

The proposed amendment provides that the rating board has sole authority to determine the competency of beneficiaries, but that if the VSO develops new information bearing on the issue of the beneficiary's competency, the rating board will consider that evidence together with all other evidence of record to determine whether the prior determination of incompetency should remain in effect. Paragraph (b)(2) provides that the Adjudication Officer will authorize disbursement to an incompetent beneficiary as directed by the VSO (e.g., supervised direct payment, payment to a fiduciary, or payment to the beneficiary's spouse). Additional nonsubstantive changes would be made in the wording and format of § 3.353(b) for the sake of clarity.

The Secretary hereby certifies that these regulatory amendments would not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act (RFA), 5 U.S.C. 601-612. The amendments would not directly affect any small entities. Only VA beneficiaries would be directly affected. Therefore, pursuant to 5 U.S.C. 605(b), these amendments are exempt from the initial and final regulatory flexibility analysis requirements of section 603 and 604.

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

### List of Subjects in 38 CFR Part 3

Administrative practice and procedure, Claims, Health care, Individuals with disabilities, Pensions, Veterans.

Approved: April 11, 1995.

**Jesse Brown,**

*Secretary of Veterans Affairs.*

For the reasons set forth in the preamble, 38 CFR Part 3 is amended to read as follows:

## PART 3—ADJUDICATION

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

1. The authority citation for part 3, subpart A continues to read as follows:

**Authority:** 38 U.S.C. 501(a), unless otherwise noted.

2. Section 3.353 is amended by revising paragraph (b) to read as follows:

#### § 3.353 Determinations of incompetency and competency.

\* \* \* \* \*

(b) *Authority.* (1) Rating agencies have sole authority to make official

determinations of competency and incompetency for the purpose of existing laws, Department of Veterans Affairs regulations and Department of Veterans Affairs instructions. Such determinations are final and binding on field stations for purposes of: insurance (38 U.S.C. 1922), the discontinuance and payment of amounts withheld because of an estate in excess of \$1,500 (§ 3.557(b)), and, subject to § 13.56 of this chapter, disbursement of benefits.

(2) Where the beneficiary is rated incompetent, the Adjudication Officer will inform the Veterans Services Officer of jurisdiction of that fact. The Veterans Services Officer will develop information as to the beneficiary's social, economic and industrial adjustment and appoint (or recommend appointment of) a fiduciary as provided in § 13.55 of this chapter, select a method of disbursing payment as provided in § 13.56 of this chapter, or in the case of a married beneficiary, appoint the beneficiary's spouse to receive payments as provided in § 13.57 of this chapter. The Adjudication Officer will authorize disbursement of the benefit in the manner selected by the Veterans Services Officer.

(3) If in the course of fulfilling the responsibilities assigned in paragraph (b)(2) the Veterans Services Officer develops evidence indicating that the beneficiary may be capable of administering the funds payable without limitation, he or she will refer that evidence to the rating agency with a statement as to his or her findings. The rating agency will consider this evidence, together with all other evidence of record, to determine whether its prior determination of incompetency should remain in effect. Reexamination may be requested as provided in § 3.327(a) if necessary to properly evaluate the beneficiary's mental capacity to contract or manage his or her own affairs.

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## POSTAL RATE COMMISSION

### 39 CFR Part 3001

[Docket No. RM95-4]

#### Rules of Practice and Procedure

**AGENCY:** Postal Rate Commission.

**ACTION:** Advance notice of proposed rulemaking.

**SUMMARY:** The Commission is soliciting comments on a Postal Service petition,

including proposed rules for initiation of a rulemaking on procedural changes intended to foster expedition, flexibility and innovation in seven aspects of ratemaking and classification. Proposed rules accompanied the petition. The changes are based in part on recommendations in a joint Postal Service/Postal Rate Commission task force report on improvements in the ratemaking process. The proposed rules generally provide for a lesser amount of initial supporting documentation in Postal Service requests for certain rate and classification changes and a specific, limited period for public comments and Commission review of those requests.

**DATES:** Comments must be submitted on or before July 5, 1995.

**ADDRESSES:** Comments and correspondence should be sent to Margaret Crenshaw, Secretary of the Commission, 1333 H Street NW, Suite 300, Washington, DC 20068-0001 (telephone: 202/789-6840).

**FOR FURTHER INFORMATION CONTACT:** Stephen L. Sharfman, Legal Advisor, Postal Rate Commission, 1333 H Street NW, Suite 300, Washington, DC 20268-0001 (telephone: 202/789-6820).

**SUPPLEMENTARY INFORMATION:** On April 13, 1995, the Postal Service filed with the Commission a petition for initiation of a rulemaking involving changes in, or additions to, procedural mechanisms for handling certain rate and classification matters. In support thereof, the petition asserts a keen interest on the part of postal management and the Governors in improving approaches to general rate changes. The petition also acknowledges the influence of certain recommendations of the Joint Task Force on Postal Ratemaking (June 1, 1992). The petition, the Joint Task Force's report, and other reports referred to in the Service's petition are on file in the Commission's Docket Room. A summary of the proposed changes, a number of additional related topics for consideration. The text of the rule changes proposed by the Postal Service may be obtained from the Secretary of the Commission upon request.

#### “Limited Scope” Rate Cases

Citing the Joint Task Force's acknowledgement that certain circumstances might call for limited adjustments to rates outside the context of an omnibus rate proceeding, the Postal Service proposes rules that would allow expedited, limited rate changes between rate cases. Petition at 7 (internal citation omitted). The Service says the rules are intended to permit extensive reliance on the most recent