Commodity	Parts per million
Apple pomace (wet)	5.0
Bananas[1]	0.10
Cattle, fat	0.05
Cattle, meat	0.05
Cattle, meat by product	0.05
Cucurbit vegetables	0.50
Goats, fat	0.05
Goats, meat	0.05
Goats, meat by product	0.05
Grapes	2.0
Hogs, fat	0.05
Hogs, meat,	0.05
Hogs, meat by product	0.05
Horses, fat	0.05
Horses, meat	0.05
Horses, meat by product	0.05
Milk	0.02
Peanut hay	4.0
Peanuts	0.05
Pome fruit	0.5
Raisins	5.0
Sheep, fat	0.05
Sheep, meat	0.05
Sheep, meat by product	0.05

[1] There are no U.S. registrations as of September 27, 1999 for use on bananas.

(b) *Section 18 emergency exemptions.* [Reserved]

(c) *Tolerances with regional registrations.* [Reserved]

(d) *Indirect or inadvertent residues.* [Reserved]

[FR Doc. 99–25050 Filed 9–24–99; 8:45 am]

BILLING CODE 6560–50–F

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

42 CFR Part 413

[HCFA–1876–F]

RIN 0938–AH61

Medicare Program; Revision to Accrual Basis of Accounting Policy

AGENCY: Health Care Financing Administration (HCFA), HHS.

ACTION: Final rule.

SUMMARY: Medicare policy provides that payroll taxes that a provider becomes obligated to remit to governmental agencies are included in allowable costs only in the cost reporting period in which payment (upon which the payroll taxes are based) is actually made to an employee. Therefore, for payroll accrued in 1 year but not paid until the next year, the associated payroll taxes are not an allowable cost until the next year. This final rule provides for an exception when payment would be made to the employee in the current year but for the fact the regularly scheduled payment date is after the end of the year. In that case, the rule requires allowance in the current year of accrued taxes on payroll that is accrued through the end of the year but not paid until the beginning of the next year, thus allowing accrued taxes on end-of-the year payroll in the same year that the accrual of the payroll itself is allowed. The effect of this rule is not on the allowability of cost but rather only on the timing of payment; that is, the cost of payroll taxes on end-of-the-year payroll is allowable in the current period rather than in the following period.

DATES: These regulations are effective November 26, 1999.

FOR FURTHER INFORMATION CONTACT: John Eppinger, (410) 786–4518.

SUPPLEMENTARY INFORMATION:

I. Background

Generally, under the Medicare program, health care providers who are not subject to a prospective payment or other non cost based payment system are paid for the reasonable costs of covered services furnished to Medicare beneficiaries. Notable exceptions to payment on a reasonable cost basis are for inpatient hospital services furnished in acute care hospitals (section 1886(d) of the Social Security Act (the Act)) and for inpatient services furnished by skilled nursing facilities for cost reporting periods beginning on or after July 1, 1998 (section 1888(e) of the Act). Additionally, there are other limited services not paid on a reasonable cost basis, to which Medicare policy concerning accrued costs, including the revision in this final rule, does not apply.

Section 1861(v)(1)(A) of the Act defines reasonable cost and provides that reasonable cost shall be determined in accordance with implementing regulations. Section 413.24 establishes the methods to be used and the adequacy of data needed to determine reasonable costs for various types or classes of institutions, agencies, and services. Section 413.24(a) requires providers receiving payment on the basis of reasonable cost to maintain financial records and statistical data sufficient for the proper determination of costs payable under the program and for verification of costs by qualified auditors. The cost data are required to be based on an approved method of cost finding and on the accrual basis of accounting. Section 413.24(b)(2) provides that under the accrual basis of accounting, revenue is reported in the period in which it is earned, regardless of when it is collected, and expenses are reported in the period in which they are incurred, regardless of when they are paid.

Section 413.100 provides for special treatment of certain accrued costs, including Federal Insurance Contribution Act (FICA) and other payroll taxes claimed by providers on their cost reports. Before this final rule, § 413.100(c)(2)(vi) provided, without exception, that a provider's share of FICA and other payroll taxes that the provider becomes obligated to remit to governmental agencies is included in allowable costs only during the cost reporting period in which payment (upon which the payroll taxes are based) is actually made to the employee. When an employee is paid by a provider as part of a provider payroll, whether the payment is for time worked during the payroll period or for benefits (for example, vacation benefits) earned in an earlier period, the provider's share of FICA and other payroll taxes is an allowable cost during the cost reporting period in which payment is made to the employee. The policy is based on the fact that a provider becomes obligated to governmental agencies for payroll taxes only at the time that the salary or benefits, upon which the payroll taxes are based, are actually paid to the provider's employee. Further, until the salary or benefits are actually paid, it cannot be known for certain whether there will be a payroll tax or taxes, what the amount of the tax(es) will be, or whether a particular employee will be liable for the tax(es).

II. Provisions of the Proposed Rule

On May 18, 1998, we published in the **Federal Register** (63 FR 27251) a proposed rule that would revise regulations governing the FICA and other payroll taxes. We proposed to revise § 413.100(c)(2)(vi) to make one exception to the general rule. We proposed to provide that if payment would be made to an employee during a cost reporting period but for the fact that the regularly scheduled payment date is after the end of the period, costs of accrued payroll taxes related to the portion of payroll accrued through the end of the period, but paid to the employee after the beginning of the new period, are allowable costs in the year of accrual, subject to the liquidation requirements specified in the regulations (§ 413.100(c)(2)(i)). Under the proposed rule, accrued taxes on end-of-the-year payroll would be allowed in the same year that the accrual of the payroll itself is allowed, just as Medicare, in other than end-of-the-year

payroll situations, allows accrued taxes on payroll in the same year that the accrual of the payroll is allowed. The proposal was based on the notion that the insignificant amount of time passing between the accrual of the end-of-the-year payroll and the payment of the payroll in the following year does not give rise to the same concerns described in section I. above.

We also proposed to change the example in § 413.100(c)(2)(vi) to emphasize, as discussed above, that payroll taxes applicable to benefits accrued, such as vacation benefits, are not allowable until the period in which the employee uses the benefits, that is, takes the vacation. Finally, we proposed to change payroll tax from singular to plural throughout the section to clarify that there can be more than one payroll tax.

III. Comments on the Proposed Rule

We received one letter of comment that favored the proposed rule. The commenter supported the proposal noting that the proposed policy matched revenues and expenses consistent with generally accepted accounting principles and normal business practice.

IV. Provision of the Final Rule

Based on our position that the proposed rule published May 18, 1998 would implement an appropriate exception to the current policy in § 413.100(c)(2)(vi), and in the light of the fact that the comment received supported our proposal, we are adopting the proposed rule as final.

V. Regulatory Impact Analysis

We have examined the impact of this rule as required by Executive Order 12866. Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects; distributive impacts; and equity). This final rule, which permits allowance of accrued taxes on end-of-the-year payroll in the same year that the accrual of the payroll itself is allowed, does not make any significant changes in program payments. The final rule is limited in nature, as it affects only accrued payroll taxes for payroll accrued at the end of one cost reporting period that is not actually paid to employees until the beginning of the next period. Furthermore, in this situation, the effect of the final rule is only on the timing of payment; that is, it does not allow an additional cost of payroll taxes but rather allows the cost in the current period instead of in the following period. The final rule should not involve changes in provider accounting systems and, in fact, will free providers or intermediaries from making cost report adjustments, under the current policy, to postpone reimbursement of the cost on the current cost report to the subsequent cost report. We do not expect any significant costs or savings due to this change.

We have also examined the impact of the final rule as required by the Regulatory Flexibility Act (RFA) (Public Law No. 96–354), and by section 1102(b) of the Act. The RFA requires agencies to analyze options for regulatory relief for small businesses. For purposes of the RFA, most hospitals, and most other providers, physicians, and health care suppliers are small entities, either by nonprofit status or by having revenues of $5 million or less annually. In addition, section 1102(b) of the Act requires us to prepare a regulatory impact analysis if a rule may have a significant impact on the operations of a substantial number of small rural hospitals. Such an analysis must conform to the provisions of section 604 of the RFA. For purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital that is located outside of a Metropolitan Statistical Area and has fewer than 50 beds.

We are not preparing analyses for either the RFA or section 1102(b) of the Act since we have determined, and we certify, that this final rule will not result in a significant economic impact on a substantial number of small entities and will not have a significant impact on the operations of a substantial number of small rural hospitals.

In accordance with the provisions of Executive Order 12866, this final rule was reviewed by the Office of Management and Budget.

We have reviewed this final rule under the threshold criteria of Executive Order 13132, Federalism, published in the **Federal Register** on August 10, 1999 (64 FR 43255). We have determined that it does not significantly affect the rights, roles, and responsibilities of States.

VI. Paperwork Reduction Act

This document does not impose information collection and recordkeeping requirements. Consequently, it will not be reviewed by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1995.

List of Subjects in 42 CFR Part 413

Health facilities, Kidney disease, Medicare, Puerto Rico, Reporting and recordkeeping requirements.

42 CFR part 413 is amended as follows:

PART 413—PRINCIPLES OF REASONABLE COST REIMBURSEMENT; PAYMENT FOR END-STAGE RENAL DISEASE SERVICES; OPTIONAL PROSPECTIVELY DETERMINED PAYMENT RATES FOR SKILLED NURSING FACILITIES

A. The authority citation for part 413 continues to read as follows:

Authority: Secs. 1102, 1861(v)(1)(A), and 1871 of the Social Security Act (42 U.S.C. 1302, 1395x(v)(1)(A), and 1395hh).

Subpart F—Specific Categories of Costs

B. In 413.100, paragraph (c)(2)(vi) is revised to read as follows:

§ 413.100 Special treatment of certain accrued costs.

* * * * *

(c) *Recognition of accrued costs.** * *

(2) *Requirements for liquidation of liabilities.** * *

(vi) *FICA and other payroll taxes.*

(A) *General rule.* The provider's share of FICA and other payroll taxes that the provider becomes obligated to remit to governmental agencies is included in allowable costs only during the cost reporting period in which payment (upon which the payroll taxes are based) is actually made to the employee. For example, payroll taxes applicable to vacation benefits are not to be accrued in the period in which the vacation benefits themselves are accrued but rather are allowable only in the period in which the employee takes the vacation.

(B) *Exception.* If payment would be made to an employee during a cost reporting period but for the fact the regularly scheduled payment date is after the end of the period, costs of accrued payroll taxes related to the portion of payroll accrued through the end of the period, but paid to the employee after the beginning of the new period, are allowable costs in the year of accrual, subject to the liquidation requirements specified in paragraph (c)(2)(i) of this section.

* * * * *

(Catalog of Federal Domestic Assistance Program No. 93.773, Medicare—Hospital Insurance)

Dated: March 24, 1999.

Nancy-Ann Min DeParle,

Administrator, Health Care Financing Administration.

Dated: June 8, 1999.

Donna E. Shalala,

Secretary.

[FR Doc. 99–24995 Filed 9–24–99; 8:45 am]

BILLING CODE 4120–01–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 51

[CC Docket No. 96–98; FCC 99–227]

Implementation of the Local Competition Provisions of the Telecommunications Act of 1996

AGENCY: Federal Communications Commission.

ACTION: Final rule; reconsideration and clarification.

SUMMARY: This document resolves and clarifies specific issues regarding the nondiscriminatory access obligations of local exchange carriers (LECs). The intended effect is to further Congress' goal of preventing unfair local exchange carrier practices and encouraging the development of competition in directory assistance.

DATES: Effective October 27, 1999, except for § 51.217(c)(3) which contains information collection requirements that are contingent on approval by the Office of Management and Budget. The Commission will publish a document in the **Federal Register** announcing the effective date.

ADDRESSES: 445 12th Street, S.W., Washington, D.C. 20554

FOR FURTHER INFORMATION CONTACT: Gregory Cooke, Senior Attorney, Common Carrier Bureau, Network Services Division, (202) 418–2351 or via the Internet at gcooke@fcc.gov. Further information may also be obtained by calling the Common Carrier Bureau's TTY number: 202–418–0484. For additional information concerning the information collections contained in this Order contact Judy Boley at (202) 418–0214, or via the Internet at jboley@fcc.gov.

SUPPLEMENTARY INFORMATION: This summarizes the Commission's *Second Order on Reconsideration* adopted August 23, 1999, and released September 9, 1999. The *Second Order on Reconsideration* clarifies rules adopted in the *Local Competition Second Report and Order* and resolves issues relating to nondiscriminatory access. The full text of this *Second Order on Reconsideration* is available for inspection and copying during normal business hours in the FCC Reference Center, 445 12th Street, S.W., Room CY–A257, Washington, D.C. The complete text also may be obtained through the World Wide Web, at http://www.fcc.gov/Bureaus/Common Carrier/Orders/fcc99227.wp, or may be purchased from the Commission's copy contractor, International Transcription Service, Inc., (202) 857–3800, 1231 20th St., N.W., Washington, D.C. 20036. This Order contains information collections subject to the Paperwork Reduction Act of 1995 (PRA). It has been submitted to the Office of Management and Budget (OMB) for review under the PRA. The general public and other federal agencies are invited to comment on the information collections contained in this proceeding.

Paperwork Reduction Act

This Order contains modified information collections. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public to comment on the information collections contained in this Order, as required by the Paperwork Reduction Act of 1995, Public Law 104–12. Persons wishing to comment on the information collections should submit comments on or before October 27, 1999. Comments should address: (a) Whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's burden estimates; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on the respondents including the use of automated collection techniques or other forms of information technology.

OMB Approval Number: 3060–0741.

Title: Implementation of the Local Competition Provisions of the Telecommunications Act of 1996—CC Docket No. 96–98.

Form No.: N/A.

Type of Review: Revised collection

Information collection	Number of respondents (approx.)	Estimated time per response	Total annual burden
Sharing of Directory Listings	500	36 hours (per respondent per year)	18,000
Notification Regarding Format	50	1 hour (per respondent per year)	50

Total Annual Burden: 18,050 hours.

Respondents: Businesses or other for-profit.

Estimated costs per respondent: $0.

Needs and Uses: The Commission, in compliance with section 251(b)(3) of the 1996 Act, clarifies and affirms rules in this Order to further Congress' goals of preventing unfair LEC practices in relation to nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listings. Our clarification and particularization of the obligations imposed on carriers by section 251(b)(3) is necessary to achieve Congress' goals in relation to nondiscriminatory access. This approach should reduce confusion and potential controversy with minimal burdens on carriers and new entrants, many of whom are small businesses.

Synopsis

The Commission promulgated rules pursuant to section 251(b)(3) of the Act in the *Local Competition Second Report and Order.* In the *Second Order on Reconsideration,* first, the Commission affirms its requirements that LECs offer access to telephone numbers, operator services, directory assistance, and directory listings that is equal to the access that the LEC provides to itself and that the providing LEC shall continue to bear the burden of proof that it is offering nondiscriminatory access. Second, the Commission affirms its requirement that each LEC provide access to adjunct features related to the provision of operator services and directory assistance services, and precludes LECs from negotiating exclusive contracts with third party vendors of such adjunct features that would prevent competing providers from negotiating licensing agreements with the vendors for access to their services. Third, the Commission declines to change its branding requirements concerning LECs' obligations to rebrand the traffic of