Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes. This determination is based on the fact that the Alabama program does not regulate coal exploration and surface coal mining and reclamation operations on Indian lands. Therefore, the Alabama program has no effect on Federally-recognized Indian tribes.

**Executive Order 13211—Regulations That Significantly Affect the Supply, Distribution, or Use of Energy**

On May 18, 2001, the President issued Executive Order 13211 which requires agencies to prepare a Statement of Energy Effects for a rule that is (1) considered significant under Executive Order 12866, and (2) likely to have a significant adverse effect on the supply, distribution, or use of energy. Because this rule is exempt from review under Executive Order 12866 and is not expected to have a significant adverse effect on the supply, distribution, or use of energy, a Statement of Energy Effects is not required.

**National Environmental Policy Act**

This rule does not require an environmental impact statement because section 702(d) of SMCRA (30 U.S.C. 1292(d)) provides that agency decisions on proposed State regulatory program provisions do not constitute major Federal actions within the meaning of section 102(2)(C) of the National Environmental Policy Act (42 U.S.C. 4332(2)(C)).

**Paperwork Reduction Act**

This rule does not contain information collection requirements that require approval by OMB under the Paperwork Reduction Act (44 U.S.C. 3507 et seq.).

**Regulatory Flexibility Act**

The Department of the Interior certifies that this rule will not have a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.). The State submittal, which is the subject of this rule, is based upon counterpart Federal regulations for which an economic analysis was prepared and certification made that such regulations would not have a significant economic effect upon a substantial number of small entities. In making the determination as to whether this rule would have a significant economic impact, the Department relied upon the data and assumptions for the counterpart Federal regulations.

**Small Business Regulatory Enforcement Fairness Act**

This rule is not a major rule under 5 U.S.C. 804(2), the Small Business Regulatory Enforcement Fairness Act. This rule: (a) Does not have an annual effect on the economy of $100 million; (b) Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and (c) Does not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises. This determination is based upon the fact that the State submittal, which is the subject of this rule, is based upon counterpart Federal regulations for which an analysis was prepared and a determination made that the Federal regulation was not considered a major rule.

**Unfunded Mandates**

This rule will not impose an unfunded mandate on State, local, or tribal governments or the private sector of $100 million or more in any given year. This determination is based upon the fact that the State submittal, which is the subject of this rule, is based upon counterpart Federal regulations for which an analysis was prepared and a determination made that the Federal regulation did not impose an unfunded mandate.

**List of Subjects in 30 CFR Part 901**

Intergovernmental relations, Surface mining, Underground mining.


Len Meier, Acting Regional Director, Mid-Continent Region.

[FR Doc. E8–18297 Filed 8–7–08; 8:45 am]

**BILLING CODE 4310–05–P**

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**DEPARTMENT OF THE INTERIOR**

**National Park Service**

**36 CFR Part 7**

**RIN 1024–AD71**

**Special Regulation: Areas of the National Park System, National Capital Region**

**AGENCY:** National Park Service, Interior.  
**ACTION:** Proposed rule.  
**SUMMARY:** The National Park Service (NPS) is proposing to amend regulations governing viewing of the Inaugural parade by the public, demonstrators, and the Presidential Inaugural Committee. The proposed rule would extend the duration and extent of demonstrations and special events in Washington, DC, including the Inaugural, the Lighting of the National Christmas Tree and Christmas Pathway of Peace, the Cherry Blossom Festival, the Fourth of July Celebration, and the Festival of American Folklife.  

**DATES:** Comments must be received by September 22, 2008.  
**ADDRESSES:** You may submit your comments, identified by Regulatory Information Number 1024–AD71, by any of the following methods:  
- **Federal eRulemaking Portal:** http://www.regulations.gov. Follow the instructions for submitting comments.  
- **Mail or hand delivery:** National Park Service, Regional Director, Division of Park Programs, 1100 Ohio Drive, SW., Room 128, Washington, DC 20242.

**FOR FURTHER INFORMATION CONTACT:** National Park Service, National Capital Region, Division of Park Programs, 1100 Ohio Drive, SW., Room 128, Washington, DC 20242. Telephone: (202) 619–7275. Fax: (202) 401–2430.

**SUPPLEMENTARY INFORMATION:**

**Background**

On March 20, 2008, the District Court in ANSWER Coalition v. Kempthorne, 537 F.Supp.2d 183 (D.D.C. March 20, 2008) found that the National Park Service’s practice and procedure of submitting an application on behalf of the Presidential Inaugural Committee (PIC) violated its regulations with respect to the duration of special events and the related timing of the submission of the application. The Court stated, however, that “[i]f the government thinks it appropriate to lengthen the amount of time for which permits may be granted under the regulations—perhaps even only for the Inauguration period and no other—the government may explicitly amend the regulations that apply to all permit applicants.” 537 F.Supp.2d at 203–204.

Pennsylvania Avenue is among the world’s most famous streets and is located in the heart of the Nation’s Capital. America’s history has marched, paraded, promenaded, and protested its way up and down Pennsylvania Avenue. Areas must be available to the public as well as demonstrators to view the Inaugural parade. “The Inauguration is not a private event.” ANSWER Coalition v. Kempthorne, 2008 U.S. Dist. Lexis 21443 * 15 (emphasis in original) (referencing Mahoney v. Bobbitt, 105 F.3d at 1458 D.C. Cir. 1997). And the
First Amendment provides protection to demonstrators who desire to ‘interject’ their own convictions and beliefs into the event while viewing the Inaugural parade. * * * If the free speech clause of the First Amendment does not protect the right of citizens to ‘interject’ their own convictions and beliefs into a public event on a public forum then it is difficult to understand why the Framers bothered including it at all.” Mahoney v. Babbitt, 105 F.3d at 1458–59.

The proposed rule would lengthen the duration of any permit associated with Inauguration Day activities from 21 days to the period of time between October 24 through April 1. It would also open the majority of Pennsylvania Avenue National Historic Park to the public and demonstrators for the Inaugural parade, regardless of viewpoint or message. In addition, the proposed rule would extend the duration of time that any permit may be issued for demonstrations or special events on the Ellipse and other designated park areas from three weeks to four months.

With respect to the Inaugural parade, the proposed rule would create a regulatory priority use for limited, designated park areas for the PIC, the Armed Forces Inaugural Committee, and the Architect of the Capitol or the Joint Congressional Committee on Inaugural Ceremonies, entities whose role in the Inauguration has traditionally necessitated such access. These limited park areas along the Inaugural route on Pennsylvania Avenue from 3rd to 15th Streets would be designated on the attached maps. The designated areas would be relatively small, and leave the majority of park areas along the parade route available to the public and demonstrators regardless of viewpoint or message. This allocation of space would result in a fair and equitable distribution of park areas, consistent with the First Amendment and the Presidential Inaugural Ceremonies Act.

The D.C. Circuit’s opinion in A Quaker Action Group v. Morton, 516 F.2d 717 (D.C. Cir. 1975), provided the original basis for NPS’s priority use regulations. There, the Court of Appeals said that “ * * * if the Park Service wishes to enforce the regulations regarding a permit for public gatherings in the regulated areas, it must require a permit for every public gathering in those areas. * * * or, if the Park Service wishes, it could retain a system of NPS events, reserve time in, say, Lafayette Park, and even publish advance schedules.” 516 F.2d at 729 (emphasis in original).

Below is additional information with regard to how the proposed rule would address the Inauguration and other National Celebration Events.

**Inauguration**

The proposed rule would amend the authorities section to include the Presidential Inaugural Ceremonies Act, 36 U.S.C. 501–511, as well as other non-Inaugural authorities now recodified as D.C. Code 10–137 (2001) and D.C. Code 50–2201.07 (2001). As noted above, the proposed rule would designate limited park areas for priority use by the PIC, the Armed Forces Inaugural Committee, and the Architect of the Capitol or the Joint Congressional Committee on Inaugural Ceremonies. It would also provide a fixed, reasonable time period deemed necessary for the extensive set-up and take-down of Inaugural-related construction by the PIC. And the proposed rule would leave most of Pennsylvania Avenue National Historic Park open to the public and demonstrators regardless of viewpoint or message.

The proposed rule would retain the existing regulatory preference for the PIC for the White House sidewalk and all but the northeast quadrant of Lafayette Park. The proposed rule would allocate to the public and demonstrators, however, most of Pennsylvania Avenue National Historic Park. Specifically, 7,024 linear feet or 70 percent of Pennsylvania Avenue National Historic Park that abuts the street, which also comprises 625,882 square feet or 84 percent of Pennsylvania Avenue National historic Park, would be open to the public and demonstrators. The proposed rule would thus reduce areas designated for PIC’s bleachers on the parade route to 1,284 linear feet or 13 percent of Pennsylvania Avenue National Historic Park that abuts the street, which also comprises 63,936 square feet or 9 percent of Pennsylvania Avenue National Historic Park. These allocations would both comport with the Presidential Inaugural Ceremonies Act, 36 U.S.C. 503(a), and respond to the question on this subject posed by the District Court in A.N.S.W.E.R. Coalition v. Kempthorne, 537 F.Supp.2d at 205–206.

The proposed rule would amend existing regulations to allow structures within 50 feet of any Inaugural ceremony activity structures. The proposed rule would leave in place existing regulations that permit other demonstrations or special events in park areas during the National Celebration Events to the extent that they do not significantly interfere with these Events. In addition, the proposed rule would allow PIC to place portable public bathrooms at designated areas along the parade route. It would also designate the traditional areas necessary for the television and radio media, so that they can broadcast and report on the parade and related activities. The proposed rule would also designate the traditional areas necessary for the Armed Forces Inaugural Committee for parade support structures used to help monitor and manage the parade itself. And the proposed rule would designate an area in front of the John A. Wilson Building for the District of Columbia’s reviewing stand, and also designate areas for individuals with disabilities to view the parade.

The spatial allocations under the proposed rule would include 23,764 square feet or 3 percent of the Pennsylvania Avenue National Historic Park for the Armed Forces Inaugural Committee parade control area, 1,346 square feet or less than 1 percent of the park for the District of Columbia’s Viewing Stand, 7,907 square feet or 1 percent of the park for the media area, and 456 square feet or less than 1 percent of the park for the parade announcer stands.

The proposed rule would designate areas in Pennsylvania Avenue National Historic Park and Sherman Park for the PIC’s use that could accommodate 24 bleachers and 8,790 ticket holders based on the PIC’s 2005 set-up. To ensure that all seats are used, the proposed rule would allow any member of the public to use a ticketed PIC bleacher seat, if it has not been claimed by the ticket holder ten minutes before the Inaugural Parade is scheduled to pass the bleacher’s block. The proposed rule would not allocate to the PIC certain park areas that have been allocated to the PIC in past Inaugurals; in 2005, these areas contained 25 bleachers that could accommodate 11,344 ticket holders.

The proposed rule would also create limited priority areas on the National Mall for members of the public and ticketed guests, for the placement of media stands, and for the assembly and staging of parade units, traditionally necessary aspects of the Inauguration. With regard to this last activity, the rule would allow the Armed Forces Inaugural Committee on Inauguration Day to assemble, stage, secure and weather-protect the pre-Inaugural parade components and floats on the National Mall between 14th and 1st Streets. The proposed rule would also allow the Architect of the Capitol or the Joint Congressional Committee on Inaugural Ceremonies to site just jettison towers and sound towers so that the Joint Congressional Committee’s ticketed,
standing room ticket holders can observe the Inaugural ceremony between 4th and 1st Streets, and members of the general public between 14th and 4th Streets. The proposed rule would allow a 150-by-200 foot area on the National Mall, just east of 7th Street, for the exclusive use of the PIC on Inauguration Day for television and radio media broadcasts on Inauguration Day.

Inaugural-related construction is complex and extensive, and requires a series of permits. The proposed rule would set specific set-up and take-down dates determined reasonably necessary for the erection and removal of the stands, bleachers, media and parade support structures in the various designated park areas. Set-up and take-down occurs from November 1 through March 1 for the White House sidewalk and Lafayette Park, December 7 through February 10 for Pennsylvania Avenue National Historic Park and Sherman Park, and January 6 through January 30 for the National Mall between 14th and 1st Streets. Traditionally, set-ups and take-downs are done in stages, and an entire designated area may not be needed throughout the designated period. Accordingly, consistent with public safety, the portions of designated areas that are not immediately needed for set-up and take-down will remain open to the public and for demonstration activity.

Lighting of the National Christmas Tree and Christmas Pathway of Peace

The proposed rule would change the name of the “Christmas Pageant of Peace,” one of the existing National Celebration Events, to the “Lighting of the National Christmas Tree and Christmas Pathway of Peace.” This event would take place in the northern half of the oval portion of the Ellipse during the last four weeks in December. The designated time period for set-up and take-down would be October 1 through February 1. This event provides the park visitor an opportunity to view the lighting of the National Christmas tree, attend musical presentations, and visit various seasonal displays.

Cherry Blossom Festival

The proposed rule would more clearly define the park areas for the Cherry Blossom Festival, another existing National Celebration Event, and would extend the duration from six days to two weeks and designate an additional two-week period for set-up and take-down. The Cherry Blossom Festival would take place in the park areas adjacent to the Tidal Basin as well as the sidewalk areas on the Ellipse and the Washington Monument Grounds adjacent to Constitution Avenue between 15th and 17th Streets, NW.

Fourth of July Celebration

The proposed rule would designate the Lincoln Memorial Reflecting Pool area for the staging and firing of this event’s fireworks and establish a three week period for set-up and take-down.

Festival of American Folklore

The proposed rule would designate an eight week period for the set-up and take-down of this event.

Permit Applications

The proposed rule would make explicit the long-standing NPS policy of not accepting permit applications for demonstrations and special events earlier than one year in advance of the proposed event. Event application dates (that include set-up and take-down time) must fall within this one-year time period. For example, NPS would accept on January 1, 2009 an application for the first week of January 2010, but would not accept on January 1, 2009 an application for the first week of January for the next three years, or for the first week of January and February 2010. On one occasion, the NPS received ten applications for the use of parkland at each Presidential Inauguration for the next forty years. In rejecting these applications, the NPS explained that it has an enormous task of maintaining Federal parkland for the millions of visitors and thousands of demonstrations and special events. Many applications propose activities that require extensive planning and coordination with the applicants and other affected agencies. By only accepting applications for proposed events that occur within one year, persons and groups are better able to determine the proposed event’s true size and scope and the NPS is better able to determine whether it can reasonably be accommodated within the requested park area. This proposed rule reflecting longstanding policy would allow all persons and groups a timely, fair and equal opportunity to use parkland for demonstrations and special events and prevents its monopolization.

Fifty-Five Day Comment Period

Pursuant to 318 DM 5.4 A (1998), we are providing a 45-day comment period because this proposed rule requires timely action so that a final rule may become effective in time to govern the activities associated with the upcoming 2009 Inauguration. In addition, this schedule is necessary to allow for any judicial challenge to occur in a timely manner. We welcome all public comment, and will immediately provide a copy of this proposed rule to known interested parties, including the plaintiffs in ANSWER Coalition v. Kempthorne, No. 05–0071 (D.D.C.) as well as any applicant who has sought a demonstration permit along the Inaugural parade route for the last three Inaugurations.

Compliance With Other Laws

Regulatory Planning and Review

(Executive Order 12866)

This document is a significant rule and is subject to review by the Office of Management and Budget (OMB) under Executive Order 12866.

(1) This rule will not have an effect of $100 million or more on the economy. It will not adversely affect in a material way the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities.

(2) This rule will not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency.

(3) This rule does not alter the budgetary effects of entitlements, grants, user fees, or loan programs or the rights and obligations of their recipients.

(4) OMB has determined that this rule raises novel legal or policy issues.

Regulatory Flexibility Act

The Department of the Interior certifies that this document will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.).

Small Business Regulatory Enforcement Fairness Act (SBREFA)

This rule is not a major rule under 5 U.S.C. 804(2), the Small Business Regulatory Enforcement Fairness Act. This rule:

a. Does not have an annual effect on the economy of $100 million or more.

b. Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions.

c. Does not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises.

Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than $100 million per year. The rule does not have a significant or
The following event . . . Has priority use of the following area . . . At the following time . . .

(A) Lighting of the National Christmas Tree and Christmas Pathway of Peace.  
   northern half of the oval portion of the Ellipse park areas adjacent to the Tidal Basin and  
   the sidewalk areas adjacent to Constitution Avenue between 15th & 17th Streets, NW.  
   Washington Monument Grounds and the Lincoln Memorial Reflecting Pool area.  
   the last four weeks in December as well as necessary set-up and take-down between  
   October 1 through February 1.

(B) Cherry Blossom Festival  

(C) Fourth of July Celebration  

northern half of the oval portion of the Ellipse park areas adjacent to the Tidal Basin and  
the sidewalk areas adjacent to Constitution Avenue between 15th & 17th Streets, NW.  
Washington Monument Grounds and the Lincoln Memorial Reflecting Pool area.
The following event . . . | Has priority use of the following area . . . | At the following time . . .
---|---|---
(D) Festival of American Folklife | the area bounded on the south by Jefferson Drive, NW; on the north by Madison Drive, NW; on the east by 7th Street, NW; on the west by 14th Street, NW. | for a two-week period in approximately late June and early July as well as the necessary set-up and take-down totaling eight weeks. On Columbus Day.
(E) Columbus Day Commemorative Wreath-Laying, | | see paragraph (g)(4)(iii) of this section.
(F) Presidential Inaugural Ceremonies | see paragraph (g)(4)(iii) of this section | see paragraph (g)(4)(iii) of this section.

(iii) In connection with Presidential Inaugural Ceremonies the following areas are reserved for priority use as set forth in this paragraph.
(A) The White House sidewalk and Lafayette Park, exclusive of the northeast quadrant for the exclusive use of the Inaugural Committee on Inauguration Day.
(B) Portions of Pennsylvania Avenue National Historic Park and Sherman Park, as designated in the maps included in paragraph (g)(4)(iii)(E) of this section, for the exclusive use of the Inaugural Committee on Inauguration Day for:
   (1) Ticketed bleachers viewing and access areas, except that members of the public may use a ticketed bleacher seat that has not been claimed by the ticket holder 10 minutes before the Inaugural Parade is scheduled to pass the bleacher’s block;
   (2) Portable toilets, except that they will be available to the public;
   (3) Television and radio media and Armed Forces Inaugural Committee parade support structures;
   (4) The area in front of the John A. Wilson Building for the District of Columbia reviewing stand;
   (5) Viewing areas designated for individuals with disabilities, except that they will be available to any disabled persons.
(C) The area of the National Mall between 14th and 1st Streets, for the exclusive use of the Armed Forces Inaugural Committee on Inauguration Day for the assembly, staging, security and weather protection of the pre-Inaugural parade components and floats on Inauguration Day, except for:
   (1) The placement of jumbotrons and sound towers by the Architect of the Capitol or the Joint Congressional Committee on Inaugural Ceremonies so that the Inaugural ceremony may be observed by the Joint Congressional Committee’s ticketed standing room ticket holders between 4th and 1st Streets and the general public from 7th and 4th Streets; and
   (2) A 150-foot-by-200-foot area on the National Mall just east of 14th Street, for the exclusive use of the Inaugural Committee for television and radio media broadcasts on Inauguration Day.
(D) The Inaugural Committee may also use portions of its designated areas reasonably necessary for setting up and taking down stands, bleachers, media and parade support structures as shown in the following table:

<table>
<thead>
<tr>
<th>The Inaugural Committee may use the following area . . .</th>
<th>During the following period . . .</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) The White House sidewalk and Lafayette Park</td>
<td>November 1 through March 1.</td>
</tr>
<tr>
<td>(2) Pennsylvania Avenue National Historic Park and Sherman Park</td>
<td>December 7 through February 10.</td>
</tr>
<tr>
<td>(3) The National Mall between 14th and 1st Streets</td>
<td>January 6 through January 30.</td>
</tr>
</tbody>
</table>

(E) Maps of designated portions of Pennsylvania Avenue National Historic Park and Sherman Park referred to in paragraph (g)(4)(iii)(B) of this section are as follows:

BILLING CODE 4312-39-P
(iv) Other demonstrations or special events are permitted in park areas under permit for the National Celebration Events listed in paragraph (g)(4)(ii) of this section to the extent that they do not significantly interfere with the National Celebration Events. Except for Inaugural ceremony activities, no activity containing structures is permitted closer than 50 feet to another activity containing structures without the mutual consent of the sponsors of those activities.

(v) NPS will issue a permit for a demonstration on the White House sidewalk and in Lafayette Park at the same time only if the requirements of this paragraph are met. The organization, group, or other sponsor of the demonstration must undertake in good faith all reasonable action, including the provision of sufficient marshals, to ensure that the sponsor: (A) Maintains good order and self-discipline in conducting the demonstration and any necessary movement of persons; and

<table>
<thead>
<tr>
<th>Park area</th>
<th>Permit validity period</th>
<th>Permit validity period for Inaugural activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) White House area, except the</td>
<td>7 days</td>
<td>Between October 24 through April 1 for reasonable and necessary set-up and take-down activities for the White House Sidewalk and Lafayette Park.</td>
</tr>
<tr>
<td>Ellipse</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) The Ellipse and all other park</td>
<td>4 months</td>
<td>Between December 7 through February 10 for reasonable and necessary set-up and take-down activities for Pennsylvania Avenue National Historic Park and Sherman Park.</td>
</tr>
<tr>
<td>areas</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* * * * *


Lyle Laverty,
Assistant Secretary of the Interior for Fish and Wildlife and Parks.

[FR Doc. E8–18412 Filed 8–7–08; 8:45 am]

BILLING CODE 4312–39–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

45 CFR Part 261

RIN 0970–AC38

Temporary Assistance for Needy Families (TANF) Program, Elimination of Enhanced Caseload Reduction Credit for Excess Maintenance-of-Effort Expenditures

AGENCY: Administration for Children and Families (ACF), Department of Health and Human Services (HHS).

ACTION: Notice of proposed rulemaking.

SUMMARY: The Administration for Children and Families proposes to revise the TANF regulations to eliminate the provision that allows a State to receive additional caseload reduction credit for maintenance-of-effort (MOE) expenditures in excess of its required MOE spending. This provision is no longer necessary and not consistent with Congressional direction in the Deficit Reduction Act of 2005.

DATES: We will consider all comments received on or before October 7, 2008.

ADDRESSES: You may submit your comments in writing to the Office of Family Assistance (OFA), Administration for Children and Families, 5th Floor East, 370 L’Enfant Promenade, SW., Washington, DC 20447, or hand deliver to OFA/ACF, 5th Floor East, 901 D Street, SW., Washington, DC 20447. You may download an electronic copy of the proposed rule at the Federal Rulemaking Portal: http://www.regulations.gov and may download a copy and transmit electronic comments at the agency Web site: http://www.regulations.acf.hhs.gov.

FOR FURTHER INFORMATION CONTACT:
Robert Shelbourne, Director, Division of State TANF Policy, Office of Family Assistance, ACF, at (202) 401–5150.

SUPPLEMENTARY INFORMATION:

I. Public Inspection of Comments

All comments received, including any personal information provided, will be available for public inspection Monday through Friday 8:30 a.m. to 5 p.m. at 901 D St., SW., 5th Floor, Washington, DC.

II. Statutory Authority

We are issuing this proposed regulation under the authority granted to the Secretary of HHS by Section 1102(a) of the Social Security Act, 42 U.S.C. 1302(a). Section 1102(a) authorizes the Secretary to make and publish such rules as may be necessary for the efficient administration of functions with which he is charged under the Social Security Act.

The statute at 42 U.S.C. 617 limits the authority of the Federal government to regulate State conduct or enforce the TANF provisions of the Social Security Act, except as expressly provided. We have interpreted this provision to allow us to regulate where Congress has charged HHS with enforcing certain TANF provisions by assessing penalties. Because the caseload reduction credit directly relates to the work participation requirements to which States and the Territories are subject and the failure to meet those requirements can result in a financial penalty pursuant to 42 U.S.C. 609(a)(3), we have the authority to regulate in this instance.

III. Background

Under the TANF program, States must engage certain percentages of their caseloads in work activities or face financial penalties for failing to meet the work participation requirements. These required participation rates are 50 percent overall and 90 percent for two-parent families; however, the rates a State must actually meet for a fiscal year (FY) are reduced by the amount of a State’s caseload reduction credit.

Generally, the caseload reduction credit equals the number of percentage points that a State reduces its overall caseload in the prior fiscal year (the comparison year) compared to its overall caseload in the base year. For caseload reduction credits that apply to the two-parent work participation rate, States have the option of using the overall calculation or using a calculation based on the reduction in the two-parent caseload. Because of sharp State caseload declines since FY 1995, the caseload reduction credit had virtually eliminated participation requirements for most States. The Deficit Reduction Act of 2005 (DRA) updated the base year from FY 1995 to FY 2005, effectively raising the target work participation rates and...