

(2) *Total secured and unsecured extensions of credit.* Each Bank shall report monthly to the Finance Board the amount of the Bank's total secured and unsecured extensions of credit arising from on-and off-balance sheet and derivative transactions to any single counterparty or group of affiliated counterparties that exceeds 5 percent of the Bank's total assets.

(f) *Measurement of unsecured extensions of credit.* For purposes of this section, unsecured extensions of credit will be measured as follows:

(1) For on-balance sheet transactions, an amount equal to sum of the book value of the item plus net payments due the Bank;

(2) For off-balance sheet transactions, an amount equal to the credit equivalent amount of such item, calculated in accordance with § 932.4(f) of this part; and

(3) For derivative transactions, an amount equal to the sum of the current credit exposure and the potential future exposure for the derivative contract, where the current credit exposure and potential future credit exposure are calculated in accordance with §§ 932.4(g) or 932.4(h) of this part, as applicable.

(g) *Obligations of the United States.* Obligations of, or guaranteed by, the United States are not subject to the requirements of this section.

Dated: August 1, 2001.

By the Board of Directors of the Federal Housing Finance Board.

J. Timothy O'Neill,  
Chairman.

[FR Doc. 01-19851 Filed 8-7-01; 8:45 am]

BILLING CODE 6725-01-P

## DEPARTMENT OF VETERANS AFFAIRS

### 38 CFR Part 3

#### RIN 2900-AK64

#### Diseases Specific to Radiation-Exposed Veterans

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Proposed rule.

**SUMMARY:** The Department of Veterans Affairs (VA) is proposing to amend its adjudication regulations concerning presumptive service connection for certain diseases for veterans who participated in radiation-risk activities during active service or while members of reserve components during active duty for training or inactive duty training. This proposed amendment would add cancers of the bone, brain,

colon, lung, and ovary to the list of diseases which may be presumptively service connected and amend the definition of the term "radiation-risk activity." The intended effect of this amendment is to ensure that veterans who may have been exposed to radiation during military service have the same burden of proof as civilians exposed to ionizing radiation who may be entitled to compensation for these cancers under comparable Federal statutes.

**DATES:** Comments must be received on or before October 9, 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 [OGCRegulations@mail.va.gov](mailto:OGCRegulations@mail.va.gov). Comments should indicate that they are submitted in response to "RIN 2900-AK64." All comments received will be available for public inspection in the Office of Regulations Management, Room 1158, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays).

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

**SUPPLEMENTARY INFORMATION:** Under the provisions of the Radiation-Exposed Veterans Compensation Act of 1988, Pub. L. 100-321, § 2(a), 102 Stat. 485 (codified as amended at 38 U.S.C. 1112(c)), if a veteran who participated in a radiation-risk activity while serving on active duty or as a member of a reserve component while on active duty for training or inactive duty training subsequently develops leukemia (other than chronic lymphocytic leukemia), cancer of the thyroid, breast, pharynx, esophagus, stomach, small intestine, pancreas, gall bladder, bile ducts, salivary gland, or urinary tract, multiple myeloma, lymphomas (except Hodgkin's disease), primary cancer of the liver (except if cirrhosis or hepatitis B is indicated), or bronchiolo-alveolar carcinoma, the disease is presumed to be service connected. Section 1112(c)(3)(B) of title 38, United States Code defines "radiation-risk activity" to mean onsite participation in a test involving the atmospheric detonation of a nuclear device; the occupation of Hiroshima or Nagasaki, Japan, by United States forces during the period beginning on August 6, 1945, and

ending on July 1, 1946; or internment as a prisoner of war in Japan or service on active duty in Japan following such internment during World War II which resulted in an opportunity for exposure to ionizing radiation.

The Radiation Exposure Compensation Act (RECA), Pub. L. No. 101-426, 104 Stat. 920 (1990) (codified as amended at 42 U.S.C. 2210 note), authorizes compensation for certain residents of Nevada, Utah, and Arizona who lived downwind from the Government's above-ground nuclear tests, for underground uranium miners, and for persons who participated onsite in a test involving the atmospheric detonation of a nuclear device and contracted a specified disease, including all cancers included in 38 U.S.C. 1112(c)(2). On July 10, 2000, the President signed into law the RECA Amendments of 2000, Pub. L. No. 106-245, § 3, 114 Stat. 501, 502, which expanded the definition of persons eligible to receive compensation to include above-ground uranium miners, millers and persons who transported ore. The RECA Amendments also expanded the list of specified diseases for which compensation is payable to include lung, colon, brain, and ovarian cancers. Other than bronchiolo-alveolar carcinoma (a rare type of lung cancer), No no presumption of service connection currently exists for these four cancers under 38 U.S.C. 1112(c).

**Note:** Section 1112(c)(2) is slightly broader in that it includes urinary tract cancer not just bladder cancer as RECA does.

On October 30, 2000, the President signed into law the Floyd D. Spence National Defense Authorization Act for FY 2001, Pub. L. No. 106-398, 114 Stat. 1654. Title XXXVI of Pub. L. No. 106-398, the Energy Employees Occupational Illness Compensation Act Amendments of 2000, authorizes compensation and benefits for certain Department of Energy (DOE) employees and persons employed by DOE contractors, subcontractors, and vendors who were involved in DOE nuclear weapons-related programs. Under the Act, if a member of a Special Exposure Cohort develops a "specified cancer" after beginning employment at a DOE facility for a DOE contractor, or at an atomic weapons facility for an atomic weapons contractor, the cancer is presumed to have been sustained in the performance of duty and is compensable. The term "Special Exposure Cohort" refers to employees of DOE or DOE contractors or subcontractors on Amchitka Island, Alaska prior to January 1, 1974, who were exposed to ionizing radiation in

the performance of duty related to certain underground nuclear tests. The term also includes persons employed by DOE, DOE contractors or subcontractors, or an atomic weapons employer for at least 250 work days before February 1, 1992, at gaseous diffusion plants in Paducah, Kentucky, Portsmouth, Ohio, and Oak Ridge, Tennessee. "Specified cancers" means a "specified disease" as defined by RECA as well as bone cancer.

Section 501(a)(1) of title 38, United States Code, provides that the Secretary of Veterans Affairs has the authority to promulgate regulations regarding the nature and extent of proof and evidence in order to establish entitlement to veterans' benefits. Pursuant to this authority, VA proposes to amend 38 CFR 3.309(d)(2) to add bone, brain, colon, lung, and ovarian cancers, which are covered under the Energy Employees Occupational Illness Compensation Program Act or are covered under the RECA Amendments but are currently not included in the list of diseases in 38 U.S.C. 1112(c)(2) that are presumed to be service connected for radiation-exposed veterans. While veterans may establish service connection for these five cancers under 38 U.S.C. 1110 or 1131, or the Veterans' Dioxin and Radiation Exposure Compensation Standards Act, Pub. L. No. 98-542, 98 Stat. 2725 (1984), doing so is difficult because, inter alia, it requires sound scientific and medical evidence establishing that it is at least as likely as not the veteran's disease resulted from exposure to radiation in service based in part on an assessment of the amount of radiation to which a veteran was exposed. 38 CFR 3.311.

VA believes that public policy and equity dictate that veterans are entitled to the reduced burden of proof for these five cancers available to persons covered under RECA and Pub. L. No. 106-398 for purposes of establishing that their same cancers are attributable to radiation to which they may have been exposed while serving our Nation. Congress has found that nuclear weapons testing involves "unique dangers, including . . . recurring exposures to radioactive substances that, even in small amounts, can cause medical harm." Pub. L. No. 106-398, § 3602(a)(1). Congress has also found that scientific data resulting from the enactment of the Radiation-Exposed Veterans Compensation Act of 1988, Pub. L. 100-321, and obtained from the Committee on the Biological Effects of Ionizing Radiation and the President's Advisory Committee on Human Radiation Experiments, "provide medical validation for the extension of compensable radiogenic pathologies."

RECA Amendments of 2000, § 2(4), 114 Stat. 501. Based upon these findings, Congress passed the RECA Amendments of 2000 and the Energy Employees Occupational Illness Compensation Program Act of 2000. Public policy favors consistent, nationwide application of rules in federal benefits programs, see *Butler Co. Mem'l Hosp. v. Heckler*, 780 F.2d 352, 357 (3d Cir. 1985), and these congressional findings are equally applicable to veterans who participated in a radiation-risk activity during which they were involuntarily subjected to increased risk of injury and disease. Veterans should not carry a greater burden of proof to establish the relatedness of their cancer to their military service than persons covered under RECA and members of the Special Exposure Cohort covered under the Energy Employees Act. We therefore propose to amend VA's regulations at 38 CFR 3.309(b)(2) to add bone, lung, brain, colon, and ovarian cancer to the list of diseases presumed to be the result of a radiation-risk activity during active duty, active duty training, or inactive duty for training.

To further ensure that veterans exposed to radiation during military service receive the same consideration for the risks of radiation exposure as the employees of DOE, DOE contractors and subcontractors, and atomic energy employers with whom they worked, we also propose to revise the definition of "radiation-risk activity" in 38 CFR 3.309(d)(3)(ii) by adding service at Amchitka Island, Alaska, prior to January 1, 1974, if exposed to ionizing radiation in performance of duty related to certain underground nuclear tests. "Radiation-risk activity" would also include service in which the service member was, as part of his or her official military duties, present during a total of at least 250 days before February 1, 1992, on the grounds of a gaseous diffusion plant located in Paducah, Kentucky, Portsmouth, Ohio, or the area identified as K25 at Oak Ridge, Tennessee, if during such service, the veteran was monitored through the use of dosimetry badges for exposure at the plant of the external parts of the veteran's body to radiation or served in a position that had exposures comparable to a job that is or was monitored through the use of dosimetry badges. We have defined the term "day" as all or any portion of a calendar day. This definition is appropriate since military personnel are on duty 24 hours per day and do not always have a fixed, limited work shift. DOE has advised us that the facilities at Paducah, Kentucky, and Portsmouth, Ohio, were gaseous

diffusion plants, while the gaseous diffusion plant at Oak Ridge, Tennessee, was restricted to one area of the campus identified as K25.

#### **Compliance With the Congressional Review Act, the Regulatory Flexibility Act, and Executive Order 12866**

We estimate that the 10-year benefits cost of this proposed rule from appropriated funds would be \$769 million in benefits costs. We estimate that during several of these years, the annual benefits costs would be more than \$100 million. We also estimate that the 10-year cost in Government operating expenses would be \$34 million. Since we estimate that the adoption of the proposed rule would have an annual effect on the economy of \$100 million or more, the Office of Management and Budget has designated this rule as a major rule under the Congressional Review Act, 5 U.S.C. 802, and a significant regulatory action under Executive Order 12866, Regulatory Planning and Review. The following information is provided pursuant to E.O. 12866.

As explained above, the Secretary has proposed this regulatory amendment to ensure that veterans exposed to radiation during military service receive the same consideration for the risks of this exposure as DOE employees, contractors, and subcontractors. There are no feasible alternatives to this proposed rule, since it is needed to provide fairness and equity for veterans and their survivors. This rule would not interfere with State, local, or tribal governments in the exercise of their governmental functions.

#### **Benefits Costs**

Over the next 10 years, VA expects to process 91,567 service-connected disability compensation claims (living veterans) and 48,050 Dependency and Indemnity Compensation (DIC) claims (veterans' survivors claims for service connection for cause of death) filed as a result of this proposed rule. Historically, about 12% of all radiation related claims have been granted. If past experience proves a reliable indicator of future events, VA expects to grant 10,988 of those disability compensation claims and 5,766 of those DIC claims.

We estimate that the cumulative totals of benefits awards to claimants over the next 10 years would be as follows: \$8,040,630, \$26,248,947, \$44,265,910, \$61,126,347, \$76,565,137, \$90,329,734, \$102,328,198, \$112,436,560, \$120,555,709, and \$126,704,527, for a total benefits cost of \$768,601,698 over 10 years.

### Administrative Costs

Based on the administrative workload projected to result from this proposed rule (discussed above), VA estimates that full time employee (FTE) resources devoted to processing claims in years 1 through 10 would be 77, 113, 69, 64, 51, 40, 39, 35, 35, and 33 respectively. Estimated Government operating expenses (GOE) costs for the next 10 years are as follows: \$3,910,578, \$5,047,838, \$3,584,683, \$4,127,798, \$3,419,862, \$2,817,402, \$2,825,825, \$2,669,755, \$2,780,414 and \$2,750,142, for a total GOE cost of \$33,934,297 over 10 years.

### Paperwork Reduction Act

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

### 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. The reason for this certification is that these amendments would not directly affect any small entities. Only VA beneficiaries could be directly affected. Therefore, pursuant to 5 U.S.C. 605(b), these amendments are exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

The Catalog of Federal Domestic Assistance program numbers are 64.100, 64.101, 64.104, 64.105, 64.106, 64.109, and 64.110.

### List of Subjects in 38 CFR Part 3

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

Approved: March 20, 2001.

**Anthony J. Principi,**

*Secretary of Veterans Affairs.*

For the reasons set forth in the preamble, 38 CFR part 3 is proposed to be amended as follows:

## PART 3—ADJUDICATION

### Subpart A—Pension, Compensation, and Dependency and Indemnity Compensation

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. Section 3.309 is amended by:

A. Adding new paragraphs (d)(2)(xvii) through (d)(2)(xxi).

B. Adding new paragraph (d)(3)(ii)(D).

The additions read as follows:

#### **§ 3.309 Diseases subject to presumptive service connection.**

\* \* \* \* \*

(d) *Diseases specific to radiation-exposed veterans.* \* \* \*

(2) \* \* \*

(xvii) Cancer of the bone.

(xviii) Cancer of the brain.

(xix) Cancer of the colon.

(xx) Cancer of the lung.

(xxi) Cancer of the ovary.

(3) \* \* \*

(ii) \* \* \*

(D)(1) Service in which the service member was, as part of his or her official military duties, present during a total of at least 250 days before February 1, 1992, on the grounds of a gaseous diffusion plant located in Paducah, Kentucky, Portsmouth, Ohio, or the area identified as K25 at Oak Ridge, Tennessee, if, during such service the veteran:

(i) Was monitored for each of the 250 days of such service through the use of dosimetry badges for exposure at the plant of the external parts of veteran's body to radiation; or

(ii) Served for each of the 250 days of such service in a position that had exposures comparable to a job that is or was monitored through the use of dosimetry badges; or

(2) Service before January 1, 1974, on Amchitka Island, Alaska, if, during such service, the veteran was exposed to ionizing radiation in the performance of duty related to the Long Shot, Milrow, or Cannikin underground nuclear tests.

(3) For purposes of paragraph (d)(3)(ii)(D)(1) of this section, the term "day" refers to all or any portion of a calendar day.

\* \* \* \* \*

[FR Doc. 01–19916 Filed 8–7–01; 8:45 am]

**BILLING CODE 8320–01–P**

## POSTAL SERVICE

### 39 CFR Part 111

#### **Domestic Mail Manual Revision to the 5% Error Limit for Sequenced Mailings**

**AGENCY:** Postal Service.

**ACTION:** Proposed rule.

**SUMMARY:** The Postal Service is seeking comments on the following proposed rule change to the Domestic Mail

Manual (DMM). Under this proposal, the 5% error limit for carrier route walk-sequenced mail is clarified to include line-of-travel (LOT)-sequenced mail. For all sequenced mail, no more than 5% of the total pieces in the entire carrier route mailing may be found out of sequence or sorted to the wrong carrier route.

**DATES:** Comments must be received on or before September 7, 2001.

**ADDRESSES:** Send written comments to the Manager, Business Mail Acceptance, U.S. Postal Service, 1735 North Lynn Street, Room 3011, Arlington, VA 22209–6030. Written comments may be submitted via fax to 703–292–3738. Copies of all written comments will be available for inspection and photocopying between 9:00 a.m. and 4:00 p.m., Monday through Friday, in Room 3011 at the above address.

#### **FOR FURTHER INFORMATION CONTACT:**

Mary Bronson, 703–292–3539.

**SUPPLEMENTARY INFORMATION:** The Postal Service requires all mail claimed at the Periodicals basic carrier route rate or the Standard Mail Enhanced Carrier Route rate to be sequenced in either walk-sequence or line-of-travel (LOT) order. Current standards state that for each carrier route receiving mail, no more than 5% of the total pieces may be found out of sequence or sorted to the wrong carrier route. The 5% limitation for missorted or missequenced mail is applied to an individual carrier route because, until recently, the Postal Service was able to detect such errors only at the delivery unit and could not easily determine an error percentage for the entire mailing.

Due to technological innovations, the Postal Service now can detect missequenced carrier route pieces at and prior to acceptance, where the entire mailing can be evaluated. Therefore, the Postal Service proposes to amend the current standards to apply the 5% limit for walk-sequence and LOT errors to the entire mailing, and not to an individual carrier route. This change will make how the Postal Service determines eligibility for carrier route rates consistent with how it determines eligibility for other postage discounts. The Postal Service will use the established statistically valid sampling methods for business mail entry unit (BMEU) acceptance procedures to determine whether the 5% error limit is exceeded for the carrier route mailing.

Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c)) regarding proposed rulemaking by 39 U.S.C. 410(a), the