request for approval of the use fee by the Board.

(3) Requests for approval of the use fee must be accompanied by written documentation to support the amount requested.

(4) The Board will approve the amount of use fee that is payable to the applicant by approved insurance providers unless the Board determines that the use fee charged:

(i) Is unreasonable in relation to the maintenance costs associated with the policy or plan of insurance; or

(ii) Unnecessarily inhibits the use of the policy or plan of insurance by other Approved Insurance Providers.

(5) Reasonableness of the use fees will be determined by the Board based on a comparison with the amount of reimbursement for maintenance previously received, the number of policies, the number of Approved Insurance Providers, and the expected total amount of use fees to be received in any reinsurance year.

(6) A use fee unnecessarily inhibits the use of a policy or plan of insurance if it is so high that other Approved Insurance Providers are unable to pay such fees because of the volume of business currently underwritten by the approved insurance provider.

(7) The use fee charged to each Approved Insurance Provider will be considered payment in full for the use of such policy, plan of insurance or rate of premium for the reinsurance year in which payment is made.

(l) The Board may consider information from the Equal Access to Justice Act, 5 U.S.C. 504, the Bureau of Labor Statistic's Occupational Employment Statistics Survey, the Bureau of Labor Statistic's Employment Cost Index, and any other information determined applicable by the Board, in making a determination whether to approve a submission for reimbursement of research, development, or maintenance costs under this section or the amount of reimbursement.

(m) Any false statements made to FCIC may subject the applicant to administrative, criminal, or civil penalties as authorized by law.

(n) For purposes of this section, rights to, or obligations of, research and development reimbursement, maintenance reimbursement, or use fees cannot be transferred from any individual or entity unless specifically approved in writing by the Board.

§ 400.713 Non-Reinsured Supplemental (NRS) Policy.

(a) The reinsured company must submit three copies of the new or revised NRS policy and related materials to the Deputy Administrator, Research and Development (or successor), Risk Management Agency, 6501 Beacon Drive, Stop 0812, Kansas City, MO 64133–4676 for review, approval or disapproval at least 90 days prior to the first sales closing date applicable to the policy reinsured by FCIC.

(b) FCIC will approve the NRS policy if it does not increase or shift risk to the underlying policy or plan of insurance reinsured by FCIC, affect any rights of the insured with respect to the underlying reinsured policy or plan of insurance, or cause disruption in the marketplace for products reinsured by FCIC. Marketplace disruption includes adversely affecting sales or administration of the underlying reinsured policy, undermining producers' confidence in the Federal crop insurance program, decreasing the producer's willingness or ability to use Federally reinsured risk management products, or harming public perception of the Federal crop insurance program.

(c) Failure to timely submit the NRS policy to FCIC will result in the denial of reinsurance and subsidy for all policies reinsured by FCIC for which the insured has obtained the NRS policy.

Signed in Washington, D.C. on July 10, 2001.

Phyllis W. Honor,

Acting Manager, Federal Crop Insurance Corporation.

[FR Doc. 01–17607 Filed 7–11–01; 3:48 pm]

BILLING CODE 3410–08–P

DEPARTMENT OF ENERGY

Office of Energy Efficiency and Renewable Energy

10 CFR Part 430

[Docket Number EE–RM/TP–97–440]

RIN 1904–AA46

Energy Conservation Program for Consumer Products: Test Procedures for Central Air Conditioners and Heat Pumps

AGENCY: Office of Energy Efficiency and Renewable Energy, Department of Energy.

ACTION: Proposed rule; extension of comment period.

SUMMARY: On January 22, 2001, the Department of Energy published a Notice of Proposed Rulemaking (66 FR 6768) to revise the test procedures for central air conditioners and heat pumps. The notice announced that the closing date for receiving public comments would be March 23, 2001. The Air-Conditioning and Refrigeration Institute (ARI) requested that the comment period be extended to allow additional time for understanding the lengthy revisions to the test procedures. The Department agreed to this extension of the comment period to May 23, 2001. On June 4, 2001, the ARI requested that the comment period be extended once more to allow additional time for collecting and analyzing data on the cyclic degradation coefficients C_D . The Department agrees to the extension of the comment period to August 16, 2001, for the ARI and other interested parties, for the limited purpose of obtaining information on default values of the cyclic degradation coefficients C_D. If DOE receives further information concerning this issue, it will allow further public comment on this limited issue before issuing a final rule.

DATES: Comments must be received on or before August 16, 2001.

ADDRESSES: Please submit written comments to: Michael Raymond, U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Hearings and Dockets, Test Procedures for Central Air Conditioners Including Heat Pumps, Docket No. EE–RM–97–440, EE–41, Room 1J–018, Forrestal Building, 1000 Independence Avenue, SW., Washington, DC 20585–0121. You may send an email to: michael.raymond@ee.doe.gov.

FOR FURTHER INFORMATION CONTACT: Michael Raymond at (202) 586–9611, E-mail: *michael.raymond@ee.doe.gov,* or Eugene Margolis, Esq., (202) 586–9507, E-mail: *Eugene.Margolis@HQ.DOE.GOV.*

Issued in Washington, DC, on July 10, 2001.

David K. Garman,

Assistant Secretary, Energy Efficiency and Renewable Energy.

[FR Doc. 01–17685 Filed 7–13–01; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 17

RIN 2900–AK85

Copayments for Medications

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: This document proposes to amend VA's medical regulations to set forth copayment requirements for medications. This document is

necessary to implement provisions of the Veterans Millennium Health Care and Benefits Act.

DATES: Comments must be received on or before September 14, 2001.

ADDRESSES: Mail or hand-deliver written comments to: Director, Office of Regulations Management (02D), Department of Veterans Affairs, 810 Vermont Ave., NW., Room 1154, Washington, DC 20420; or fax comments to (202) 273–9289; or e-mail comments to *OGSRegulations@mail.va.gov.* Comments should indicate that they are submitted in response to ''RIN 2900–AK85.'' All comments received will be available for public inspection in the Office of Regulations Management, Room 1158, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday (except holidays).

FOR FURTHER INFORMATION CONTACT: Nancy L. Howard at (202) 273–8198, Revenue Office (174), Office of Finance, Veterans Health Administration, 810 Vermont Avenue NW, Washington, DC 20420. (This is not a toll-free telephone number).

SUPPLEMENTARY INFORMATION: This document proposes to amend VA's medical regulations to set forth copayment requirements for medications provided to veterans by VA.

The provisions of 38 U.S.C. 1722A require certain veterans to pay a copayment for each 30-day or less supply of medication furnished on an outpatient basis for the treatment of a nonservice-connected disability or condition. The copayment amount was set at $2 in 1990 by 38 U.S.C. 1722A for each 30-day or less supply of medication and has never been changed. The Veterans Millennium Health Care and Benefits Act, Public Law 106–117, amended 38 U.S.C. 1722A to allow VA to increase the copayment amount and to establish maximum copayment amounts. This document proposes to increase the copayment amount from $2 to $7 through December 31, 2002 and also proposes to establish an annual copayment cap of $840 through calendar year 2002 for veterans in certain enrollment priority categories. We also are proposing to establish escalator provisions to automatically increase the copayment and the cap amount under certain conditions.

Based on a review of industry standards, we believe that the medication copayment should be increased from $2 to $7. We believe that the proposed $7 medication copayment would be lower than or equal to most medication copayments charged by the private health care industry. Further, we believe it is a reasonable amount for the majority of medications dispensed.

Also, under 38 U.S.C. 1722A, VA may not require a veteran to pay an amount in excess of the actual cost of the medication and the pharmacy administrative costs related to the dispensing of the medication. VHA conducted a study of the pharmacy administrative costs relating to the dispensing of medication on an outpatient basis and found that VA incurred a cost of $7.28 to dispense an outpatient medication even without consideration of the actual cost of the medication. This amount covers the cost of consultation time, filling time, dispensing time, an appropriate share of the direct and indirect personnel costs, physical overhead and materials, and supply costs. Under these circumstances, we believe that a $7 copayment would not exceed VA's costs.

We propose to include escalator provisions for the copayment amount. We propose that the copayment amount for each calendar year after 2002 would be established using the Prescription Drug component of the Medical Consumer Price Index as follows: For each calendar year beginning after December 31, 2002, the Index as of the previous September 30 will be divided by the Index as of September 30, 2001. The ratio so obtained will be multiplied by the original copayment amount of $7. The copayment amount for the new calendar year will be this result, rounded down to the whole dollar amount.

This is intended to ensure that the copayment amounts increase with inflation. Also, increasing the copayment amount in whole dollar increments would be easily understood by veterans and lessen the administrative burden on VA. Further, based on commensurate increased costs to VA, we believe that VA's costs would remain higher than the increases made by the escalator provisions.

For purposes of determining the copayment amount, we have added the following note to the proposed rule: ''*Note to [§ 17.110]* Paragraph (b)(1): Example for determining copayment amount. If the ratio of the Prescription Drug component of the Medical Consumer Price Index for September 30, 2003, to the corresponding Index for September 30, 2001, is 1.2242, then this ratio multiplied by the original copayment amount of $7 would equal $8.57, and the copayment amount for calendar year 2004, rounded down to the whole dollar amount, would be $8.''

We propose to establish a maximum annual copayment cap for certain veterans. Under the proposal, the total amount of copayments in a calendar year for a veteran enrolled in one of the priority categories 2 through 6 of VA's health care system (see 38 CFR 17.36) would not exceed the cap established for the calendar year. We propose that the cap for the last quarter of calendar year 2001 would be $210 and that the cap for calendar 2002 would be $840. We also propose that the cap for each calendar year after calendar year 2002 would be $840 plus $120 for each $1 increase in the copayment amount. This would increase the cap at the same rate as copayments would increase.

The purpose of the annual cap is to help eliminate financial hardships for veterans who in unusual circumstances need a significant number of prescriptions. We believe the cap should apply to a veteran who averages more than 10 prescriptions per month. Accordingly, we calculated the annual cap of $840 by multiplying the $7 prescription amount by 120 (10 prescriptions per month multiplied by 12 months).

The copayment cap would not apply to those in priority category 1 because those individuals are statutorily exempt from the copayments. We propose that the cap would not apply to priority category 7 veterans. These veterans have the lowest priority for enrollment in the VA health care system. Moreover, Congress has determined that these veterans have sufficient resources to contribute to VA inpatient and outpatient care. Consistent with this direction, we believe that the cap should not apply to these veterans.

The proposal also sets forth certain exemptions from the medication copayment requirements. These are all statutory exemptions that were in place prior to the establishment of the Veterans Millennium Health Care and Benefits Act.

Compliance With the Congressional Review Act and Executive Order 12866—Cost-Benefit Analysis

This rule is economically significant under Executive Order 12866 and constitutes a major rule under the Congressional Review Act. The rule is necessary to implement the provisions of section 201 of Public Law 106–117, The Veterans Millennium Health Care and Benefits Act. These provisions, which are set forth at 38 U.S.C. 1722A, authorize VA to set the copayment charge for medications.

I. Benefits Costs

This rule would directly impact veterans that receive prescriptions for other than service-connected conditions

that currently pay a $2 copayment. Based on VA records for fiscal year 2000, we found that approximately 1.1 million veterans averaged 47 30-day supply prescriptions per year. VA collected $101 million in fiscal year 2000 for this provision. This proposed rule would increase the copayment from the current $2 level to $7. We do not believe that this increase in the copayment amount will have an impact upon utilization. It is anticipated that the same number of veterans will continue to receive the same average number of prescriptions generating an increase in collections of $250 million annually.

II. Administrative Costs

The estimated administrative cost for these increased collections would remain the same at the current collection expense of $17 million. This is based upon an average cost of a GS–5 at $12/hour × 8.2 million bills per year at the average rate of 10.3 minutes per bill.

III. Alternatives

VA considered establishing higher and lower copayment and cap amounts and considered whether or not to have escalator provisions. However, for the reasons discussed above, we believe that the copayment and cap amounts, and the escalator provisions, are appropriate.

Administrative Requirements

Paperwork Reduction Act

This document contains no provisions constituting a collection of information under the Paperwork Reduction Act (44 U.S.C. 3501–3520).

Unfunded Mandates

The Unfunded Mandates Reform Act requires (in section 202) that agencies prepare an assessment of anticipated costs and benefits before developing any rule that may result in an expenditure by State, local, or tribal governments, in the aggregate, or by the private sector of $100 million or more in any given year. This rule would have no consequential effect on State, local, or tribal governments.

Executive Order 12866

This document has been reviewed by the Office of Management and Budget under Executive Order 12866.

Regulatory Flexibility Act

The Secretary hereby certifies that this regulatory amendment will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act (RFA), 5 U.S.C. 601–612. This amendment would not directly affect any small entities. Only individuals could be directly affected. Therefore, pursuant to 5 U.S.C. 605(b), this amendment is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

Catalog of Federal Domestic Assistance Numbers

The Catalog of Federal Domestic Assistance numbers for the programs affected by this document are 64.005, 64.007, 64.008, 64,009, 64.010, 64.011, 64.012, 64.013, 64.014, 64.015, 64.016, 64.018, 64.019, 64.022, and 64.025.

List of Subjects in 38 CFR Part 17

Administrative practice and procedure, Alcohol abuse, Alcoholism, Claims, Day care, Dental health, Drug abuse, Foreign relations, Government contracts, Grant programs-health, Grant programs-veterans, Health care, Health facilities, Health professions, Health records, Homeless, Medical and dental schools, Medical devices, Medical research, Mental health programs, Nursing homes, Philippines, Reporting and recordkeeping requirements, Scholarships and fellowships, Travel and transportation expenses, Veterans.

Approved: June 20, 2001.

Anthony J. Principi,

Secretary of Veterans Affairs.

For the reasons set out in the preamble, 38 CFR part 17 is proposed to be amended as set forth below:

PART 17—MEDICAL

1. The authority citation for part 17 continues to read as follows:

Authority: 38 U.S.C. 501, 1721, unless otherwise noted.

2. An undesignated centerheading and § 17.110 are added to read as follows:

Copayments

§ 17.110 Copayments for medication.

(a) *General.* This section sets forth requirements regarding copayments for medications provided to veterans by VA.

(b) *Copayments.* (1) Unless exempted under paragraph (c) of this section, a veteran is obligated to pay VA a copayment for each 30-day or less supply of medication provided by VA on an outpatient basis (other than medication administered during treatment). For the period from [the effective date of the final rule] through December 31, 2002, the copayment amount is $7. The copayment amount for each calendar year thereafter will be established by using the Prescription Drug component of the Medical Consumer Price Index as follows: For each calendar year beginning after December 31, 2002, the Index as of the previous September 30 will be divided by the Index as of September 30, 2001. The ratio so obtained will be multiplied by the original copayment amount of $7. The copayment amount for the new calendar year will be this result, rounded down to the whole dollar amount.

Note to Paragraph (b)(1): Example for determining copayment amount. If the ratio of the Prescription Drug component of the Medical Consumer Price Index for September 30, 2003, to the corresponding Index for September 30, 2001, is 1.2242, then this ratio multiplied by the original copayment amount of $7 would equal $8.57, and the copayment amount for calendar year 2004, rounded down to the whole dollar amount, would be $8.

(2) The total amount of copayments in a calendar year for a veteran enrolled in one of the priority categories 2 through 6 of VA's health care system (see § 17.36) shall not exceed the cap established for the calendar year. The cap for the last quarter of calendar year 2001 is $210. The cap for calendar year 2002 is $840. If the copayment amount increases after calendar year 2002, the cap of $840 shall be increased by $120 for each $1 increase in the copayment amount.

(c) *Medication not subject to the copayment requirements.* The following are exempt from the copayment requirements of this section:

(1) Medication for a veteran who has a service-connected disability rated 50% or more based on a service-connected disability or unemployability;

(2) Medication for a veteran's service-connected disability;

(3) Medication for a veteran whose annual income (as determined under 38 U.S.C. 1503) does not exceed the maximum annual rate of VA pension which would be payable to such veteran if such veteran were eligible for pension under 38 U.S.C. 1521;

(4) Medication authorized under 38 U.S.C. 1710(e) for Vietnam-era herbicide-exposed veterans, radiation-exposed veterans, Persian Gulf War veterans, or post-Persian Gulf War combat-exposed veterans;

(5) Medication for treatment of sexual trauma as authorized under 38 U.S.C. 1720D;

(6) Medication for treatment of cancer of the head or neck authorized under 38 U.S.C. 1720E; and

(7) Medications provided as part of a VA approved research project authorized by 38 U.S.C. 7303.

(Authority: 38 U.S.C. 501, 1710, 1720D, 1722A)

[FR Doc. 01–17734 Filed 7–13–01; 8:45 am]

BILLING CODE 8320–01–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[TX–133–1–7493b; FRL–7011–7]

Approval and Promulgation of Implementation Plans; Texas; Houston/Galveston Volatile Organic Compound Reasonably Available Control Technology Revision

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA is proposing to take direct final action to approve revisions to the Texas State Implementation Plan (SIP). This rulemaking covers four separate actions approving revisions to the Texas Rules for Control of Air Pollution from Volatile Organic Compounds (VOC Rules), 30 TAC Chapter 115. First, EPA is approving amendments to sections 115.161, 115.162, 115.164–115.167, and 115.169, concerning Batch Processes. Second, EPA is approving amendments to sections 115.120, 115.122, 115.125–115.127, and 115.129, concerning control requirements for bakeries and testing requirements for vents. Third, we are approving amendments to section 115.449, concerning Offset Lithographic Printing. Finally, EPA is approving numerous minor administrative changes to the VOC rules. The Texas Natural Resource Conservation Commission (TNRCC or Commission) adopted these revisions to Chapter 115, concerning Control of Air Pollution from Volatile Organic Compounds (VOC), and to the State Implementation Plan (SIP) in order to meet the Clean Air Act (Act) Reasonably Available Control Technology (RACT) requirements and to control VOC emissions in the Houston/Galveston ozone nonattainment area (HGA). By approving these SIP revisions, EPA is finding that RACT will be implemented for VOC emissions resulting from the operation of batch processes, bakeries (vent gas control), and offset lithography printing sources in the HGA area accordance with the requirements of the Act. In addition, the changes to test methods for vent gas control and various other minor changes will clarify and strengthen the SIP.

In the ''Rules and Regulations'' section of this **Federal Register**, EPA is approving the State's SIP revision as a direct final rule without prior proposal because the EPA views this as a noncontroversial revision and anticipates no adverse comment. The EPA has explained its reasons for this approval in the preamble to the direct final rule. If EPA receives no relevant adverse comments, the EPA will not take further action on this proposed rule. If EPA receives relevant adverse comment, EPA will withdraw the direct final rule and it will not take effect. The EPA will address all public comments in a subsequent final rule based on this proposed rule. The EPA will not institute a second comment period on this action. Any parties interested in commenting must do so at this time.

DATES: Written comments must be received by August 15, 2001.

ADDRESSES: Written comments should be addressed to Mr. Thomas H. Diggs, Chief, Air Planning Section (6PD–L), at the EPA Region 6 Office listed below. Copies of documents relevant to this action are available for public inspection during normal business hours at the following locations.

Environmental Protection Agency, Region 6, Air Planning Section (6PD–L), 1445 Ross Avenue, Dallas, Texas 75202–2733.

Texas Natural Resource Conservation Commission, Office of Air Quality, 12124 Park 35 Circle, Austin, Texas 78753.

Anyone wanting to examine these documents should make an appointment with the appropriate office at least two working days in advance.

FOR FURTHER INFORMATION CONTACT: Mr. Kenneth Boyce, Air Planning Section (6PD–L), EPA Region 6, 1445 Ross Avenue, Dallas, Texas 75202–2733, telephone (214) 665–7259.

SUPPLEMENTARY INFORMATION: This document concerns Control of Air Pollution from Control of Air Pollution from VOC emissions resulting from the operation of batch processes, bakeries (vent gas control), and offset lithography printing sources in accordance with the requirements of the Act. For further information, please see the information provided in the direct final action that is located in the ''Rules and Regulations'' section of this **Federal Register** publication.

Authority: 42 U.S.C. 7401 *et seq.*

Dated: July 3, 2001.

Jerry Clifford,

Acting Regional Administrator, Region 6.

[FR Doc. 01–17468 Filed 7–13–01; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[TX–57–1–7183b; FRL–7011–1]

Approval and Promulgation of Implementation Plan for Texas: Transportation Control Measures Rule

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: This action proposes to approve a revision to the Texas State Implementation Plan (SIP) that contains the transportation control measures (TCM) rule. The requirements in the State TCM rule address the roles and responsibilities of the Metropolitan Planning Organizations (MPO), implementing transportation agencies, and provide a method for substitution of the TCMs without a State Implementation Plan (SIP) revision in the nonattainment and maintenance areas. The TCM rule is intended to promote effective implementation of the TCMs, streamline TCM substitution process and approval, and increase interaction between the Texas Natural Resource Conservation Commission (TNRCC) and the MPOs in the air quality-transportation planning process at the local levels.

The EPA is proposing to approve this SIP revision under sections 110(k) and 182 of the Clean Air Act (the Act).

In the Rules and Regulations section of this **Federal Register,** EPA is approving this TCM SIP as a direct final rule without prior proposal because EPA views this as a noncontroversial revision and anticipates no adverse comment. The EPA has explained its reasons for this approval in the preamble to the direct final rule. If EPA receives no adverse comment, EPA will not take further action on this proposed rule. If EPA receives adverse comment, EPA will withdraw the direct final rule and it will not take effect. The EPA will address all public comments in a subsequent final rule based on this proposed rule. The EPA will not institute a second comment period on this action. Any parties interested in commenting must do so at this time.

DATES: Written comments must be received by August 15, 2001.