

with industry stakeholders on conditional firm service. During these discussions, certain additional issues regarding conditional firm service have arisen that merit further comment by the industry. The Commission invites comments on the following issues, to the extent supplemental comments add to the record rather than repeat arguments already made:

- Should conditional firm be offered as an alternative to redispach or are they complementary services? For example, if redispach is not available, should the transmission provider nevertheless be required to offer conditional firm service if available?

- Should conditional firm service be available for all long-term requests (including those of 20–30 years) or should it be offered only as a “bridge” service where the customer agrees to pay for transmission system upgrades and conditional firm service is provided until those relevant upgrades are constructed? For example, for a 20-year request for service, should the transmission provider be required to offer conditional firm service only during the first few years until relevant upgrades are constructed?

- Do limitations on system modeling present problems in offering conditional firm service over long periods (e.g., 10–30 years)? For example, do standard modeling techniques make it easier to analyze system conditions in the near term (e.g., 1–5 years) than over the long term (e.g., 10–30 years)?

- If conditional firm service is considered as a “bridge” product, should special rules apply when the necessary upgrades are extremely expensive (e.g., 10 times the embedded cost rate)?

- If any necessary upgrades produce “lumpy” capacity (e.g., a request for 100 MW of point-to-point service results in upgrades that create 1,000 MW of additional flowgate capacity), how should the lumpy capacity be handled? Should the costs be assigned exclusively to the requesting customer or, alternatively, be shared with other customers? If costs are assigned to the requesting customers, should it obtain rights to the lumpy capacity that can be resold in the marketplace?

Alternatively, could a “bridging” application of conditional firm service even out the “lumpiness” of the upgrade requirement by permitting deferral of the upgrade until load growth or new customers are prepared to absorb and help pay for the excess capacity from the upgrade and, if so, how could the transmission provider implement such a mechanism?

- In responding to a request for conditional firm service, should the transmission provider be required to provide customers with a choice between conditional curtailment based on specified system conditions and the maximum number of hours per year?

- Should conditional firm service qualify as a network resource when the associated resource is imported by a network customer on an adjacent system?

Commenters are invited to file supplemental comments with the Commission on or before December 15, 2006. Commenters are invited to file joint supplemental comments in lieu of individually-filed comments. The Commission strongly discourages repetition of prior arguments.

By direction of the Commission.

**Magalie R. Salas,**

*Secretary.*

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## DEPARTMENT OF DEFENSE

### Office of the Secretary

[DOD–2006–HA–0210; RIN 0720–AB12]

### 32 CFR Part 199

#### **TRICARE; TRICARE Retiree Dental Program (TRDP) Basic Benefit Descriptions and Administrative Corrections**

**AGENCY:** Office of the Secretary, DoD.

**ACTION:** Proposed rule.

**SUMMARY:** This proposed rule amends TRICARE Retiree Dental Program (TRDP) Basic benefit descriptions by replacing specific American Dental Association (ADA) dental procedure codes and nomenclature with general benefit categories and descriptions. This revision is necessary to keep the regulation current, since dental procedure codes are added, revised, and deleted on a regular basis. This proposed rule does not change or eliminate any benefits that are currently available under the TRDP program. This proposed rule also revises several incorrect, obsolete, or historical terms pertaining to the TRICARE program.

**DATES:** Written comments received at the address indicated below by January 26, 2007 will be accepted.

**ADDRESSES:** You may submit comments, identified by docket number and/or RIN number and title, by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

- Mail: Federal Docket Management System Office, 1160 Defense Pentagon, Washington, DC 20301–1160.

*Instructions:* All submissions received must include the agency name and docket number or Regulatory Information Number (RIN) for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the Internet at <http://regulations.gov> as they are received without change, including any personal identifiers or contact information.

**FOR FURTHER INFORMATION CONTACT:** Debra Hatzel, Program Requirements Division, TRICARE Management Activity, telephone (303) 676–3572.

**SUPPLEMENTARY INFORMATION:** This proposed rule amends TRICARE Retiree Dental Program (TRDP) Basic benefit descriptions by removing specific American Dental Association (ADA) dental procedure codes and nomenclature, and replacing them with general benefit categories and descriptions from the most recent Current Dental Terminology (CDT) Manual (CDT–2005). This action is required because dental procedure codes and nomenclature are added, revised, and deleted by the ADA every two years; when this occurs, the regulation must also be revised to reflect the new codes and nomenclature. Maintaining specific procedure codes and nomenclature in the regulation is unnecessary, since the TRDP contract and TRDP marketing materials (available at <http://www.tricare.osd.mil/dental/dm2.cfm>) already contain detailed benefit descriptions. Also, the TRDP contractor and enrollees are notified when the Government directs any changes to TRDP benefits, limits, or exclusions. The TRDP contract and TRDP marketing materials will continue to be the primary vehicles for communicating specific benefit information to the TRDP contractor and beneficiaries. Removal of specific procedure codes and nomenclature from this section does not change or eliminate any benefits that are currently available under the TRDP. The general categories of benefits that are listed in this proposed rule will be adjusted periodically to conform to the current CDT Manual.

Although there are many similarities between the TRDP and the TRICARE Dental Program (TDP), the benefits are not identical. Also, there are different

dental benefits available under the TRDP Basic program and the TRDP Enhanced program. The general benefit categories in this TRDP proposed rule differ from the TDP benefit categories listed in 32 CFR 199.13. This variance exists because some of the benefits offered under the TDP are not benefits under the TRDP Basic program (e.g., prosthodontic and orthodontic services), and because the TDP benefit categories were derived from an earlier version of the CDT Manual.

This proposed rule also revises several incorrect, obsolete or historical terms; specifically, "Director, OCHAMPUS" is revised to "Director, TRICARE Management Activity"; "Assistant Secretary of Defense (Human Affairs)" is revised to "Assistant Secretary of Defense (Health Affairs)"; "Active Duty Dependents Dental Program" is revised to "TRICARE Dental Program"; "CHAMPUS" is revised to "TRICARE/CHAMPUS"; and "OCHAMPUS" is revised to "TRICARE Management Activity."

#### Regulatory Procedures

Executive Order 12866 directs agencies to assess all costs and benefits 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 Order classifies a rule as a significant regulatory action requiring review by the Office of Management and Budget if it meets any one of a number of specified conditions, including having an annual effect on the national economy of \$100 million or more, creating a serious inconsistency or interfering with an action of another agency, materially altering the budgetary impact of entitlements or the rights of entitlement recipients, or raising novel legal or policy issues. DoD has examined the economic, legal, and policy implications of this proposed rule and has concluded that it is not a significant regulatory action. The changes set forth in the proposed rule are minor administrative revisions to the existing regulation which do not change the basic TRDP benefit structure. This is neither a significant regulatory action under Executive Order 12866, nor would it have a significant impact on small entities.

Regulatory Flexibility Act (RFA) requires that each Federal Agency prepare and make available for public comment, a regulatory flexibility analysis when the agency issues a Regulation which would have a

significant impact on a substantial number of small entities.

This proposed rule is not a major rule under the Congressional Review Act because its economic impact will be less than \$100 million.

Executive Order 13132 requires that each Federal Agency shall consult with State and local officials and obtain their input if a rule has federalism implications which have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. We have examined the impact of the proposed rule under Executive Order 13132 and it does not have policies that have federalism implications that would have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government; therefore, consultation with State and local officials is not required. In addition, this proposed rule does not impose new information collection requirements for purposes of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3511).

#### List of Subjects in 32 CFR Part 199

Claims, Dental health, Health care, Health insurance, Individuals with disabilities, Military personnel.

Accordingly, 32 CFR part 199 is proposed to be amended as follows:

#### PART 199—CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES (CHAMPUS)

1. The authority citation for part 199 continues to read as follows:

**Authority:** 5 U.S.C. 301; 10 U.S.C. chapter 55.

2. Section 199.22 is proposed to be amended by revising the last sentence of paragraph (b)(1), paragraph (b)(4), paragraph (c), paragraph (d)(1)(v), the first sentence of paragraph (d)(4)(ii), paragraph (f) introductory text, paragraph (f)(1) introductory text, paragraphs (f)(1)(i) through (f)(1)(vii), first sentence of paragraph (f)(3) introductory text, paragraph (g), and the first sentence of paragraph (k); and by removing paragraphs (f)(1)(viii) and (f)(1)(ix) to read as follows:

#### § 199.22 TRICARE Retiree Dental Program (TRDP).

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \* Additional services comparable to those contained in

paragraph (e)(2) of § 199.13 may be covered pursuant to benefit policy decisions made by the Director, TRICARE Management Activity, or designee.

\* \* \* \* \*

(4) Except as otherwise provided in this section or by the Assistant Secretary of Defense (Health Affairs) or designee, the TRDP is administered in a manner similar to the TRICARE Dental Program under § 199.13 of this part.

\* \* \* \* \*

(c) Except as may be specifically provided in this section, to the extent terms defined in § 199.2 and § 199.13(b) are relevant to the administration of the TRICARE Retiree Dental Program, the definitions contained in § 199.2 and § 199.13(b) shall apply to the TRDP as they do to TRICARE/CHAMPUS and the TRICARE Dental Program.

(d) \* \* \*

(1) \* \* \*

(v) The unmarried surviving spouse and eligible child dependents of a deceased member who died while in status described in paragraph (d)(1)(i) or paragraph (d)(1)(ii) of this section; the unmarried surviving spouse and eligible child dependents who receive a surviving spouse annuity; or the unmarried surviving spouse and eligible child dependents of a deceased member who died while on active duty for a period of more than 30 days and whose eligible dependents are not eligible or no longer eligible for the TRICARE Dental Program.

\* \* \* \* \*

(4) \* \* \*

(ii) *Enrollment period for enhanced benefits.* The initial enrollment period for enhanced benefit coverage described in paragraph (f)(2) of this section shall be established by the Director, TRICARE Management Activity, or designee, when such coverage is offered, to be a period of not less than 12 months and not more than 24 months. \* \* \*

\* \* \* \* \*

(f) *Plan benefits.* The Director, TRICARE Management Activity, or designee, may modify the services covered by the TRDP to the extent determined appropriate based on developments in common dental care practices and standard dental programs. In addition, the Director, TRICARE Management Activity, or designee, may establish such exclusions and limitations as are consistent with those established by dental insurance and prepayment plans to control utilization and quality of care for the services and items covered by the TRDP.

(1) The minimum TRDP benefit is basic dental care to include diagnostic

services, preventive services, restorative services, endodontic services, periodontic services, oral surgery services, and other general services. The following is the minimum TRDP covered dental benefit:

- (i) *Diagnostic services.*
  - (A) Clinical oral examinations.
  - (B) Radiographs and diagnostic imaging.
  - (C) Tests and laboratory examinations.
- (ii) *Preventive services.*
  - (A) Dental prophylaxis.
  - (B) Topical fluoride treatment (office procedure).
  - (C) Sealants.
  - (D) Other preventive services.
  - (E) Space maintenance.
- (iii) *Restorative services.*
  - (A) Amalgam restorations.
  - (B) Resin-based composite restorations.
  - (C) Other restorative services.
- (iv) *Endodontic services.*
  - (A) Pulp capping.
  - (B) Pulpotomy and pulpectomy.
  - (C) Root canal therapy.
  - (D) Apexification and recalcification procedures.
  - (E) Apicoectomy and periradicular services.
  - (F) Other endodontic procedures.
- (v) *Periodontic Services.*
  - (A) Surgical services.
  - (B) Periodontal services.
- (vi) *Oral surgery.*
  - (A) Extractions.
  - (B) Surgical extractions.
  - (C) Alveoloplasty.
  - (D) Biopsy.
  - (E) Other surgical procedures.
- (vii) *Other general services.*
  - (A) Palliative (emergency) treatment of dental pain.
  - (B) Therapeutic drug injection.
  - (C) Other drugs and/or medicaments.
  - (D) Treatment of postsurgical complications.

\* \* \* \* \*

(3) *Alternative course of treatment policy.* The Director, TRICARE Management Activity, or designee, may establish, in accordance with generally accepted dental benefit practices, an alternative course of treatment policy which provides reimbursement in instances where the dentist and TRDP enrollee select a more expensive service, procedure, or course of treatment than is customarily provided. \* \* \*

\* \* \* \* \*

(g) *Maximum coverage amounts.* Each enrollee is subject to an annual maximum coverage amount for non-orthodontic dental benefits and, if an orthodontic benefit is offered, a lifetime maximum coverage amount for orthodontics as established by the

Director, TRICARE Management Activity, or designee.

\* \* \* \* \*

(k) All levels of appeals and grievances established by the Contractor for internal review shall be exhausted prior to forwarding to TRICARE Management Activity for a final review.

\* \* \* \* \*

Dated: November 20, 2006.

**L.M. Bynum,**  
*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

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**DEPARTMENT OF VETERANS AFFAIRS**

**38 CFR Part 36**

**RIN 2900-AL65**

**Loan Guaranty: Loan Servicing and Claims Procedures Modifications**

**AGENCY:** Department of Veterans Affairs.  
**ACTION:** Supplemental notice of proposed rulemaking; reopening of comment period.

**SUMMARY:** This document provides supplemental notice regarding a proposal to amend the Department of Veterans Affairs (VA) Loan Guaranty regulations related to several aspects of the servicing and liquidating of guaranteed housing loans in default, and submission of guaranty claims by loan holders. It provides specific information regarding the computer-based system that VA proposes to implement as part of the loan servicing and claims procedure modifications in this rulemaking. VA is reopening the comment period for the limited purpose of accepting public comments concerning the supplemental information provided in this notice.

**DATES:** Comments must be received on or before December 11, 2006. All comments previously received following publication of the proposed rule referenced above are being considered and do not need to be resubmitted.

**ADDRESSES:** Written comments may be submitted through [www.regulations.gov](http://www.regulations.gov); by mail or hand-delivery to the Director, Regulations Management (OOREG), Department of Veterans Affairs, 810 Vermont Ave., NW, Room 1068, Washington, DC 20420; or by fax to (202) 273-9026. Comments should indicate that they are submitted in response to "RIN 2900-AL65."; Copies

of comments received will be available for public inspection in the Office of Regulation Policy and Management, Room 1063B, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays). Please call (202) 273-9515 for an appointment. In addition, during the comment period, comments may be viewed online through the Federal Document Management System (FDMS). Comments previously received regarding the notice of proposed rulemaking for RIN 2900-AL65, published February 18, 2005 (70 FR 8472), will still be considered in the rulemaking process and do not need to be resubmitted.

**FOR FURTHER INFORMATION CONTACT:** Mike Frueh, Assistant Director for Loan Management (261), Veterans Benefits Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW, Washington, DC 20420, at 202-273-7325. (This is not a toll-free telephone number.)

**SUPPLEMENTARY INFORMATION:** VA published a notice of proposed rulemaking in the **Federal Register** on February 18, 2005 (70 FR 8472), to amend regulations concerning the servicing and claims submission requirements on VA-guaranteed home loans. Included in that proposed rule were requirements for reporting information to VA under new 38 CFR 36.4315a. Under the Revised Reporting Requirements preamble heading, 70 FR 8474-8475, VA stated that proposed § 36.4315a would require all loan holders to electronically report information to the Department by use of a computer system, and that VA would be providing more specific information on this system prior to implementation. As VA has progressed in developing the VA Loan Electronic Reporting Interface (VALERI) necessary to receive reports from loan servicers, it has more clearly defined the system events and data elements that would be reported under § 36.4315a and is now ready to submit for public comment this more detailed information on VALERI. VA identifies these events and data elements in the supplementary information that follows.

**Event Definitions**

- (1) *Loan paid in full*—when the loan obligation has been fully satisfied by receipt of funds and not a servicing transfer.
- (2) *Transfer of ownership*—when the title holder of the property changes.
- (3) *Release of liability*—when an obligor has been released from liability.
- (4) *Unauthorized transfer of ownership*—when the servicer discovers