above are necessitated by the fact that the Canadian-issued Export Permit Number consists of eight digits, and the entry field for this data on the CBP Form 7501 holds nine digits. Accordingly, CBP uses an alpha-numeric code system whereby the first piece of data input into the Export Permit Number field on the CBP Form 7501 is a letter code designating either an exclusion from export measures based on a product's Region of Origin or a company's exempt-status, or the code is used to designate the date of shipment as defined in Article XXI.16 of the SLA 2006, in which the first twelve letters of the alphabet represent the twelve months of the year (e.g., “A” represents January, “B” represents February, etc.). These codes enable the United States to fulfill its information collection and exchange obligations under Article XV of the Agreement by being able to assess monthly volumes attributable to specific Regions and excluded companies.

It is also noted that the SLA 2006 recognizes two separate and distinct Canadian Regions comprising the territory of the Canadian Province of British Columbia. Article XXI.45 of the Agreement designates B.C. Coast and B.C. Interior as separate Regions for purposes of the SLA 2006. As noted above, the geographic boundaries of B.C. Coast and B.C. Interior are set forth in *Forest Regions and Districts Regulation*, B.C. Reg. 123/2003. The code “XD” is to be used to designate B.C. Coast in the “Country of Origin” data field on the CBP Form 7501. The code “XE” is to be

used to designate B.C. Interior. These new codes, as well as the existing codes applicable to the other Regions designated in the SLA 2006, are posted on the Administrative Message Board in the Automated Commercial System (ACS). In addition, this information will be provided to all Automated Broker Interface (ABI) Administrative Message System filers.

The requirement to submit these data elements to CBP goes into effect upon the date of filing of these interim amendments for public inspection in the **Federal Register**.

As noted above, the “List of Records Required for the Entry of Merchandise” set forth in the Appendix to part 163 of title 19 of the CFR (19 CFR part 163) is amended by this document to reflect the entry document requirements mandated by the SLA 2006. Section IV of the Appendix currently lists 19 CFR 12.140 as the authority for the entry records requirements, “Province of first manufacture, export permit number and fee status of softwood lumber from Canada.” This document revises that requirement to state that § 12.140(c) requires a “Certificate of Origin issued by Canada's Maritime Lumber Bureau.”

Comments

Submitted comments will be available for public inspection in accordance with the Freedom of Information Act (5 U.S.C. 552) and § 103.11(b) of title 19 of the CFR (19 CFR 103.11(b)), on regular business days between the hours of 9 a.m. and 4:30 p.m. at the Trade and Commercial Regulations Branch, Office of Regulations and Rulings, Customs and Border Protection, 799 9th St., NW., Washington, DC. Arrangements to inspect submitted documents should be made in advance by calling Joseph Clark at (202) 572–8768.

Inapplicability of Notice and Delayed Effective Date Requirements

Pursuant to 5 U.S.C. 553(a)(1), public notice and a delayed effective date are inapplicable to this interim regulation because it involves a foreign affairs function of the United States. The collection of information provided for in this interim regulation is required under the terms of the 2006 Softwood Lumber Agreement with Canada and is necessary to ensure effective monitoring of the operation of that Agreement.

Executive Order 12866

Because this rule involves a foreign affairs function of the United States, it is not subject to Executive Order 12866 and has not been reviewed by the Office of Management and Budget.

Regulatory Flexibility Act

Because no notice of proposed rulemaking is required for this interim rule, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply.

Paperwork Reduction Act

The collection of information referenced in this regulation, CBP Form 7501, has been previously reviewed and approved by the Office of Management and Budget in accordance with the requirements of the Paperwork Reduction Act (44 U.S.C. 3507) under OMB-assigned control number 1651-0022.

Signing Authority

This document is being issued in accordance with 19 CFR 0.1(a)(1).

List of Subjects

19 CFR Part 12

Bonds, Customs duties and inspection, Entry of merchandise, Imports, Prohibited merchandise, Reporting and recordkeeping requirements, Restricted merchandise.

19 CFR Part 163

Customs duties and inspection, Reporting and recordkeeping requirements.

Amendment to the Regulations

■ For the reasons stated above, parts 12 and 163 of title 19 of the Code of Federal Regulations are amended as set forth below.

PART 12—SPECIAL CLASSES OF MERCHANDISE

■ 1. The authority citation for part 12 continues to read in part as follows:

Authority: 5 U.S.C. 301; 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States (HTSUS)), 1624.

* * * * *

■ 2. Section 12.140 is revised to read as follows:

§ 12.140 Entry of softwood lumber products from Canada.

The requirements set forth in this section are applicable for as long as the Softwood Lumber Agreement (SLA 2006), entered into on September 12, 2006, by the Governments of the United States and Canada, remains in effect.

(a) *Definitions.* The following definitions apply for purposes of this section:

(1) *British Columbia Coast.* “British Columbia Coast” means the Coastal Forest Regions as defined by the

existing *Forest Regions and Districts Regulation*, B.C. Reg. 123/2003.

(2) *British Columbia Interior.* “British Columbia Interior” means the Northern Interior Forest Region and the Southern Interior Forest Region as defined by the existing *Forest Regions and Districts Regulation*, B.C. Reg. 123/2003.

(3) *Date of shipment.* “Date of shipment” means, in the case of products exported by rail, the date when the railcar that contains the products is assembled to form part of a train for export; otherwise, the date when the products are loaded aboard a conveyance for export. If a shipment is transhipped through a Canadian reload center or other inventory location, the date of shipment is the date the merchandise leaves the reload center or other inventory location for final shipment to the United States.

(4) *Maritimes.* “Maritimes” means New Brunswick, Canada; Nova Scotia, Canada; Prince Edward Island, Canada; and Newfoundland and Labrador, Canada.

(5) *Region.* “Region” means British Columbia Coast or British Columbia Interior as defined in paragraphs (a)(1) and (2) of this section; Alberta, Canada; Manitoba, Canada; Maritimes, Canada; Northwest Territories, Canada; Nunavut Territory, Canada; Ontario, Canada; Saskatchewan, Canada; Quebec, Canada; or Yukon Territory, Canada.

(6) *Region of Origin.* “Region of Origin” means the Region where the facility at which the softwood lumber product was first produced into such a product is located, regardless of whether that product was further processed (for example, by planing or kiln drying) or was transformed from one softwood lumber product into another such product (for example, a remanufactured product) in another Region, with the following exceptions:

(i) The Region of Origin of softwood lumber products first produced in the Maritime Provinces from logs originating in a non-Maritime Region will be the Region where the logs originated; and

(ii) The Region of Origin of softwood lumber products first produced in the Yukon, Northwest Territories or Nunavut (the “Territories”) from logs originating outside the Territories will be the Region where the logs originated.

(7) *SLA 2006.* “SLA 2006” or “SLA” means the Softwood Lumber Agreement entered into between the Governments of Canada and the United States on September 12, 2006.

(8) *Softwood lumber products.* “Softwood lumber products” mean those products described as covered by

the SLA 2006 in Annex 1A of the Agreement.

(b) *Reporting requirements.* In the case of softwood lumber products from Canada listed in Annex 1A of the SLA 2006, the following information must be included on the electronic entry summary documentation (CBP Form 7501) for each entry:

(1) *Region of Origin.* The letter code representing a softwood lumber product’s Canadian Region of Origin, as posted on the Administrative Message Board in the Automated Commercial System. (For example, the letter code “XD” designates softwood lumber products whose Region of Origin is British Columbia Coast. The letter code “XE” designates softwood lumber products whose Region of Origin is British Columbia Interior.)

(2) *Export Permit Number.* The 8-digit Canadian-issued Export Permit Number, preceded by one of the following letter codes:

(i) The letter code assigned to represent the date of shipment (*i.e.*, “A” represents January, “B” represents February, “C” represents March, *etc.*), except for those softwood lumber products produced by a company listed in Annex 10 of the SLA 2006 or whose Region of Origin is the Maritimes, Yukon, Northwest Territories or Nunavut;

(ii) The letter code “X”, which designates a company listed in Annex 10 of the SLA 2006; or

(iii) The letter code assigned to represent the Maritimes (code M); Yukon (code Y); Northwest Territories (code W); or Nunavut (code N), for softwood lumber products originating in these regions.

(c) *Original Maritime Certificate of Origin.* Where a softwood lumber product’s Region of Origin is the Maritimes, the original paper copy of the Certificate of Origin issued by the Maritime Lumber Bureau must be submitted to CBP with the paper entry summary documentation for each entry. The Certificate of Origin must specifically state that the corresponding CBP entries are for softwood lumber products first produced in the Maritimes from logs originating in the Maritimes or State of Maine.

(d) *Recordkeeping.* Importers must retain copies of export permits, certificates of origin, and any other substantiating documentation issued by the Canadian Government pursuant to the recordkeeping requirements set forth in part 163 of title 19 to the CFR.

PART 163—RECORDKEEPING

■ 3. The authority citation for part 163 continues to read as follows:

Authority: 5 U.S.C. 301; 19 U.S.C. 66, 1484, 1508, 1509, 1510, 1624.

■ 4. The Appendix to part 163 is amended by removing the listing for § 12.140 and adding in its place § 12.140(c) under section IV to read as follows:

Appendix to Part 163—Interim (a)(1)(A) List

* * * * *

IV. * * *

§ 12.140(c) Certificate of Origin issued by Canada's Maritime Lumber Bureau.

* * * * *

Chris J. Clark,

Acting Commissioner, Bureau of Customs and Border Protection.

Approved: October 13, 2006.

Timothy E. Skud,

Deputy Assistant Secretary of the Treasury.
[FR Doc. 06-8761 Filed 10-16-06; 9:39 am]

BILLING CODE 9111-14-P

SOCIAL SECURITY ADMINISTRATION**20 CFR Parts 404, 408 and 416**

RIN 0960-AG09

Representative Payment Policies and Administrative Procedure for Imposing Penalties for False or Misleading Statements or Withholding of Information

AGENCY: Social Security Administration (SSA).

ACTION: Final rules.

SUMMARY: We are amending our regulations on representative payment and on the administrative procedure for imposing penalties for false or misleading statements or withholding of information to reflect and implement certain provisions of the Social Security Protection Act of 2004 (SSPA). The SSPA amends representative payment policies by providing additional safeguards for Social Security, Special Veterans and Supplemental Security Income beneficiaries served by representative payees. These changes include additional disqualifying factors for representative payee applicants, additional requirements for non-governmental fee-for-service payees, authority to redirect delivery of benefit payments when a representative payee fails to provide required accountings, and authority to treat misused benefits

as an overpayment to the representative payee. In addition, we are amending our rules to explain financial requirements for representative payees, and we have made minor clarifying plain language changes.

The SSPA also allows us to impose a penalty on any person who knowingly withholds information that is material for use in determining any right to, or the amount of, monthly benefits under titles II or XVI. The penalty is nonpayment for a specified number of months of benefits under title II that would otherwise be payable and ineligibility for the same period of time for payments under title XVI (including State supplementary payments).

DATES: These final rules are effective November 17, 2006.

Applicability Date: Sections 404.459 and 416.1340, reflecting and implementing section 201(a)(2) of Public Law 108-203 relating to the withholding of information from us, or failure to disclose information to us, will be applicable upon implementation of the centralized computer file described in section 202 of Public Law 108-203. This is because Congress provided that section 201 of the SSPA would apply only with respect to violations committed after that centralized computer file was implemented. If you want information regarding the applicability date of this provision, call or write the SSA contact person. We will publish a document announcing the applicability date in the **Federal Register** when the centralized computer file has been implemented. The remainder of §§ 404.459 and 416.1340 currently in effect is unaffected by this delay.

FOR FURTHER INFORMATION CONTACT:

Betsy M. Byrd, Social Insurance Specialist, Social Security Administration, Office of Income Security Programs, 252 Altmeyer Building, 6401 Security Boulevard, Baltimore, MD 21235-6401, (410) 965-7981 or TTY (410) 966-5609 for information about this **Federal Register** document. For information on eligibility or filing for benefits, call our national toll-free number, 1-800-772-1213 or TTY 1-800-325-0778, or visit our Internet site, Social Security Online, at <http://www.socialsecurity.gov>.

SUPPLEMENTARY INFORMATION:

Electronic Version

The electronic file of this document is available on the date of publication in the **Federal Register** at <http://www.gpoaccess.gov/fr/index.html>.

Background

Public Law 108-203, the SSPA, enacted March 2, 2004, required a number of changes to our representative payee policy and procedures. A representative payee is the person, agency, organization, or institution selected to receive and manage benefits on behalf of an incapable beneficiary. This includes a parent who is receiving benefits on behalf of his or her minor child. The SSPA also changes the rules for imposing penalties for false or misleading statements or for withholding information.

Section 102 of the SSPA requires non-governmental fee-for-service organizational representative payees to be both bonded and licensed, provided that licensing is available in the State.

Section 103 of the SSPA expands the scope of disqualification to prohibit an individual from serving as a representative payee if he or she: (1) Has been convicted of any offense resulting in imprisonment for more than 1 year, unless we determine that an exception to this prohibition is appropriate; or (2) is fleeing to avoid prosecution, or custody or confinement after conviction of a crime, or an attempt to commit a crime, that is a felony.

Section 104 of the SSPA requires fee-for-service representative payees to forfeit their fees for any months during which they misuse all or part of any beneficiary's benefits.

Section 105 of the SSPA makes non-governmental representative payees liable for any benefits they misuse and requires us to treat such misused benefits as overpayments to the representative payees, subject to overpayment recovery authorities.

Section 106 of the SSPA authorizes us to require a representative payee to receive benefits in person at a Social Security field office or a United States Government facility that we designate if the payee fails to provide an annual accounting of benefits report or other requested information.

In addition to the changes required by Public Law 108-203, we are clarifying financial requirements for representative payees. Our current regulations specify that the interest earned on conserved funds belongs to the beneficiary. However, the regulations do not specifically address interest earned on current benefits or how current benefits should be held. We are now specifying that a representative payee must keep any payments received for the beneficiary separate from the representative payee's own funds and ensure that the beneficiary's ownership is shown, unless the representative