assistance, unless expressly authorized by the terms and conditions of the Federal award''.

Response: In implementing the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Chapter I, Chapter II, Parts 200, 215, 220, 225, and 230), it is NASA policy to not pay profit or fee under grant and cooperative agreement awards. NASA maintains that it is inappropriate to pay profit and fee under its Federal Financial Assistance awards because payment in excess of costs is inconsistent with the intent of grant and cooperative agreements which provide funding in the form of financial assistance to recipients for their performance of a public purpose.

III. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

IV. Regulatory Flexibility Act

NASA certifies that this final rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because the rule does not impose any additional requirements on small entities and currently less than 1 percent of recipients of NASA grants and cooperative agreements receive profit or management fees.

V. Paperwork Reduction Act

The Paper Reduction Act (Pub. L. 104–13) is not applicable because the prohibition on payment of profit and management fees by NASA does not require the submission of any information by recipients that requires the approval of the Office of Management and Budget under 44 U.S.C. 3501, et seq.

List of Subjects in 14 CFR 1260

Colleges and universities, Business and Industry, Grant programs, Grants administration, Cooperative agreements, State and local governments, Non-profit organizations, Commercial firms, Recipients.

Cynthia Boots,

Alternate Federal Register Liaison

Accordingly, 14 CFR Part 1260 is amended as follows:

PART 1260–GRANTS AND COOPERATIVE AGREEMENTS

■ 1. The authority citation for 14 CFR 1260 continues to read as follows:

Authority: 42 U.S.C. 2473(c)(1), Pub. L. 97–258, 96 Stat. 1003 (31 U.S.C. 6301, et seq.), and OMB Circular A–110.

■ 2. In § 1260.4, paragraph (b)(2) is revised to read as follows:

§ 1260.4 Applicability.

* * * * *

(b) * * *

(2) Payment of fee or profit is consistent with an activity whose principal purpose is the acquisition of goods and services for the direct benefit or use of the United States Government, rather than an activity whose principal purpose is assistance. Therefore, the grants officer shall use a procurement contract, rather than assistance instrument, in all cases where fee or profit is to be paid to the recipient of the instrument or the instrument is to be used to carry out a program where fee or profit is necessary to achieving program objectives. Grants and cooperative agreements shall not provide for the payment of fee or profit to the recipient.

* * * * *

■ 3. In § 1260.10, paragraph (b)(1)(iv) is added to read as follows:

§ 1260.10 Proposals.

* * * * *

(b) * * *

(1) * * *

(iv) Payment of fee or profit is consistent with an activity whose principal purpose is the acquisition of goods and services for the direct benefit or use of the United States Government, rather than an activity whose principal purpose is assistance. Therefore, the grants officer shall use a procurement contract, rather than assistance instrument, in all cases where fee or profit is to be paid to the recipient of the instrument or the instrument is to be used to carry out a program where fee or profit is necessary to achieving program objectives. Grants and cooperative agreements shall not provide for the payment of fee or profit to the recipient.

* * * * *

■ 4. In § 1260.14, paragraph (e) is added to read as follows:

§ 1260.14 Limitations.

* * * * *

(e) Payment of fee or profit is consistent with an activity whose principal purpose is the acquisition of goods and services for the direct benefit or use of the United States Government, rather than an activity whose principal purpose is assistance. Therefore, the grants officer shall use a procurement contract, rather than assistance instrument, in all cases where fee or profit is to be paid to the recipient of the instrument or the instrument is to be used to carry out a program where fee or profit is necessary to achieving program objectives. Grants and cooperative agreements shall not provide for the payment of fee or profit to the recipient.

[FR Doc. 2014–26856 Filed 11–12–14; 8:45 am]

BILLING CODE 7510–13–P

SOCIAL SECURITY ADMINISTRATION

20 CFR Part 404

[Docket No. SSA–2009–0038]

RIN 096–AH03

Revised Medical Criteria for Evaluating Genitourinary Disorders; Correction

AGENCY: Social Security Administration.

ACTION: Final rule; correction.

SUMMARY: This document corrects a misspelling in the regulatory language of our final rulemaking published in the **Federal Register** on Friday, October 10, 2014, titled Revised Medical Criteria for Evaluating Genitourinary Disorders.

DATES: Effective December 9, 2014.

FOR FURTHER INFORMATION CONTACT: Cheryl A. Williams, Office of Medical Policy, Social Security Administration, 6401 Security Boulevard, Baltimore, Maryland 21235–6401, (410) 965–1020. 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, at *http://www.socialsecurity.gov.*

SUPPLEMENTARY INFORMATION: On October 10, 2014 we published a final rulemaking in the **Federal Register** at 79 FR 61221. The final rulemaking contained an incorrect spelling of exstrophic. We are correcting that misspelling.

Correction

In final rule FR Doc 2014–24114 published on October 10, 2014 at 79 FR 61221, in the regulatory language section, make the following correction:

Appendix 1 to Subpart P of Part 404—[Corrected]

■ 1. On page 61225 in the 2nd column, in paragraph A of Listing 106.00 of Part B of Appendix 1 to Subpart P of Part 404, correct ''exotrophic'' to read ''exstrophic''.

Paul Kryglik,

Director, Office of Regulations and Reports Clearance, Office of Legislative and Congressional Affairs, Social Security Administration.

[FR Doc. 2014–26745 Filed 11–12–14; 8:45 am]

BILLING CODE 4191–02–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9701]

RIN 1545–BK80

Arbitrage Rebate Overpayments on Tax-Exempt Bonds

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations that provide guidance on the recovery of overpayments of arbitrage rebate on tax-exempt bonds and other tax-advantaged bonds. These final regulations provide the deadline for filing a claim for an arbitrage rebate overpayment and certain other rules. These final regulations affect issuers of tax-exempt and tax-advantaged bonds.

DATES: *Effective date:* These regulations are effective on November 13, 2014.

Applicability date: For dates of applicability, see § 1.148–11(l)(4).

FOR FURTHER INFORMATION CONTACT: Timothy Jones at (202) 317–6980 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On September 16, 2013, the IRS published a Notice of Proposed Rulemaking (REG–148812–11) in the **Federal Register** (78 FR 56841) (the ''Proposed Regulations''). A public hearing was scheduled for February 5, 2014, but later was cancelled because no one requested to speak. However, two comments responding to the Proposed Regulations were received. After consideration of these comments, the Proposed Regulations are adopted as revised by this Treasury decision.

Explanation of Provisions and Summary of Comments

The final regulations amend the Income Tax Regulations (26 CFR part 1) on the arbitrage investment restrictions on tax-exempt bonds and other tax-advantaged bonds under section 148 of the Internal Revenue Code (Code). Section 1.148–3(i) of the existing Income Tax Regulations provides that an issuer may recover an overpayment of arbitrage rebate and similar payments on an issue of tax-exempt bonds if the issuer establishes to the satisfaction of the Commissioner that the overpayment occurred.

Rev. Proc. 2008–37 (2008–2 CB 137) provides procedures for filing claims for the refund of arbitrage rebate and similar payments and imposes a deadline for filing such claims. In particular, a claim for a refund must be filed no later than two years after the final arbitrage computation date for the issue from which the claim arose. A transition rule applies to issues with a final computation date on or before June 24, 2008. Like the Proposed Regulations, the final regulations include this two-year limitation on filing claims as well as the transition rule.

The final regulations also adopt the rule in the Proposed Regulations that the Commissioner may request additional information to support a claim, specify a date for a return of that information, and deny the claim if the information is not returned by the date specified in the Commissioner's request or, if the Commissioner grants the issuer an extension to provide the information, by the extension date. Under both the Proposed Regulations and final regulations, if the Commissioner denies a claim because the Commissioner asserts that it was filed after the two-year deadline or that the information requested by the Commissioner was not received by the date specified in the request for such additional information, the issuer may appeal the denial to the Office of Appeals. If the Office of Appeals concludes that the claim was timely filed or the requested information was timely submitted, as applicable, the case will be returned to the Commissioner for further consideration of the merits of the claim.

The final regulations amend the Proposed Regulations to take into account a comment received suggesting that the Proposed Regulations be revised to provide a minimum time period for issuers to respond to any request by the Commissioner for additional information. In response to this request, the final regulations revise the Proposed Regulations to provide that issuers will be given at least 21 calendar days to respond to a request for additional information. The 21 day period is consistent with the time period provided by the IRS in other instances for submitting additional information. See, for example, section 8.05 of Rev. Proc. 2014–1, 2014–1 IRB 1, 31 (providing taxpayers with 21 days to submit additional information requested by the IRS in connection with the evaluation of a letter ruling request).

Another commenter questioned the Commissioner's authority to impose the two-year limitation on filing of claims for recovery of an overpayment of arbitrage rebate. The commenter also expressed a concern that an issuer's right to proceed to court could expire while the issuer's claim awaits review by the Commissioner.

Treasury and the IRS believe that the Commissioner's authority to impose the two-year limitation arises from the broad grant of authority to prescribe regulations under section 148(i). In addition, an issuer's right to proceed to court cannot expire in the manner suggested by the commenter because sections 6532 and 7422 apply to the recovery of arbitrage rebate overpayments. Under section 7422, a claim for the recovery of an alleged arbitrage overpayment cannot be filed in any court until a claim for such amount has been filed with the Secretary. Under section 6532, a proceeding to recover an alleged overpayment of arbitrage generally may not begin before the expiration of six months from the date the claim required by section 7422 has been filed with the Secretary, nor after the expiration of two years from the date the taxpayer is notified of the claim denial. Thus, the final regulations adopt the two-year limitation without change.

Certain changes made by the final regulations to the procedures for processing arbitrage rebate overpayment claims are not reflected in Rev. Proc. 2008–37. As a result, the Treasury Department and the IRS intend to publish guidance updating Rev. Proc. 2008–37 to take into account changes made by the final regulations. Comments are requested on whether other changes should be made to the procedures as part of that guidance.

Effective/Applicability Date

In accordance with section 7805(b)(1)(C) and Rev. Proc. 2008–37, § 1.148–3(i)(3)(i) of the final regulations applies to refund claims arising from an issue of bonds to which § 1.148–3(i) applies and for which the final