

(b) \* \* \*

(2) For each delivery location, changes in lists of approved delivery facilities and delivery service providers, including weighmasters and inspectors, pursuant to previously set standards or criteria;

8. In § 40.5, revise paragraphs (a) introductory text and (c) introductory text to read as follows:

**§ 40.5 Voluntary submission of rules for Commission review and approval.**

(a) *Request for approval of rules.*

Pursuant to Section 5c(c) of the Act and §§ 37.7, 38.4 and 39.4 of this chapter, a registered entity may request that the Commission approve a new or dormant rule prior to implementation, or if initially submitted under §§ 40.2 or 40.6 of this chapter, subsequent to implementation. A submission requesting approval shall:

\* \* \* \* \*

(c) *Commencement and extension of time for review.* The Commission shall commence the review period in paragraph (b) of this section ten business days after receipt of a compliant submission under § 40.4(b)(9) and further may extend the review period in paragraph (b) of this section for:

\* \* \* \* \*

9. Amend § 40.6 as follows:

A. Remove the term “designated contract market or registered derivatives clearing organization” and add in its place the term “registered entity” in paragraphs (a)(2), (c)(1), and (c)(3)(i);

B. Remove the term “designated contract market or a registered derivatives clearing organization” and add in its place the term “registered entity” in paragraph (c) introductory text;

C. Remove the term “designated contract markets and registered derivatives clearing organizations” and add in its place the term “registered entities” in paragraph (c)(3) introductory text;

D. Remove the term “contract market or a derivatives clearing organization’s” and add in its place the term “registered entity’s” in paragraph (c)(3)(ii)(B); and

E. In addition, revise the heading and paragraphs (a), (c)(2)(iii), and (c)(2)(iv), and add paragraphs (c)(2)(vii) through (c)(2)(ix), (c)(3)(ii)(G) and (c)(3)(ii)(H) to read as follows:

**§ 40.6 Self-certification of rules.**

(a) *Required certification.* Unless permitted otherwise by § 37.7 of this chapter, a registered entity must comply with the following conditions prior to the implementation of any rule that has not obtained Commission approval

under § 40.5 of this chapter or that remains dormant subsequent to being submitted under this section or approved under § 40.5 of this chapter:

(1) \* \* \*

(2) The registered entity has filed its submission electronically with the Secretary of the Commission at *submissions@cftc.gov*, the Division of Market Oversight at *DMOSubmissions@cftc.gov*, and the relevant branch chief at the regional office having local jurisdiction over the registered entity, in a format specified by the Secretary of the Commission, and the Commission has received the submission at its headquarters by the open of business on the business day preceding implementation of the rule; *provided, however*, rules or rule amendments implemented under procedures of the governing board to respond to an emergency as defined in § 40.1, shall, if practicable, be filed with the Commission prior to the implementation or, if not practicable, be filed with the Commission at the earliest possible time after implementation, but in no event more than twenty-four hours after implementation; and

\* \* \* \* \*

(c) \* \* \*

(2) \* \* \*

(iii) *Index products.* Routine changes in the composition, computation, or method of selection of component entities of an index (other than routine changes to securities indexes to the extent that such changes are not described in paragraph (c)(3)(ii)(F) of this section) referenced and defined in the product’s terms, that do not affect the pricing basis of the index, which are made by an independent third party whose business relates to the collection or dissemination of price information and which was not formed solely for the purpose of compiling an index for use in connection with a futures or option product;

(iv) *Option contract terms.* Changes to option contract rules, which may qualify for implementation without notice pursuant to section (c)(3)(ii)(G) of this section, relating to the strike price listing procedures, strike price intervals, and the listing of strike prices on a discretionary basis;

(v) \* \* \*

(vii) *Approved brands.* Changes in lists of approved brands or markings pursuant to previously certified or Commission approved standards or criteria;

(viii) *Delivery facilities and delivery service providers.* Changes in lists of approved delivery facilities and delivery service providers, including

weighmasters, assayers, and inspectors, pursuant to previously certified or Commission approved standards or criteria; or

(ix) *Trading Months.* Changes to the listing of trading months, which may qualify for implementation without notice pursuant to section (c)(3)(ii)(H), within the currently established cycle of trading months which do not have open interest.

(3) \* \* \*

(ii) \* \* \*

(G) *Option contract terms.* For registered entities that are in compliance with the daily reporting requirements of § 16.01(b) of this chapter, changes to option contract rules relating to the strike price listing procedures, strike price intervals, and the listing of strike prices on a discretionary basis.

(H) *Trading Months.* For registered entities that are in compliance with the daily reporting requirements of § 16.01(a) of this chapter, changes to the listing of trading months which are within the currently established cycle of trading months and which do not have open interest.

\* \* \* \* \*

Issued in Washington, DC, on August 1, 2007 by the Commission.

Eileen A. Donovan,

*Acting Secretary of the Commission.*

[FR Doc. E7–15370 Filed 8–10–07; 8:45 am]

BILLING CODE 6351–01–P

**SOCIAL SECURITY ADMINISTRATION**

**20 CFR Part 411**

[Docket No. SSA–2006–0084]

RIN 0960–AG44

**Improvements to the Ticket to Work and Self-Sufficiency Program**

**AGENCY:** Social Security Administration.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** We are proposing to revise our regulations for the Ticket to Work and Self-Sufficiency Program (Ticket to Work program), authorized by the Ticket to Work and Work Incentives Improvement Act of 1999. The Ticket to Work program provides beneficiaries with disabilities expanded options for access to employment, vocational rehabilitation, and other support services. The program is an important part of the comprehensive SSA work opportunity initiative which is focused on helping beneficiaries with disabilities who want to work to do so. We are proposing revisions to our

current Ticket to Work program rules to simplify and improve the definition of “using a ticket” and our related requirements for measuring “timely progress toward self-supporting employment.”

**DATES:** To be sure your comments are considered, we must receive them by October 12, 2007.

**ADDRESSES:** You may give us your comments by: using the Federal eRulemaking Portal: <http://www.regulations.gov>; e-mail to [regulations@ssa.gov](mailto:regulations@ssa.gov); FAX to (410) 966-2830; or letter to the Commissioner of Social Security, P.O. Box 17703, Baltimore, MD 21235-7703. You may also deliver them to the Office of Regulations, Social Security Administration, 107 Altmeyer Building, 6401 Security Boulevard, Baltimore, MD 21235-6401, between 8 a.m. and 4:30 p.m. on regular business days. You may also inspect the comments on regular business days by making arrangements with the contact person shown in the preamble.

**FOR FURTHER INFORMATION CONTACT:** Dan O’Brien, Office of Employment Support Programs, Social Security Administration, 107 Altmeyer Building, 6401 Security Boulevard, Baltimore, MD 21235-6401, e-mail to [regulations@ssa.gov](mailto:regulations@ssa.gov), or telephone (410) 597-1632 or TTY (410) 966-5609 for information about these rules. 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, <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**

*The Ticket to Work and Work Incentives Improvement Act of 1999*

Public Law 106-170 was enacted on December 17, 1999. This law added section 1148 of the Social Security Act (Act), which directs the Commissioner of Social Security to establish the Ticket to Work program. Congress provided for the establishment of the Ticket to Work program to provide beneficiaries with a “real choice in obtaining the services and technology they need to find, enter, and maintain employment” in order to “greatly improve their short and long-term financial independence and personal well-being” (section 2(a)(10) of

Pub. L. No. 106-170, 113 Stat. 1860, 1863). These proposed revisions to our regulations are based on our experience implementing the existing rules and comments made in response to our request for comment in the Notice of Proposed Rulemaking (NPRM) that we published on September 30, 2005 (70 FR 57222, 57227). In that NPRM, we asked for comment on, among other things, whether and how we should simplify the definition of “using a ticket” and on how we might revise the timely progress requirements set forth in our current rules.

As part of the Ticket to Work program, the Commissioner of Social Security (the Commissioner) issues a “ticket” to eligible Social Security disability beneficiaries and to eligible disabled or blind Supplemental Security Income (SSI) beneficiaries for participation in the program. In this voluntary program, each beneficiary receiving a ticket has the option of using that ticket to obtain services from a provider known as an employment network (EN) or from a State vocational rehabilitation (VR) agency. ENs may also choose to whom they provide services. If the beneficiary and an EN or State VR agency agree to work together, the beneficiary and the EN or State VR agency will develop either an individual work plan (IWP) or an individualized plan for employment (IPE) which outlines any employment services, vocational rehabilitation services, and other support services necessary to assist the beneficiary to obtain and ultimately maintain self-supporting employment. The EN or State VR agency will provide, without charge to the beneficiary, the services outlined in the IWP or IPE. If the beneficiary achieves certain work outcomes, we will pay the EN or State VR agency for those outcomes based on an established payment schedule.

**Issues Addressed in These Proposed Rules**

These proposed changes to our rules on “using a ticket” and the related timely progress requirements are integral to the operation of the Ticket to Work program and are essential to the overall changes we proposed for the program in the September 30, 2005 NPRM. We anticipate issuing one comprehensive final regulation covering the matters addressed in the 2005 NPRM and in this NPRM. In this NPRM, we are proposing changes to our rules for the Ticket to Work program in areas that were not addressed in the September 2005 NPRM. We describe the main changes we are proposing below:

- So that the program will be more accessible to beneficiaries who require additional training to return to work, we propose to add requirements for educational or technical training to supplement the work requirements under the timely progress guidelines for beneficiaries;

- We propose to revise the work requirements under the timely progress guidelines and the documentation and other requirements for progress reviews to simplify and streamline the process for determining whether a beneficiary is making timely progress toward self-supporting employment;

- We propose to eliminate the current “initial 24-month period” after ticket assignment during which a beneficiary is considered to be making timely progress if actively participating in his or her employment plan;

- We propose to replace this 24-month period with two successive 12-month progress certification periods during each of which the beneficiary must complete either a work requirement of an educational or technical training requirement in order to be considered to be making timely progress until the next scheduled progress review; and

- We propose to recognize one-stop delivery systems established under the program of the U.S. Department of Labor under subtitle B of title I of the Workforce Investment Act of 1998 as qualified ENs.

*“Using a Ticket” and Related Timely Progress Rules*

Section 1148(i) of the Social Security Act (42 U.S.C. 1320b-19(i)) provides that “[d]uring any period for which an individual is using \* \* \* a ticket to work and self-sufficiency issued under this section, the Commissioner (and any applicable State agency) may not initiate a continuing disability review \* \* \*.” Section 1148(i) also directs the Commissioner to define the term “using a ticket” for this purpose. Our current rules (§ 411.170) provide that “[t]he period of using a ticket begins on the effective date of the assignment of your ticket to an EN or State VR agency under § 411.140.” They provide in § 411.171 that the period of using a ticket will end with the “day before the effective date of a decision \* \* \* that you are no longer making timely progress toward self-supporting employment.” The period of using a ticket may end earlier, if certain other events occur. The current rules further provide in § 411.180(a) that “[w]e consider you to be making timely progress toward self-supporting employment when you show an increasing ability to work at levels

which will reduce or eliminate your dependence on these [disability or blindness] benefits.”

Section 411.180(c) of our current rules explains the guidelines we use to determine whether timely progress toward self-supporting employment is being made. Among other things, these guidelines include a goal of three months of work during the 12-month period that begins after the 24th month following the assignment of a ticket to an EN or State VR agency, as described in § 411.140. For subsequent 12-month periods, the current rules require work (as defined in § 411.185) for at least six of the 12 months.

We sought to balance two important objectives in establishing the current rules on using a ticket and related timely progress guidelines. First, we sought to define “using a ticket” in a way that should reduce a barrier to beneficiary participation in the program that arises from fear that a return to work would cause benefits to be terminated in a continuing disability review. Second, we sought to maintain the integrity of the disability programs by providing that beneficiaries who have medically improved do not continue to receive disability benefits for an undue length of time. Properly balancing these objectives remains our goal.

During the comment period we provided in the September 30, 2005 NPRM, we received numerous comments that educational programs should be equated with work for the purposes of determining timely progress

under the Ticket to Work program. We agree with commenters who suggested that disruption of the pursuit of an education program, as our current requirements have the potential to do, is a counterproductive policy. Therefore, in this NPRM, we propose adding an educational and technical training requirement to supplement the work requirement, so that the program will be more accessible to beneficiaries who require additional training to return to work.

We are also proposing to eliminate the current “initial 24-month period” during which a beneficiary is considered to be making timely progress toward self-supporting employment if actively participating in his or her employment plan. We propose to eliminate this provision which requires only active participation in the plan for the beneficiary to be considered “using a ticket,” and therefore protected from initiation of a medical continuing disability review (CDR), during the first two years of participation in the program. We also propose to eliminate the current 24-month progress review, which a beneficiary must successfully complete in order to continue to be considered making timely progress and receive CDR protection during the third year of participation. For CDR protection to continue, the program manager must determine in this review that the beneficiary is actively participating in the employment plan; that the plan has a work goal meeting the work requirement for the third year of participation; and that, given the

beneficiary’s current progress in the plan, he or she can reasonably be expected to reach this goal by the end of the third year of participation. We are also proposing to eliminate the second step of the current 12-month progress reviews, which requires an expectation by both the beneficiary and the EN or State VR agency that the beneficiary will work at the level required during the next 12-month progress review period.

We are proposing to replace the “initial 24-month period” with two successive 12-month progress certification periods during each of which the beneficiary must complete either a work requirement or an educational or technical training requirement in order to be considered to be making timely progress until the next scheduled progress review. Thus, while our current rules require a specified level of work beginning with the third year of participation, these proposed rules would require a specified level of work activity (or coursework in an educational or technical training program) beginning with the first year of participation in the Ticket to Work program.

The table below summarizes the basic changes we are proposing to make to the definition of “using a ticket” and “timely progress” for purposes of maintaining CDR protection. In the table below, we use the term “SSDI” to refer to all categories of Social Security disability benefits under title II, and the term “SSI” to refer to Supplemental Security Income payments under title XVI based on disability or blindness.

Existing regulations	Proposed changes
<p>1. Ticket first assigned to an EN or State VR agency.</p> <p>2A. Timely progress defined for current period:</p> <ul style="list-style-type: none"> <li>• First 2 years: active participation in plan.</li> </ul> <p>2B. Timely progress defined for purposes of maintaining CDR protection until next scheduled review.</p> <ul style="list-style-type: none"> <li>• At the end of 2 years: successful completion of 24-month progress review.</li> <li>• 3rd year: 3 months substantial gainful activity (SGA).<sup>1</sup></li> <li>• 4th year: 6 months SGA.<sup>1</sup></li> <li>• 5th year and beyond: 6 months of work at level precluding payment of SSDI and Federal SSI benefits.<sup>1</sup></li> </ul>	<p>1. Ticket first assigned to an EN or State VR agency acting as an EN, or otherwise in use with State VR agency choosing cost reimbursement.</p> <p>2. Timely progress defined for purposes of maintaining CDR protection until next scheduled review.</p> <ul style="list-style-type: none"> <li>• 1st year: 3 months of work at trial work level (TWL) or 24 post-secondary credit hours or 50% vocational training program.</li> <li>• 2nd year: 6 months of work at TWL or 50 post-secondary credit hours or 100% vocational training program.</li> <li>• 3rd year: 9 months SGA or 70 post-secondary credit hours.</li> <li>• 4th year: 9 months SGA or 100 post-secondary credit hours.</li> <li>• 5th year: 6 months of work at level precluding payment of SSDI and Federal SSI benefits or earned a 4 year degree.</li> <li>• 6th year and beyond: 6 months of work at level precluding payment of SSDI and Federal SSI benefits.</li> </ul>

<sup>1</sup> Also both beneficiary and EN or State VR agency must expect beneficiary will meet work requirement for next 12-month progress review period.

In addition, these proposed rules address concerns expressed by ENs and State VR agencies that the current rules are unnecessarily burdensome. Comments received from some State VR agencies noted that the request for information received from the program

manager (PM) in connection with a 12-month progress review under the timely progress guidelines required the State VR agency to submit evidence of a beneficiary’s earnings. The commenters expressed the view that this represented a huge and largely unnecessary

administrative burden for State VR agencies. Based on the comments from the State VR agencies and ENs, we propose to change the timely progress requirements to simplify reporting of information for the progress reviews. These proposed rules would generally

define “timely progress” based on the achievement of milestones and outcomes under the EN payment systems proposed in the September 30, 2005 NPRM. The comments we received on the proposed expansion of the milestones were generally positive. We did not receive any negative comments that would cause us to change the proposed number of milestones or the periods and levels of work required for the milestones when developing final rules. The level of work and earnings required for outcome payments is mandated by the statute.

In that NPRM, we proposed a two-phased milestone system. Phase 1 milestones would be based on the beneficiary working specified periods of time at the trial work period level. For example, the second Phase 1 milestone would be achieved when a beneficiary works three months and has earnings in each of those months at the level for a trial work service month. This is the same standard which we propose for the work requirement during the first 12-month progress certification period in these proposed rules. We also propose to use the trial work earnings level for the six months of work which would be required during the second 12-month progress certification period.

A Phase 2 milestone would be achieved when a beneficiary works in a month and has gross earnings above the SGA threshold amount. We are proposing to use this same level of monthly earnings for the proposed nine months of work which would be required during the third and fourth 12-month progress certification periods. The level of earnings for the six months of work which would be required during the fifth and subsequent 12-month progress certification periods would be based on the earnings criteria for an outcome payment month under the EN payment systems. An outcome payment month occurs when a beneficiary’s work or earnings are sufficient to preclude payment of Social Security disability benefits and Federal SSI cash benefits.

These proposed changes to the work requirements under the timely progress guidelines would allow us to determine administratively, without unnecessarily burdening the beneficiary or EN or State VR agency with requests for information, whether a beneficiary is making timely progress based on information in our EN/State VR agency payment records or our records of the beneficiary’s earnings.

These proposed rules incorporate certain aspects of the proposed rules in the September 2005 NPRM, which would provide that a beneficiary who

has a ticket otherwise available for assignment and who is receiving services under an IPE from a State VR agency which has chosen to be paid under the cost reimbursement payment system will be considered to be “using a ticket,” provided that the beneficiary is making timely progress toward self-supporting employment. The September 2005 NPRM also proposed that: (1) The ticket of a beneficiary in this situation would not be assigned to the State VR agency; (2) the beneficiary may assign his or her ticket after State VR services end; and (3) the period of using a ticket for such a beneficiary would end 90 days after State VR services end.

In these proposed rules, we are proposing to change the duration of the “extension period” described in §§ 411.166 and 411.220 from three months to 90 days. We are proposing this change to conform to the proposed 90-day period included in the September 2005 NPRM during which the ticket of a beneficiary in the situation described above may be considered “in use” after State VR services end.

In proposed § 411.226, we explain how we will apply the new timely progress provisions to a beneficiary who assigned his or her ticket prior to the effective date of the new rules. Beneficiaries already using a ticket assigned to a State VR agency that chose to be paid under the cost reimbursement payment system, may continue using a ticket under the new rules in subpart C. The new rules include provisions for transitioning to the revised timely progress guidelines.

However, the beneficiary’s ticket will no longer be considered assigned to that State VR agency beginning on the effective date of the final regulations. We also explain that the beneficiary may assign his or her ticket after the State VR agency has closed his or her case.

#### *Participation of One-Stop Delivery Systems as Employment Networks*

Section 1148(f)(1)(B) of the Social Security Act (42 U.S.C. 1320b–19(f)(1)(B)) provides that an employment network serving under the Ticket to Work program “may consist of a one-stop delivery system established under subtitle B of title I of the Workforce Investment Act of 1998.” Our regulation at 20 CFR 411.305(c) states the same proposition. We are proposing to amend subpart E, §§ 411.310 and 411.315, to further state that one-stop delivery systems under subtitle B of title I of the Workforce Investment Act of 1998 may participate in the Ticket to Work program as ENs without

responding to our request for proposal (RFP). In light of the nature of the one-stop systems and the statutory reference to them, we are simplifying the approval process for one-stop systems. We have consulted with the Department of Labor, the Federal agency responsible for oversight of the program for the one-stop delivery systems, regarding the entities that comprise one-stop systems and, based on those consultations, we have determined they meet our EN requirements. A one-stop delivery system still must enter into an agreement with us to serve as an EN under the Ticket to Work program and must maintain compliance with the rules that apply to ENs. We will seek to work with the appropriate entities that can enter into EN agreements with us. We believe this change, which would eliminate the RFP process for one-stop systems, will provide our beneficiaries with more choices because it would greatly expand the number of ENs for ticket holders living in all areas of the United States, particularly in counties where no ENs are currently qualified.

#### **Issues Addressed in September 2005 Proposed Rules and Why This Second NPRM Is Necessary**

On September 30, 2005, we published an NPRM (70 FR 57222) proposing some important changes to the existing Ticket to Work program rules. In that NPRM, we proposed changes to the EN payment systems to provide greater incentives for EN participation; to eliminate the requirement for assignment of a beneficiary’s ticket to a State VR agency which chooses the cost reimbursement payment system; and to include a rule providing that the ticket of such a beneficiary would be assignable after State VR services end. We also proposed in that NPRM that, for a beneficiary who has a ticket which would otherwise be available for assignment and who is receiving services under an IPE from a State VR agency which has chosen the cost reimbursement payment system, the beneficiary will be considered to be “using a ticket” until 90 days after VR services end, provided the beneficiary is making timely progress toward self-supporting employment.

In the September 2005 NPRM, we invited comments from the public on four additional matters. Two of these matters addressed specific changes in our rules proposed in the NPRM. One matter addressed in the NPRM concerned evidence requirements for EN payment; the other matter addressed payment of Phase 1 milestones after State VR services have been completed. We received public comments on both of these subjects, and will address these

comments in our final Ticket to Work program rules.

The other two matters outlined in the September 2005 NPRM for which we invited public comments did not involve specific proposed changes to our current rules. (70 FR at 57227.) Rather, we requested comments on questions which we presented concerning whether and how we should proceed to develop specific proposed changes. The first of these questions is whether a beneficiary should be eligible for more than one ticket in a single period of entitlement to title II or title XVI benefits. Our current rules provide for only one ticket for each period of entitlement. A number of comments that we received in response to this request pointed out that, in order to sustain gainful employment, many beneficiaries require ongoing support services beyond the period of time over which Milestone or Outcome payments are made. For example, beneficiaries with physical disabilities may require specialized transportation services over an indefinite period to get to and from the worksite, and, thus, may require a longer period of employment support in order to sustain employment. We recognize the concern expressed by the commenters that beneficiaries in some cases may need ongoing supports to sustain employment beyond the period of time over which Milestone or Outcome payments are made. However, we have decided not to propose any changes to our rules in this area at this time.

The second question on which we invited comment was whether and how we should simplify the definition of "using a ticket" under the Ticket to Work program and how we might best revise the timely progress requirements consistent with the intent of the legislation. It is primarily this question which we are addressing in this NPRM. As described earlier, this NPRM sets forth proposed changes in our rules to simplify the definition of "using a ticket" and to improve the related timely progress requirements. We believe that these proposed changes will provide greater opportunities for beneficiaries to participate in the Ticket to Work program and enhance their potential for a successful outcome.

Since these proposed changes are integral to the overall operation of the Ticket to Work program, we believe that it would be unwise to make final changes in the areas addressed by the September 30, 2005 NPRM before we make final changes in areas addressed by this NPRM. Issuing two separate final rules might both confuse our beneficiaries and impose a significant

administrative burden on ENs and State VR agencies, which would be required to make two sets of operational changes based on two separate final rules. Accordingly, we intend to issue one comprehensive final rule on the Ticket to Work program in response to both the September 2005 NPRM and this NPRM.

**Regulatory Procedures**

*Clarity of These Proposed Rules*

Executive Order 12866, as amended, requires each agency to write all rules in plain language. In addition to your substantive comments on these proposed rules, we invite your comments on how to make these proposed rules easier to understand. For example:

- Have we organized the material to suit your needs?
- Are the requirements in the rules clearly stated?
- Do the rules contain technical language or jargon that is not clear?
- Would a different format (grouping and order of sections, use of headings, paragraphing) make the rules easier to understand?
- Would more (but shorter) sections be better?
- Could we improve clarity by adding tables, lists, or diagrams?
- What else could we do to make the rules easier to understand?

*Executive Order 12866*

We have consulted with the Office of Management and Budget (OMB) and determined that these proposed rules are subject to OMB review because they meet the criteria for a significant regulatory action under Executive Order 12866, as amended. The Office of the Chief Actuary estimates that these proposed rules, if finalized in conjunction with the other provisions of expected final rules for the Ticket to Work program resulting from the NPRM published September 30, 2005 (70 FR 57222), would reduce the total cost of the combined final rules. Specifically, that Office estimates that the projected increased program outlays which would result from the adoption of the rules proposed in the September 2005 NPRM, which are described in that NPRM in the section "Executive Order 12866" (70 FR at 57228), would be reduced by the following amounts (\$ in millions) if the rules we are now proposing and the September 2005 proposed rules were adopted in a combined final rule.

The main reason for this reduction in cost relative to the September 2005 proposed rules is that the current proposed rule would make changes to the timely progress specifications that

are used to determine whether a ticket is in use and thus subject to certain protections against the possibility of benefit termination through a medical continuing disability review (CDR). The net effect of these changes is to shorten the duration of the CDR protection by about 24 months on average.

Fiscal year	SSDI	SSI	Total
2008 .....	.....	\$<1	\$<1
2009 .....	.....	-1	-1
2010 .....	-8	\$<1	-8
2011 .....	-27	-1	-27
2012 .....	-50	-3	-53
2013 .....	-59	-4	-63
2014 .....	-65	-3	-68
2015 .....	-69	-3	-72
2016 .....	-72	-3	-75
2017 .....	-73	-8	-82
Totals:			
2008-12 ....	-85	-5	-90
2008-17 ....	-423	-26	-449

(Totals may not equal the sum of components due to rounding.)

*Regulatory Flexibility Act*

We certify that these proposed rules would not have a significant economic impact on a substantial number of small entities because they would primarily affect only individuals and those entities that voluntarily enter into a contractual agreement with us. Accordingly, a regulatory flexibility analysis as provided in the Regulatory Flexibility Act, as amended, is not required.

*Federalism*

We have reviewed these proposed rules under the threshold criteria of Executive Order 13132, "Federalism," and determined that they do not have substantial direct effects on the States, on the relationship between the national government and the States, or the distribution of power and responsibilities among the various levels of government. These proposed rules will complement and enhance the existing State vocational rehabilitation program.

*Paperwork Reduction Act*

We are proposing to amend our regulations for the Ticket to Work and Self-Sufficiency Program, authorized under section 1148 of the Social Security Act. The Ticket to Work program provides beneficiaries with disabilities expanded options for access to employment, vocational rehabilitation, and other support services. We are proposing changes to our current Ticket to Work program rules to simplify and improve the definition of "using a ticket" and our related requirements for measuring

“timely progress toward self-supporting employment.” As outlined in the table below, proposed §§ 411.192(b) and (c) and 411.210(b) require beneficiaries to submit a written request to the Program Manager (PM) to place a ticket in inactive status, reactivate a ticket, or be reinstated to in-use status. In addition, proposed § 411.200(b) requires beneficiaries, ENs and State VR agencies, when requested by the PM, to

submit information the PM requires to determine if the beneficiary has met the timely progress guidelines. The requirement for beneficiaries to make a written request to change the status of their ticket, and the requirement for beneficiaries, ENs and State VR agencies to submit information requested by the PM, are public paperwork reporting burdens that require OMB clearance under the Paperwork Reduction Act of

1995. Respondents to these collections are Social Security disability beneficiaries, disabled or blind supplemental security income beneficiaries, and ENs and State VR agencies working with these beneficiaries. These burdens are a result of the agency’s consideration of public comments received from the September 30, 2005, Ticket to Work and Self-Sufficiency Program NPRM.

Title/section & collection description	Annual number of respondents	Frequency of response	Average burden per response (minutes)	Estimated annual burden (hours)
Ticket to Work program §411.192(b) and (c) What choices do I have if I am temporarily unable to make timely progress toward self-supporting employment?	1,000	One time .....	30	500
Ticket to Work program §411.200(b) How will the PM conduct my progress reviews?	27,000	One time .....	15	6,750
Ticket to Work program §411.210(b) What happens if I do not make timely progress toward self-supporting employment?	3,145	One time .....	30	1,573
<b>Total</b>	<b>31,145</b>	.....	.....	<b>8,823</b>

An Information Collection Request has been submitted to OMB for clearance. We are soliciting comments on the burden estimate; the need for the information; its practical utility; ways to enhance its quality, utility and clarity; and on ways to minimize the burden on respondents, including the use of automated collection techniques or other forms of information technology. Comments should be sent to OMB by fax or by e-mail to: Office of Management and Budget, Attn: Desk Officer for SSA, Fax Number: 202-395-6974, E-mail address: [OIRA\\_Submission@omb.eop.gov](mailto:OIRA_Submission@omb.eop.gov).

Comments on the paperwork burdens associated with this rule will be accepted for up to 60 days after publication of this notice and will be most useful if received within 30 days of publication. Our suggestion of early comments does not affect the deadline for the public to submit comments to SSA on the proposed regulations.

These information collection requirements will not become effective until approved by OMB. When OMB has approved these information collection requirements, SSA will publish a notice in the **Federal Register**. To receive a copy of the OMB clearance package, you may call the SSA Reports Clearance Officer on 410-965-0454.

(Catalog of Federal Domestic Assistance Program Nos. 96.001, Social Security—Disability Insurance; 96.002, Social Security—Retirement Insurance; 96.004, Social Security—Survivors Insurance; and 96.006, Supplemental Security Income)

**List of Subjects in 20 CFR Part 411**

Administrative practice and procedure, Blind, Disability benefits, Old-Age, Survivors, and Disability insurance, Reporting and recordkeeping requirements, Social Security, Supplemental security income, Public assistance programs, Vocational rehabilitation.

Dated: August 3, 2007.

**Michael J. Astrue**,  
*Commissioner of Social Security.*

For the reasons set out in the preamble, we are proposing to amend subparts C and E of part 411 of chapter III of title 20 of the Code of Federal Regulations as set forth below:

**PART 411—THE TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM**

1. Revise the authority citation for part 411 to read as follows:

**Authority:** Secs. 702(a)(5) and 1148 of the Social Security Act (42 U.S.C. 902(a)(5) and 1320b-19); sec. 101(b)-(e), Pub. L. 106-170, 113 Stat. 1860, 1873 (42 U.S.C. 1320b-19 note).

**Subpart C—[Amended]**

2. Revise § 411.166 to read as follows:

**§ 411.166 Glossary of terms used in this subpart.**

(a) *Using a ticket* means you have assigned a ticket to an Employment Network (EN) or a State VR agency that has elected to serve you as an EN, and you are making timely progress toward self-supporting employment as defined in § 411.180; or you have a ticket that would otherwise be available for

assignment and are receiving VR services pursuant to an individualized plan for employment (IPE) and the State VR agency has chosen to be paid for these services under the cost reimbursement payment system, and you are making timely progress toward self-supporting employment as defined in § 411.180. (See § 411.171 for when the period of using a ticket ends.)

(b) Timely progress toward self-supporting employment means you have completed the specified goals of work and earnings, completed post-secondary education credits at an educational institution (see § 411.167) in pursuit of a degree or certificate, or completed course requirements for a vocational or technical training program at an educational institution consisting of a technical, trade or vocational school (see § 411.167), in the applicable progress certification period as described in § 411.180.

(c) Timely progress guidelines mean the guidelines we use to determine if you are making timely progress toward self-supporting employment (see § 411.180).

(d) Progress certification period means any 12-month progress certification period described in § 411.180(b).

(e) Progress review means the reviews the PM conducts to determine if you are meeting the timely progress guidelines described in § 411.180. We explain the method for conducting progress reviews in § 411.200.

(f) Extension period is a period of up to 90 days during which you may reassign a ticket without being subject to

continuing disability reviews. You may be eligible for an extension period if the ticket is in use and no longer assigned to an EN or State VR agency acting as an EN (see § 411.220).

(g) Inactive status is a status in which you may place your ticket if you are temporarily unable to make timely progress toward self-supporting employment during a progress certification period. See § 411.192 for the rules on placing your ticket in inactive status and on reactivating your ticket.

3. Add § 411.167 to read as follows:

**§ 411.167 What is an educational institution or a technical, trade or vocational school?**

(a) Educational institution means a school (including a technical, trade, or vocational school), junior college, college or university that is: operated or directly supported by the United States; operated or directly supported by any State or local government or by a political subdivision of any State or local government; or approved by a State agency or subdivision of the State, or accredited by a State-recognized or nationally recognized accrediting body.

(b) Technical, trade or vocational school is an educational institution that is approved by a State agency or subdivision of the State or accredited by a State-recognized or nationally recognized accrediting body to provide technical, trade or vocational training.

(c) State-recognized accrediting body means an entity designated or recognized by a State as the proper authority for accrediting schools, colleges or universities.

(d) Nationally recognized accrediting body means an entity determined to be such by the U.S. Department of Education.

(e) Approval by a State agency or subdivision of the State includes approval of a school, college or university as an educational institution, or approval of one or more of the courses offered by a school, college or university.

4. Revise paragraph (b) of § 411.171 to read as follows:

**§ 411.171 When does the period of using a ticket end?**

\* \* \* \* \*

(b) The day before the effective date of a decision under § 411.200 or § 411.205 that you are no longer making timely progress toward self-supporting employment;

\* \* \* \* \*

5. Revise § 411.180 to read as follows:

**§ 411.180 What is timely progress toward self-supporting employment?**

(a) *General.* We consider you to be making timely progress toward self-supporting employment when you show progress toward the ability to work at levels which will reduce your dependence on Social Security disability benefits or SSI benefits. We will also consider you to be making timely progress if you show progress toward obtaining an educational degree or certificate, or vocational or technical training that will enhance your ability to return to work.

(b) *12-month progress certification periods.* The first 12-month progress certification period begins with the month following the month in which you first assigned your ticket, or the month after you have a ticket that would otherwise be available for assignment and are receiving VR services under an IPE from a State VR agency which has chosen to be paid under the cost reimbursement payment system. Any subsequent 12-month progress certification period will begin with the month following the end of the previous 12-month progress certification period. In computing any 12-month progress certification period, we do not count any month during which—

- (1)(i) Your ticket is not assigned; and
- (ii) You have a ticket available for assignment and are not receiving services under an IPE from a State VR agency which chose the cost reimbursement payment system; or
- (2) Your ticket is in inactive status (see § 411.192).

(c) We will determine if you are making timely progress toward self-supporting employment by using the following guidelines:

(1) During the first 12-month progress certification period, you must be making timely progress as follows:

(i) You must have worked in at least three months within this 12-month period and have earnings in each of those three months that are equal to or greater than the amount representing a trial work service month (see § 404.1592(b) of this chapter); or

(ii) You must have been enrolled in a four-year degree or certification program at an educational institution and have completed at least 24 post-secondary credit hours, or the equivalent of one academic year of full-time study, in the program by the end of this 12-month period; or

(iii) You must have been enrolled in a vocational or technical training program at an educational institution consisting of a technical, trade or vocational school and have completed at least 50 percent of the course

requirements of the program by the end of this 12-month period.

(2) During the second 12-month progress certification period, at the conclusion of 24 months of ticket use, you must be making timely progress as follows:

(i) You must have worked in at least six months within this 12-month period and have earnings in each of those six months that are equal to or greater than the amount representing a trial work service month (see § 404.1592(b) of this chapter); or

(ii) You must have been enrolled in a four-year degree or certification program at an educational institution and completed a cumulative total of 50 post-secondary credit hours, or the equivalent of two academic years of full-time study, in the program by the end of this 12-month period; or

(iii) You must have been enrolled in a vocational or technical training program at an educational institution consisting of a technical, trade or vocational school and have completed the course requirements of the program by the end of this 12-month period.

(3) During the third 12-month progress certification period, at the conclusion of 36 months of ticket use, you must be making timely progress as follows:

(i) You must have worked in at least nine months within this 12-month period and have gross earnings from employment (or net earnings from self-employment as defined in § 404.1080 of this chapter) in each of those nine months that are more than the SGA threshold amount specified in § 404.1574(b)(2) of this chapter; or

(ii) You must have been enrolled in a four-year degree or certification program at an educational institution and completed a cumulative total of 70 post-secondary credit hours, or the equivalent of three academic years of full-time study, in the program by the end of this 12-month period.

(4) During the fourth 12-month progress certification period, at the conclusion of 48 months of ticket use, you must be making timely progress as follows:

(i) You must have worked in at least nine months within this 12-month period and have gross earnings from employment (or net earnings from self-employment as defined in § 404.1080 of this chapter) in each of those nine months that are more than the SGA threshold amount specified in § 404.1574(b)(2) of this chapter; or

(ii) You must have been enrolled in a four-year degree or certification program at an educational institution and completed a cumulative total of 100

post-secondary credit hours, or the equivalent of four academic years of full-time study, in the program by the end of this 12-month period.

(5) During the fifth 12-month progress certification period, at the conclusion of 60 months of ticket use, you must be making timely progress as follows:

(i) You must have worked in at least six months within this 12-month period and have earnings in each of those six months that preclude payment of Social Security disability benefits and Federal SSI cash benefits; or

(ii) You must have completed the course work and earned a degree or certificate from a four-year degree or certification program at an educational institution by the end of this 12-month period.

(6) During all subsequent 12-month progress certification periods, you must have worked in at least six months within the 12-month period and have earnings in each of those six months that preclude payment of Social Security disability benefits and Federal SSI cash benefits.

**§ 411.185 [Removed]**

6. Remove § 411.185.

**§ 411.190 [Removed]**

7. Remove § 411.190.

8. Add § 411.192 to read as follows:

**§ 411.192 What choices do I have if I am temporarily unable to make timely progress toward self-supporting employment?**

(a) If you report to the PM that you are temporarily unable to make timely progress toward self-supporting employment during a progress certification period, the PM will give you the choice of placing your ticket in inactive status or, if applicable, taking your ticket out of assignment.

(b) You may place your ticket in inactive status at any time by submitting a written request to the PM asking that your ticket be placed in inactive status. Your ticket will be placed in inactive status beginning with the first day of the month following the month in which you make your request. You are not considered to be using a ticket during months in which your ticket is in inactive status, thus you will be subject to continuing disability reviews during those months. The months in which your ticket is in inactive status do not count toward the time limitations for making timely progress toward self-supporting employment.

(c) You may reactivate your ticket and return to in-use status if your ticket is still assigned to an EN or State VR agency acting as an EN. You may also reactivate your ticket and return to in-

use status if you have a ticket which would otherwise be available for assignment, you were receiving services under an IPE from a State VR agency which chose the cost reimbursement payment system and your VR case has not been closed by the State VR agency. You may reactivate your ticket by submitting a written request to the PM. Your ticket will be reactivated beginning with the first day of the month following the month in which the PM receives your request. The progress certification period will resume counting from the last month of in-use status, and the next progress review will be due when the progress certification period has been completed. Earnings from work, or completion of post-secondary education credits in a four-year degree or certification program or course requirements in a vocational or technical training program, as described in § 411.180, during the period your ticket is in inactive status may be counted toward meeting the requirements for the next progress review.

(d) You may take your ticket out of assignment under § 411.145(a) at any time.

**§ 411.195 [Removed]**

9. Remove § 411.195.

10. Revise § 411.200 to read as follows:

**§ 411.200 How will the PM conduct my progress reviews?**

The PM will conduct a progress review at the end of each 12-month progress certification period.

(a) The PM will first review the available administrative records to determine if you completed the work requirements as specified in § 411.180 in the applicable progress certification period.

(b) If the administrative records do not indicate that you met the work requirements, the PM will contact either you or your EN or State VR agency to request additional information to determine if you completed the work requirements or have met the educational or training requirements as specified in § 411.180 in the applicable progress certification period.

(c) If the PM finds that you completed the work requirements or met the educational or training requirements as specified in § 411.180 in the applicable progress certification period, the PM will find that you are making timely progress toward self-supporting employment. On the basis of that finding, we will consider you to be making timely progress toward self-

supporting employment until your next scheduled progress review.

(d) If the PM finds that you did not complete the work requirements or meet the educational or training requirements as specified in § 411.180 in the applicable progress certification period, the PM will find that you are not making timely progress toward self-supporting employment. If the PM makes such a finding, the PM will send a written notice of the decision to you at your last known address. This notice will explain the reasons for the decision and inform you of the right to ask us to review the decision. This decision will be effective 30 days after the date on which the PM sends the notice of the decision to you, unless you request that we review the decision under § 411.205.

11. In § 411.210, revise paragraph (b), the heading of paragraph (c), and the fourth sentences of both paragraphs (c)(1) and (c)(2) to read as follows:

**§ 411.210 What happens if I do not make timely progress toward self-supporting employment?**

\* \* \* \* \*

(b) *Re-entering in-use status.* If you failed to meet the timely progress guidelines for a 12-month progress certification period and you believe that you have now met the applicable requirements for that progress certification period as described in § 411.180, you may request that you be reinstated to in-use status. In order to do so, you must submit a written request to the PM asking that you be reinstated to in-use status and you must provide evidence showing that you have met the applicable requirements for the progress certification period. The PM will decide whether you have satisfied the applicable requirements for the progress certification period and may be reinstated to in-use status. If the PM determines you have met the applicable requirements for the progress certification period, you will be reinstated to in-use status, provided that your ticket is assigned to an EN or State VR agency acting as an EN, or you have a ticket which would otherwise be available for assignment and you are receiving services under an IPE from a State VR agency which has chosen the cost reimbursement payment system. See paragraph (c) of this section for when your reinstatement to in-use status will be effective. After you are reinstated to in-use status, your next 12-month progress certification period will begin.

(c) *Decisions on re-entering in-use status.* (1) \* \* \* If the PM decides that you have satisfied the requirements for re-entering in-use status (including the



requirement that your ticket be assigned to an EN or State VR agency acting as an EN, or that you have a ticket which would otherwise be available for assignment and are receiving services under an IPE from a State VR agency that has chosen the cost reimbursement payment system), you will be reinstated to in-use status effective with the date on which the PM sends the notice of the decision to you. \* \* \*

(2) \* \* \* If we decide that you have satisfied the requirements for re-entering in-use status (including the requirement that your ticket be assigned to an EN or State VR agency acting as an EN, or that you have a ticket which would otherwise be available for assignment and are receiving services under an IPE from a State VR agency that has chosen the cost reimbursement payment system), you will be reinstated to in-use status effective with the date on which we send the notice of the decision to you.

12. In § 411.220, revise the first sentence of paragraph (a), revise paragraph (d)(2), remove paragraph (e), and redesignate paragraph (f) as paragraph (e) to read as follows:

**§ 411.220 What if my ticket is no longer assigned to an EN or State VR agency?**

(a) If your ticket was once assigned to an EN or State VR agency acting as an EN and is no longer assigned, you are eligible for an extension period of up to 90 days to reassign your ticket. \* \* \*

\* \* \* \* \*

(d) \* \* \*

\* \* \* \* \*

(2) Ends 90 days after it begins or when you assign your ticket to a new EN or State VR agency, whichever is sooner.

\* \* \* \* \*

13. In § 411.225, revise paragraphs (b) and (c), and remove paragraph (d) to read as follows:

**§ 411.225 What if I reassign my ticket after the end of the extension period?**

\* \* \* \* \*

(b) *Time limitations for the timely progress guidelines.* Any month during which your ticket is not assigned and you have a ticket available for assignment and are not receiving services under an IPE from a State VR agency which chose the cost reimbursement payment system, either during or after the extension period, will not count toward the time limitations for the timely progress guidelines.

(c) *If you reassign your ticket after the end of the extension period.* If you reassign your ticket after the end of the extension period, the period comprising

the remaining months in the applicable 12-month progress certification period will begin with the first month beginning after the day on which the reassignment of your ticket is effective under § 411.150(c).

14. Add § 411.226 to read as follows:

**§ 411.226 How will SSA determine if I am meeting the timely progress guidelines if I assign my ticket prior to [EFFECTIVE DATE OF FINAL REGULATIONS]?**

(a) If you assigned your ticket to an EN or State VR agency prior to [EFFECTIVE DATE OF FINAL REGULATIONS], we will use the guidelines in § 411.180(c) to determine whether you are making timely progress toward self-supporting employment on or after that date. We will consider you to be in the first or a subsequent 12-month progress certification period under § 411.180 as of that date. We will determine your applicable 12-month progress certification period and the number of months remaining in that period as of that date by counting all months during which your ticket was assigned and in use during the period—

- (1) Beginning with the month following the month in which you first assigned your ticket under the rules in effect prior to that date; and
- (2) Ending with the close of the month immediately before that date.

(b) Subsequent 12-month progress certification periods will follow the rules in § 411.180.

(c) If, on [DATE ONE DAY BEFORE EFFECTIVE DATE OF FINAL REGULATIONS], your ticket is in use and assigned to a State VR agency which chose to be paid for services it provides to you under the cost reimbursement payment system, your period of using a ticket may continue under the rules in this subpart, including the rules in paragraphs (a) and (b) of this section. However, your ticket will no longer be considered assigned to that State VR agency effective [EFFECTIVE DATE OF FINAL REGULATIONS]. You may assign your ticket after the State VR agency has closed your case.

**Subpart E—[Amended]**

15. Add paragraph (d) to § 411.310 to read as follows:

**§ 411.310 How does an entity other than a State VR agency apply to be an EN and who will determine whether an entity qualifies as an EN?**

\* \* \* \* \*

(d) One-stop delivery systems established under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 *et seq.*) may participate

in the Ticket to Work program as ENs and do not need to respond to the RFP. However, in order to participate in the Ticket to Work program, the one-stop delivery system must enter into an agreement with the Commissioner to be an EN and must maintain compliance with general and specific selection criteria as described in § 411.315 in order to remain an EN.

16. Add paragraph (e) to § 411.315 to read as follows:

**§ 411.315 What are the minimum qualifications necessary to be an EN?**

\* \* \* \* \*

(e) One-stop delivery systems established under subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2811 *et seq.*) are qualified to be ENs. A one-stop delivery system must enter into an agreement with the Commissioner to be an EN and must maintain compliance with general and specific selection criteria of this section and § 411.305 in order to remain an EN.

[FR Doc. E7-15715 Filed 8-10-07; 8:45 am]

BILLING CODE 4191-02-P

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**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**26 CFR Part 1**

[REG-138707-06]

RIN 1545-BF90

**Exclusions From Gross Income of Foreign Corporations; Correction**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Correction to notice of proposed rulemaking by cross-reference to temporary regulations.

**SUMMARY:** This document contains corrections to notice of proposed rulemaking by cross-reference to temporary regulations (REG-138707-06) that were published in the **Federal Register** on Monday, June 25, 2007 (72 FR 34650) modifying final regulations issued under section 883(a) and (c) of the Internal Revenue Code, relating to income derived by foreign corporations from the international operation of ships or aircraft.

**FOR FURTHER INFORMATION CONTACT:** Patricia A. Bray, (202) 622-3880 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**Background**

The notice of proposed rulemaking by cross-reference to temporary regulations that are the subject of this correction are