

Dated: August 27, 1998.

Stephen F. Sundlof,

Director, Center for Veterinary Medicine.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 807

[Docket No. 98N-0520]

Medical Devices; Establishment Registration and Device Listing for Manufacturers and Distributors of Devices

AGENCY: Food and Drug Administration, HHS.

ACTION: Direct final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending certain regulations governing establishment registration and device listing by domestic distributors. These amendments are being made to implement revisions to the Federal Food, Drug, and Cosmetic Act (the act), as amended by the Food and Drug Modernization Act of 1997 (FDAMA). Elsewhere in this issue of the **Federal Register**, FDA is publishing a companion proposed rule, under FDA's usual procedures for notice and comment, to provide a procedural framework to finalize the rule in the event the agency receives any significant adverse comment and withdraws the direct final rule.

DATES: The regulation is effective February 11, 1999. Submit written comments on or before December 14, 1998. If FDA receives no significant adverse comments within the specified comment period, the agency intends to publish a document confirming the effective date of the final rule in the **Federal Register** within 30 days after the comment period on this direct final rule ends. If FDA receives any significant adverse comment, FDA intends to withdraw this final rule by publication of a document in the **Federal Register** within 30 days after the comment period ends. These provisions of FDAMA became effective on February 19, 1998.

ADDRESSES: Submit written comments on the direct final rule to the Dockets Management Branch (HFA-305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852.

FOR FURTHER INFORMATION CONTACT: Walter W. Morgenstern, Center for

Devices and Radiological Health (HFZ-305), Food and Drug Administration, 2094 Gaither Rd., Rockville, MD 20857, 301-594-4699.

SUPPLEMENTARY INFORMATION:

I. Background

On November 21, 1997, the President signed FDAMA into law (Pub. L. 105-115). Section 213(b) of FDAMA made the following changes to section 510(g) of the act (21 U.S.C. 360(g)) regarding domestic distributor registration and device listing:

1. FDAMA amended section 510(g) of the act to add a new paragraph (g)(4) to provide that the registration and listing requirements of section 510 of the act do not apply to distributors who act as "wholesale distributor," and who do not manufacture, repackaging, process, or relabel a device.

2. FDAMA also added a definition of "wholesale distributor" to section 510(g) of the act. A "wholesale distributor" is defined as "any person (other than the manufacturer or the initial importer) who distributes a device from the original place of manufacture to the person who makes the final delivery or sale of the device to the ultimate consumer or user."

Section 213 of FDAMA became effective on February 19, 1998, and FDA is implementing the statute as of that date. FDA is issuing this direct final rule to amend certain existing regulations to conform to amendments made by FDAMA to section 510(g) of the act.

II. Amendment Highlights

Section 807.3 (21 CFR 807.3) has been amended to incorporate the new definitions of distributor and wholesale distributor provided in amended section 510(g) of the act.

FDA is also amending § 807.3(g) to add a definition for "initial importer," because "initial importer" is excluded from the definition of wholesale distributor established by FDAMA.

Sections 807.20 and 807.22 (21 CFR 807.20 and 807.22) have been amended to implement the changes made by FDAMA to section 510(g) of the act. These amendments to 21 CFR part 807 exempt distributors of domestic or imported devices from the requirement of establishment registration and device listing. Section 807.20 is further amended to clarify that initial importers of devices continue to be subject to registration and listing.

Sections 807.3, 807.20, and 807.22 have been amended to conform the activities requiring registration with the changes made by FDAMA. Prior to FDAMA, all distributors were required to register and list. Amended section

510(g) of the act exempts wholesale distributors from registration and listing and defines a "wholesale distributor" as any person, other than the manufacturer or initial importer, who distributes a device from the original place of manufacture to the person who makes the final delivery or sale of the device to the ultimate consumer or user. The amendments to §§ 807.3, 807.20, and 807.22 reflect the changes made by FDAMA.

III. Rulemaking Action

In the **Federal Register** of November 21, 1997 (62 FR 62466), FDA described when and how it will employ direct final rulemaking. FDA believes that this rule is appropriate for direct final rulemaking because FDA views this rule as making noncontroversial amendments to an existing regulation. The rule incorporates amendments to section 510(g) of the act made by FDAMA and FDA anticipates no significant adverse comment. Consistent with FDA's procedures on direct final rulemaking, FDA is publishing, elsewhere in this issue of the **Federal Register**, a companion proposed rule to amend certain existing regulations governing establishment registration and device listing by domestic distributors. The companion proposed rule is substantively identical to the direct final rule. The companion proposed rule provides a procedural framework within which the rule may be finalized in the event the direct final rule is withdrawn because of any significant adverse comment. The comment period for the direct final rule runs concurrently with the comment period of the companion proposed rule. Any comments received under the companion proposed rule will be considered as comments regarding the direct final rule.

FDA is providing a comment period on the direct final rule of December 14, 1998. If the agency receives any significant adverse comment, FDA intends to withdraw this final rule by publication of a document in the **Federal Register** within 30 days after the comment period ends. A significant adverse comment is defined as a comment that explains why the rule would be inappropriate, including challenges to the rule's underlying premise or approach, or would be ineffective or unacceptable without change. In determining whether a significant adverse comment is sufficient to terminate a direct final rulemaking, FDA will consider whether the comment raises an issue serious enough to warrant a substantive response in a notice-and-comment

process. Comments that are frivolous, insubstantial, or outside the scope of the rule will not be considered significant or adverse under this procedure. For example, a comment recommending an additional change to the rule will not be considered a significant adverse comment, unless the comment states why the rule would be ineffective without the additional change. In addition, if a significant adverse comment applies to part of a rule and that part can be severed from the remainder of the rule, FDA may adopt as final those parts of the rule that are not the subject of a significant adverse comment.

If FDA withdraws the direct final rule, all comments received will be considered under the companion proposed rule in developing a final rule under the usual notice-and-comment procedures under the Administrative Procedure Act (5 U.S.C. 552 *et seq.*). If FDA receives no significant adverse comment during the specified comment period, FDA intends to publish a confirmation document in the **Federal Register** within 30 days after the comment period ends. FDA intends to make the direct final rule effective February 11, 1999.

IV. Environmental Impact

The agency has determined under 21 CFR 25.30(h) that this action is of a type that does not individually or cumulatively have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

V. Analysis of Impacts

FDA has examined the impact of this direct final rule under Executive Order 12866 and the Regulatory Flexibility Act (5 U.S.C. 601–612) (as amended by subtitle D of the Small Business Regulatory Fairness Act of 1996 (Pub. L. 104–121)), and the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4). Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, when regulatory action is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity). The agency believes that this direct final rule is consistent with the regulatory philosophy and principles identified in the Executive Order. In addition, this direct final rule is not a significant regulatory action as defined by the Executive Order and so is not

subject to review under the Executive Order.

The Regulatory Flexibility Act requires agencies to analyze regulatory options that would minimize any significant impact of a rule on small entities. The rule codifies applicable statutory requirements imposed by FDAMA. Because the rule exempts certain distributors from registration and device listing, it may permit more small competitors to enter the marketplace. The agency certifies that this direct final rule will not have a significant economic impact on a substantial number of small entities. This direct final rule also does not trigger the requirement for a written statement under section 202(a) of the Unfunded Mandates Reform Act because it does not impose a mandate that results in an expenditure of \$100 million or more by State, local, or tribal governments in the aggregate, or by the private sector, in any 1 year.

VI. Paperwork Reduction Act of 1995

This direct final rule contains no collections of information. Therefore, clearance by the Office of Management and Budget under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) is not required.

VII. Submission of Comments

Interested persons may, on or before December 14, 1998, submit to the Dockets Management Branch (address above) written comments regarding this rule. This comment period runs concurrently with the comment period for the companion proposed rule. Two copies of any comment are to be submitted, except that individuals may submit one copy. Comments are to be identified with the docket number found in the brackets in the heading of this document. Received comments may be seen in the office above between 9 a.m. and 4 p.m., Monday through Friday. All comments received will be considered comments regarding the proposed rule and this direct final rule. In the event the direct final rule is withdrawn, all comments received regarding the companion proposed rule and the direct final rule will be considered comments on the proposed rule.

List of Subjects in 21 CFR Part 807

Confidential business information, Imports, Medical devices, Reporting and recordkeeping requirements.

Therefore, under the Federal Food, Drug, and Cosmetic Act, and under authority delegated to the Commissioner of Food and Drugs, 21 CFR part 807 is amended as follows:

1. The part heading for part 807 is revised to read as follows:

PART 807—ESTABLISHMENT REGISTRATION AND DEVICE LISTING FOR MANUFACTURERS AND INITIAL IMPORTERS OF DEVICES

2. The authority citation for 21 CFR part 807 continues to read as follows:

Authority: 21 U.S.C. 331, 351, 352, 360, 360c, 360e, 360i, 360j, 371, 374.

3. Section 807.3 is amended by revising paragraphs (d)(2) and (g), and by adding paragraph (s) to read as follows:

§ 807.3 Definitions.

* * * * *

(d) * * *

(2) Initial importation of devices manufactured in foreign establishments; or

* * * * *

(g) Initial importer means any importer who furthers the marketing of a device from a foreign manufacturer to the person who makes the final delivery or sale of the device to the ultimate consumer or user, but does not repackage, or otherwise change the container, wrapper, or labeling of the device or device package.

* * * * *

(s) Wholesale distributor means any person (other than the manufacturer or the initial importer) who distributes a device from the original place of manufacture to the person who makes the final delivery or sale of the device to the ultimate consumer or user.

4. Section 807.20 is amended by revising paragraph (a)(4), by redesignating paragraph (d) as paragraph (c) and paragraph (c) as paragraph (d), respectively, and by adding paragraph (c)(3) to read as follows:

§ 807.20 Who must register and submit a device list.

(a) * * *

(4) Acts as an initial importer;

* * * * *

(c) * * *

(3) Acts as a wholesale distributor, as defined in § 807.3(s), and who does not manufacture, repackage, process, or relabel a device.

* * * * *

§ 807.22 [Amended]

5. Section 807.22 *How and where to register establishments and list devices* is amended in paragraph (c) by removing the words “distributor” and “distributors” each time they appear

and by adding in their place the words "initial importer" and "initial importers", respectively.

Dated: July 15, 1998.

William B. Schultz,

Deputy Commissioner for Policy.

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DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

30 CFR Part 914

[SPATS No. IN-131-FOR; State Program Amendment No. 95-13]

Indiana Regulatory Program

AGENCY: Office of Surface Mining Reclamation and Enforcement (OSM), Interior.

ACTION: Final rule; approval of amendment.

SUMMARY: OSM is approving an amendment to the Indiana regulatory program (hereinafter referred to as the "Indiana program") under the Surface Mining Control and Reclamation Act of 1977 (SMCRA). Indiana proposed revisions to regulations pertaining to the definition of "affected area," submittal of underground mining operation plans, and the standards for prime farmland restoration by surface and underground coal mining operations. The amendment is intended to revise the Indiana program to be consistent with the corresponding Federal regulations.

EFFECTIVE DATE: September 29, 1998.

FOR FURTHER INFORMATION CONTACT:

Andrew R. Gilmore, Director, Indianapolis Field Office, Office of Surface Mining Reclamation and Enforcement, Minton-Capehart Federal Building, 575 North Pennsylvania Street, Room 301, Indianapolis, Indiana 46204-1521. Telephone (317) 226-6700. Internet: agilmore@osmre.gov.

SUPPLEMENTARY INFORMATION:

- I. Background on the Indiana Program
- II. Submission of the Proposed Amendment
- III. Director's Findings
- IV. Summary and Disposition of Comments
- V. Director's Decision
- VI. Procedural Determinations

I. Background on the Indiana Program

On July 29, 1982, the Secretary of the Interior conditionally approved the Indiana program. Background information on the Indiana program, including the Secretary's findings, the disposition of comments, and the conditions of approval can be found in

the July 26, 1982, **Federal Register** (47 FR 32107). Subsequent actions concerning the conditions of approval and program amendments can be found at 30 CFR 914.10, 914.15, and 914.16.

II. Submission of the Proposed Amendment

By letter dated March 6, 1998 (Administrative Record No. IND-1597), Indiana submitted a proposed amendment to its program pursuant to SMCRA. Indiana submitted the proposed amendment in response to the required program amendment at 30 CFR 914.16(n), 914.16(p), and 914.16(gg) and at its own initiative.

OSM announced receipt of the proposed amendment in the April 6, 1998, **Federal Register** (63 FR 16725), and in the same document opened the public comment period and provided an opportunity for a public hearing or meeting on the adequacy of the proposed amendment. The public comment period closed on May 6, 1998. Because no one requested a public hearing or meeting, none was held.

During its review of the amendment, OSM identified a concern relating to a technical error at 310 IAC 12-3-78(a)(2), underground mining and postmining land use. Also, at 310 IAC 12-0.5-6, definition of "affected area," OSM identified a concern relating to the exemption criteria in subsection (b). OSM notified Indiana of these concerns by letter dated July 1, 1998 (Administrative Record No. IND-1616).

By letter dated July 17, 1998 (Administrative Record No. IND-1618), Indiana responded to OSM's concerns by stating that the editorial error at 310 IAC 12-3-78(a)(2) would be corrected as an errata. Indiana also provided clarification that all the criteria at 310 IAC 12-0.5-6(b) will be used to determine if a road is exempt from the definition of "affected area." Because no substantive revisions were made to the amendment, OSM did not reopen the public comment period.

III. Director's Findings

Set forth below, pursuant to SMCRA and the Federal regulations at 30 CFR 732.15 and 732.17, are the Director's findings concerning the proposed amendment.

Revisions not specifically discussed below concern nonsubstantive wording changes, or revised cross-references and paragraph notations to reflect organizational changes resulting from this amendment.

1. *310 IAC 12-0.5-6(a)*. Indiana amended 310 IAC 12-0.5-6(a) by replacing the terms "an" and "a" with the term "any" to refer to sites and areas

which would be considered "affected areas." This is consistent with the use of the term "any" in the counterpart Federal definition of "affected area" at 30 CFR 701.5. The Director finds that the revisions satisfy the requirement placed on the Indiana program at 30 CFR 914.16(n) and that Indiana's revised language at 310 IAC 12-0.5-6(a) is no less effective than language found at 30 CFR 701.5. Therefore, the Director is approving the revisions and removing the required amendment.

2. *310 IAC 12-0.5-6(b) and (c)*.

Indiana added language at 310 IAC 12-0.5-6(b) identifying the criteria for exemption of roads included in the affected area. Subsection (b)(1) requires that the road be "designated as a public road pursuant to the laws of the jurisdiction in which it is located." Subsection (b)(2) requires that the road be "maintained with public funds, and constructed in a manner similar to other public roads of the same classification within the jurisdiction." Subsection (b)(3) requires that the road has "substantial (more than incidental) public use." Subsection (b)(4) requires that "the extent and the effect of mining-related uses of the road by the permittee does not warrant regulation as part of the surface coal mining and reclamation operation." Subsection (c) requires the director to determine on a case-by-case basis whether a road satisfies the requirements at 310 IAC 12-0.5-6(b) based on the mining related use of the road and consistent with Indiana's definition of "surface coal mining operations."

The language at subsections (b)(1), (b)(2), and (b)(3) is substantively the same as language found in the Federal definition at 30 CFR 701.5. OSM suspended its definition of "affected area" at 30 CFR 701.5 insofar as it might limit jurisdiction over roads covered by the definition of "surface coal mining operations" (51 FR 41952, November 20, 1986). OSM's revised road rules were published on November 8, 1988, 53 FR 45192. In finalizing those rules, OSM declined to add a reference to "affected area" to the definition of road on the basis that the definition of "affected area" as partially suspended no longer provides additional guidance as to which roads are included in the definition of surface coal mining operations. At the same time, OSM declined to expressly exclude public roads from the definition of road. The preamble stated that OSM is concerned that roads constructed to serve mining operations not avoid compliance with performance standards by being deeded to public entities, but it was not OSM's intent to automatically extend