

The revision and additions read as follows:

**§ 3.700 General.**

\* \* \* \* \*

(a) \* \* \*

(3) \* \* \* For members of the Armed Forces who separated under Chapter 61 of title 10, United States Code, on or after January 28, 2008, no recoupment of severance pay will be made for disabilities incurred in line of duty in a combat zone or incurred during performance of duty in combat-related operations as designated by the Department of Defense.

(Authority: 10 U.S.C. 1174(h)(2) and 1212(d))

\* \* \* \* \*

(5) \* \* \*

(i) \* \* \* The Federal income tax withholding amount is the flat withholding rate for Federal income tax withholding.

\* \* \* \* \*

(iii) Where payment of special separation benefits under 10 U.S.C. 1174a was made on or after December 5, 1991, VA will recoup from disability compensation an amount equal to the total amount of special separation benefits less the amount of Federal income tax withheld from such pay. The Federal income tax withholding amount is the flat withholding rate for Federal income tax withholding.

(Authority: 10 U.S.C. 1174 and 1174a)

\* \* \* \* \*

[FR Doc. E9-13212 Filed 6-4-09; 8:45 am]

BILLING CODE 8320-01-P

**DEPARTMENT OF VETERANS AFFAIRS**

**38 CFR Parts 3 and 4**

**RIN 2900-AN22**

**Pension Management Center Manager**

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Final rule.

**SUMMARY:** This document amends the Department of Veterans Affairs (VA) regulations to add the Pension Management Center Manager as a person who, in addition to the Veterans Service Center Manager, is authorized to review decisions on benefit claims and authorized to approve permanent and total disability evaluations on an extraschedular basis for pension purposes. These changes are made to reflect the duties of the Pension Management Center Manager.

**DATES:** *Effective Date:* June 5, 2009.

**FOR FURTHER INFORMATION CONTACT:** Thomas J. Kniffen, Chief, Regulations

Staff (211D), Compensation and Pension Service, Veterans Benefits Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 461-9725.

**SUPPLEMENTARY INFORMATION:** In fiscal year 2002, all VA pension management activities were consolidated from the VA's Regional Offices to three Pension Management Centers (PMCs), which are located in Philadelphia, Pennsylvania, Milwaukee, Wisconsin, and St. Paul, Minnesota. Recently, VA has decided to consolidate nearly all of its pension activities (including original pension claims processing), which were previously done at regional office Veterans Service Centers (VSCs), to the PMCs.

Therefore, most activities involving pension that would previously have been within the duties of the Veterans Service Center Manager (VSCM) at the VSC will be transferred to the Pension Management Center Manager (PMCM) at the PMC. This rulemaking amends 38 CFR 3.2600, as well as 38 CFR 3.321 and 4.17, to reflect the position of the PMCM as the person authorized to perform these activities. Specifically, these activities are reviewing benefit decisions under § 3.2600 and determining entitlement to permanent and total disability ratings, on an extraschedular basis, for pension purposes under § 3.321(b)(2) and § 4.17(b). Adding the PMCM as a person authorized to perform these activities allows claims involving both compensation and pension to be processed at either the PMC or the VSC, as appropriate.

We are not intending any substantive change to the regulations, merely including the new position of the PMCM in VA's regulations.

**Administrative Procedure Act**

This document is being published as a final rule pursuant to 5 U.S.C. 553, which excepts matters pertaining to internal agency management and personnel from its notice, comment, and delayed effective date requirements.

**Paperwork Reduction Act**

This document contains no provisions constituting a collection of information under the Paperwork Reduction Act (44 U.S.C. 3501-3521).

**Regulatory Flexibility Act**

The Secretary hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. This final rule would not affect any small entities.

Only VA's internal procedures for processing claims of individuals will be directly affected. Therefore, pursuant to 5 U.S.C. 605(b), this final rule is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

**Executive Order 12866-Regulatory Planning and Review**

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, and other advantages; distributive impacts; and equity). The Executive Order classifies a "significant regulatory action," requiring review by the Office of Management and Budget (OMB) unless OMB waives such review, as any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order.

The economic, interagency, budgetary, legal, and policy implications of this final rule have been examined and it has been determined not to be a significant regulatory action under Executive Order 12866.

**Unfunded Mandates**

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any year. This final rule would have no such effect on State, local, and tribal governments, or on the private sector.

**Catalog of Federal Domestic Assistance Numbers and Titles**

The Catalog of Federal Domestic Assistance program numbers and titles for this rule are 64.104, Pension for

Non-Service-Connected Disability for Veterans; and 64.105, Pension to Veterans Surviving Spouses, and Children.

#### List of Subjects

##### 38 CFR Part 3

Administrative practice and procedure, Claims, Disability benefits, Health care, Pensions, Radioactive materials, Veterans, Vietnam.

##### 38 CFR Part 4

Disability benefits, Pensions, Veterans.

Approved: April 28, 2009.

**John R. Gingrich,**

*Chief of Staff, Department of Veterans Affairs.*

■ For the reasons set forth in the preamble, 38 CFR parts 3 and 4 are amended 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.

##### § 3.321 [Amended]

■ 2. Section 3.321(b)(2) is amended by removing “Manager;” and adding, in its place, “Manager or the Pension Management Center Manager;”.

#### Subpart D—Universal Adjudication Rules That Apply to Benefit Claims Governed by Part 3 of This Title

■ 3. The authority citation for part 3, subpart D continues to read as follows:

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

■ 4. Section 3.2600(a) is amended by revising the second sentence to read as follows:

##### § 3.2600 Revision of benefit claims decisions.

(a) \* \* \* The review will be conducted by a Veterans Service Center Manager, Pension Management Center Manager, or Decision Review Officer, at VA’s discretion. \* \* \*

\* \* \* \* \*

### PART 4—SCHEDULE FOR RATING DISABILITIES

■ 5. The authority citation for part 4 continues to read as follows:

**Authority:** 38 U.S.C. 1155, unless otherwise noted.

### Subpart A—General Policy in Rating

#### § 4.17 [Amended]

■ 6. Section 4.17(b) is amended by removing “Manager” and adding, in its place, “Manager or the Pension Management Center Manager”.

[FR Doc. E9–13211 Filed 6–4–09; 8:45 am]

**BILLING CODE 8320–01–P**

### POSTAL SERVICE

#### 39 CFR Part 20

#### Customs Label Requirements When Mailing Items Internationally

**AGENCY:** Postal Service™.

**ACTION:** Final rule.

**SUMMARY:** The Postal Service has revised its customs label requirements when mailing items internationally. This revision will comply with the Universal Postal Union (UPU) Letter Post Regulations.

**DATES:** *Effective Date:* July 1, 2009.

**FOR FURTHER INFORMATION CONTACT:** Rick Klutts, 813–877–0372.

**SUPPLEMENTARY INFORMATION:** The Postal Service is revising *Mailing Standards of the United States Postal Service*, International Mail Manual (IMM®) part 123 and sections 217.3, 232.4, 244.5, and 276 to comply with Article RL 152.5 of the Universal Postal Union (UPU) Letter Post Regulations. Under that provision, all small packet items must bear customs declarations CN 22 (PS Form 2976) or CN 23 (PS Form 2976–A), depending on value and regardless of whether the items are ordinarily subject to customs control in the destination country. Small packets are Letter Post items that are not letters, cards, or flats, and that typically contain merchandise or other goods.

In terms of Postal Service products, the small packet category includes package-size First-Class Mail International™ items and the Priority Mail® Small Flat-Rate Box, as well as certain Priority Mail Flat-Rate Envelopes meeting specific physical characteristics. We clarify that all such items, regardless of contents or value, must bear a PS Form 2976, *Customs Declaration CN 22—Sender’s Declaration*. Current Postal Service standards only require a customs declaration for package-size First-Class Mail International items that contain potentially dutiable contents.

This change also applies to “known mailers”, as defined in IMM 123.62, who send documents weighing 16 ounces or more. With these revisions,

only mailpieces that meet the physical characteristic of a letter or flat may qualify—small packet items must bear a PS Form 2976.

For customer convenience, this change allows the Priority Mail Flat-Rate Envelopes containing only non-dutiable document contents weighing less than 16 ounces, and that are flat-size (no more than ¾ inch thick and uniformly thick), to be mailed without a PS Form 2976. However, a customs declaration will still be required for First-Class Mail International items and Priority Mail Flat-Rate Envelopes with non-dutiable contents if those items weigh 16 ounces or more.

As a further result of UPU Letter Post Regulation Article RL152, which stipulates that customs declarations must be affixed to the outside of the mailpiece, and consistent with USPS® aviation security guidelines, we will no longer allow the option to place a PS Form 2976 on the outside of a package and insert the required PS Form 2976–A within the package.

We are also clarifying that packaging must be large enough to accommodate the applicable customs form(s), postage, and any applicable markings and extra service labels on the address side of the item to be mailed, and that items requiring an export license must always use a PS Form 2976–A. As a result of these requirements, and consistent with UPU Articles RC 120 and 121, we are clarifying in Exhibit 123.61 that PS Form 2976–A (which is a parcel customs declaration) may not be used on Letter Post items. Letter Post items include First-Class Mail International items, the Priority Mail International flat-rate envelope and small flat-rate box, International Priority Airmail (IPA) items, and International Surface Air Lift (ISAL) items. Consequently, certain items that were previously mailable in one of the aforementioned Letter Post categories will now be required to be mailed via a different category of mail. Specifically, these include First-Class Mail International items over \$400 in value, or any item requiring an export license.

The Postal Service adopts the following changes to *Mailing Standards of the United States Postal Service*, International Mail Manual (IMM), which is incorporated by reference in the *Code of Federal Regulations*. See 39 CFR Part 20.

#### List of Subjects in 39 CFR Part 20

Foreign relations, International postal services.

■ Accordingly, 39 CFR Part 20 is amended as follows: