

compliance with financial integrity, financial reporting, sales practice, recordkeeping, and other requirements); and the conduct of investigations;

(C) Review the size and allocation of the regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;

(D) Supervise the contract market's chief regulatory officer, who will report directly to the ROC;

(E) Prepare an annual report assessing the contract market's self-regulatory program for the board of directors and the Commission, which sets forth the regulatory program's expenses, describes its staffing and structure, catalogues disciplinary actions taken during the year, and reviews the performance of disciplinary committees and panels;

(F) Recommend changes that would ensure fair, vigorous, and effective regulation; and

(G) Review regulatory proposals and advise the board as to whether and how such changes may impact regulation.

(4) *Disciplinary Panels*

All contract markets shall minimize conflicts of interest in their disciplinary processes through disciplinary panel composition rules that preclude any group or class of industry participants from dominating or exercising disproportionate influence on such panels. Contract markets can further minimize conflicts of interest by including in all disciplinary panels at least one person who would qualify as a public director, as defined in Subsections (2)(ii) and (2)(iii) above, except in cases limited to decorum, attire, or the timely submission of accurate records required for clearing or verifying each day's transactions. If contract market rules provide for appeal to the board of directors, or to a committee of the board, then that appellate body shall also include at least one person who would qualify as a public director as defined in Subsections (2)(ii) and (2)(iii) above.

\* \* \* \* \*

Issued in Washington, DC, on January 31, 2007 by the Commission.

Eileen A. Donovan,

Acting Secretary of the Commission.

[FR Doc. E7-2528 Filed 2-13-07; 8:45 am]

BILLING CODE 6351-01-P

DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 3

RIN 2900-AM37

Home Schooling and Educational Institution

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

SUMMARY: The Department of Veterans Affairs (VA) is amending its adjudication regulation regarding the definition of a child for purposes of establishing entitlement to additional monetary benefits for a child who is

home-schooled. VA defines educational institutions to include home-school programs that meet the legal requirements of the States (by complying with the compulsory attendance laws of the States) in which they are located. The proposed rule published in the **Federal Register** on July 13, 2006, is adopted as final, without change.

DATES: *Effective Date:* March 16, 2007.

FOR FURTHER INFORMATION CONTACT: Maya Ferrandino, Regulations Staff, Compensation and Pension Service, Veterans Benefits Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 273-7210.

SUPPLEMENTARY INFORMATION: In a document published in the **Federal Register** on July 13, 2006, (71 FR 39616), VA proposed to amend its regulations regarding the definition of a child for purposes of establishing entitlement to additional monetary benefits for a child who is home-schooled. VA defined educational institutions and included home-school programs that meet the legal requirements of the States (by complying with the compulsory attendance laws of the States) in which they are located.

The 60-day public comment period ended on September 11, 2006. One comment was received from the Home School Legal Defense Association and it supported the rule change.

Based on the rationale set forth in the proposed rule and the rationale contained in this document, we are adopting the provisions of the proposed rule as a final rule without change.

Paperwork Reduction Act

The collection of information under the Paperwork Reduction Act (44 U.S.C. 3501-3521) referenced in this final rule has an existing Office of Management and Budget (OMB) approval as a form. The form is VA Form 21-674, Request for Approval of School Attendance, OMB approval number 2900-0049. No changes are made in this final rule to the collection of information.

Regulatory Flexibility Act

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

Executive Order 12866

Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, when regulation 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 Executive Order classifies a "significant regulatory action," requiring review by OMB unless OMB waives such review, as any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order.

The economic, interagency, budgetary, legal, and policy implications of this final rule have been examined, and it has been determined to be a significant regulatory action under the Executive Order because it is likely to result in a rule that may raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order.

Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any one year. This final rule would have no such effect on State, local, and tribal governments, or on the private sector.

Catalog of Federal Domestic Assistance Numbers and Titles

The Catalog of Federal Domestic Assistance program numbers and titles for this final rule are 64.104 Pension for Non-Service-Connected Disability for Veterans, 64.105 Pension to Veterans Surviving Spouses, and Children, 64.109 Veterans Compensation for

Service-Connected Disability, and 64.110 Veterans Dependency and Indemnity Compensation for Service-Connected Death.

### List of Subjects in 38 CFR Part 3

Administrative practice and procedure, Claims, Disability benefits, Health care, Pensions, Radioactive materials, Veterans, Vietnam.

Approved: January 4, 2007.

**R. James Nicholson,**

*Secretary of Veterans Affairs.*

■ For the reasons set out in the preamble, VA amends 38 CFR part 3 as follows:

### PART 3—ADJUDICATION

■ 1. The authority citation for part 3, subpart A continues to read as follows:

**Authority:** 38 U.S.C. 501(a), unless otherwise noted.

■ 2. Revise § 3.57(a)(1)(iii) to read as follows:

#### § 3.57 Child.

(a) \* \* \*

(1) \* \* \*

(iii) Who, after reaching the age of 18 years and until completion of education or training (but not after reaching the age of 23 years) is pursuing a course of instruction at an educational institution approved by the Department of Veterans Affairs. For the purposes of this section and § 3.667, the term “educational institution” means a permanent organization that offers courses of instruction to a group of students who meet its enrollment criteria, including schools, colleges, academies, seminaries, technical institutes, and universities. The term also includes home schools that operate in compliance with the compulsory attendance laws of the States in which they are located, whether treated as private schools or home schools under State law. The term “home schools” is limited to courses of instruction for grades kindergarten through 12.

(Authority: 38 U.S.C. 101(4)(A), 104(a))

\* \* \* \* \*

[FR Doc. E7-2466 Filed 2-13-07; 8:45 am]

**BILLING CODE 8320-01-P**

## DEPARTMENT OF VETERANS AFFAIRS

### 38 CFR Part 59

RIN 2900-AM42

### Priority for Partial Grants to States for Construction or Acquisition of State Home Facilities

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Final rule.

**SUMMARY:** This document adopts as a final rule, without change, an interim final rule amending the Department of Veterans Affairs (VA) regulations regarding grants to States for construction or acquisition of State homes. The amendment was necessary to ensure that projects designed to remedy conditions at an existing State home that have been cited as threatening to the lives or safety of the residents receive priority for receiving VA grants in the future (including in Fiscal Year 2007).

**DATES:** *Effective Date:* February 14, 2007.

#### FOR FURTHER INFORMATION CONTACT:

Frank Salvas, Chief, State Home Construction Grant Program (114), Veterans Health Administration, Department of Veterans Affairs, 810 Vermont Ave., NW., Washington, DC 20420, 202-273-8534.

**SUPPLEMENTARY INFORMATION:** An interim final rule amending VA's regulations regarding grants to States for construction or acquisition of State homes was published in the **Federal Register** on August 11, 2006 (71 FR 46103).

We provided a 60-day comment period that ended on October 10, 2006. No comments were received. Based on the rationale set forth in the interim final rule, we now adopt the interim final rule as a final rule without change.

#### Administrative Procedure Act

This document, without change, affirms the amendment made by the interim final rule that is already in effect. The Secretary of Veterans Affairs concluded that, under 5 U.S.C. 553(b)(3)(B), there was good cause to dispense with the opportunity for prior comment with respect to this rule. The Secretary found that it was impracticable, unnecessary, and contrary to the public interest to delay this regulation for the purpose of soliciting prior public comment. Nevertheless, the Secretary invited public comment on the interim final rule but did not receive any comments. The amendment was consistent with the

priorities established by Congress and was needed on an expedited basis because the prior version of the regulation may have precluded VA from funding life safety projects during Fiscal Year 2007. While it is important to give States receiving partial grants priority for continued funding, the regulations need to recognize the other priorities for awarding State home grants including the top priority for projects that protect the lives and safety of veterans residing in existing State homes.

#### Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in an expenditure by the State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any given year. This final rule will have no such effect on State, local, and tribal governments, or on the private sector.

#### Executive Order 12866

Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, when regulation 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 Executive Order classifies a “significant regulatory action,” requiring review by the Office of Management and Budget (OMB) unless OMB waives such review, as any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order.

The economic, interagency, budgetary, legal, and policy implications of this final rule have been examined and it has been determined to be a significant regulatory action under the Executive Order because it is likely to result in a rule that may raise novel