

Unfunded Mandates Reform Act of 1995. See 2 U.S.C. 1501 *et seq.*

#### M. National Environmental Policy Act

This rulemaking will not have any effect on the quality of the environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. See 42 U.S.C. 4321 *et seq.*

#### N. National Technology Transfer and Advancement Act

The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are not applicable because this rulemaking does not contain provisions which involve the use of technical standards.

#### O. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3549) requires that the Office consider the impact of paperwork and other information collection burdens imposed on the public. This proposed rule does not involve any new information collection requirements that are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3549). Any information collections associated with this rule have been previously approved under OMB control number 0651–0069.

Notwithstanding any other provision of law, no person is required to respond to, nor shall any person be subject to, a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

#### List of Subjects in 37 CFR Part 42

Administrative practice and procedure, inventions and patents.

For the reasons set forth in the preamble, 37 CFR part 42 is proposed to be amended as follows:

#### PART 42—TRIAL PRACTICE BEFORE THE PATENT TRIAL AND APPEAL BOARD

■ 1. The authority citation for 37 CFR Part 42 continues to read as follows:

**Authority:** 35 U.S.C. 2(b)(2), 6, 21, 23, 41, 135, 311, 312, 316, 321–326; Pub. L. 112–29, 125 Stat. 284; and Pub. L. 112–274, 126 Stat. 2456.

■ 2. Add § 42.57 to read as follows:

#### § 42.57 Privilege for patent practitioners.

(a) *Privileged communications.* A communication between a client and a

domestic or foreign patent practitioner that is reasonably necessary or incident to the scope of the patent practitioner's authority shall receive the same protections of privilege as if that communication were between a client and an attorney authorized to practice in the United States, including all limitations and exceptions.

(b) *Definitions.* The term “domestic patent practitioner” means a person who is registered by the United States Patent and Trademark Office to practice before the agency under section 11.6. “Foreign patent practitioner” means a person who is authorized to provide legal advice on patent matters in a foreign jurisdiction, provided that the jurisdiction establishes professional qualifications and the practitioner satisfies them, and regardless of whether that jurisdiction provides privilege or an equivalent under its laws.

Dated: October 12, 2016.

**Michelle K. Lee,**

*Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.*

[FR Doc. 2016–25141 Filed 10–17–16; 8:45 am]

**BILLING CODE 3510–16–P**

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### Copyright Royalty Board

#### 37 CFR Part 385

[Docket No. 16–CRB–0003–PR (2018–2022)]

#### Determination of Rates and Terms for Making and Distributing Phonorecords (Phonorecords III); Comment Period Extension

**AGENCY:** Copyright Royalty Board, Library of Congress.

**ACTION:** Proposed rule; extension of comment period for reply comments.

**SUMMARY:** The Copyright Royalty Judges announce that they will accept reply comments in response to comments they received about a proposed rule regarding rates and terms applicable during the upcoming rate period for the section 115 statutory license for making and distributing phonorecords of nondramatic musical works.

**DATES:** Reply comments for the proposed rule published July 25, 2016 (81 FR 48371) are due no later than November 17, 2016.

**ADDRESSES:** The proposed rule and the comments filed in response to it are posted on the agency's Web site ([www.loc.gov/crb](http://www.loc.gov/crb)). The proposed rule is also posted at *Regulations.gov* ([www.regulations.gov](http://www.regulations.gov)). Interested

parties may submit reply comments via email to [crb@loc.gov](mailto:crb@loc.gov). Those who choose not to submit reply comments via email should see How to Submit Reply Comments in the **SUPPLEMENTARY INFORMATION** section below for online and physical addresses and further instructions.

**FOR FURTHER INFORMATION CONTACT:** Kimberly Whittle, Attorney Advisor, by telephone at (202) 707–7658, or by email at [crb@loc.gov](mailto:crb@loc.gov).

**SUPPLEMENTARY INFORMATION:** On July 25, 2016, the Judges published a proposed rule and requested comments. 81 FR 48371. The proposed rule was based upon a partial settlement<sup>1</sup> regarding copyright royalty rates and terms applicable during the upcoming rate period for the section 115 statutory license for making and distributing phonorecords of nondramatic musical works. See *Joint Motion to Adopt Partial Settlement*, Docket No. 16–CRB–0003–PR (2018–2022) (June 15, 2016).

On or before August 24, 2016, the Judges received two timely comments, one from the American Association of Independent Music (A2IM) that supported it and one from Sony Music Entertainment (“Sony”) that supported it in part and opposed it in part.

On August 30, 2016, the National Music Publishers' Association and the Nashville Songwriters Association International filed a joint *Motion for Leave to Respond to the Comments and Objections of Sony Music Entertainment Concerning Proposed Settlement (Joint Motion)*. In the interest of promoting a more complete record with regard to the proposed rule, the Judges will grant the *Joint Motion*. In addition, the Judges hereby announce that they will accept, without additional motions required, additional reply comments, if any, to the comments filed by A2IM and Sony.

The reply comments, if any, must be submitted no later than November 17, 2016.

#### How To Submit Reply Comments

Interested members of the public must submit reply comments to only *one* of the following addresses. If not submitting by email or online, commenters must submit an original of their reply comments, five paper copies, and an electronic version in searchable PDF format on a CD.

*Email:* [crb@loc.gov](mailto:crb@loc.gov); or

*Online:* <http://www.regulations.gov>; or

<sup>1</sup> The participants filing the motion were Church Music Publishers Association, Nashville Songwriters Association International, National Music Publishers Association, Harry Fox Agency, and Songwriters of North America, and licensees Universal Music Group and Warner Music Group.

*U.S. mail:* Copyright Royalty Board, P.O. Box 70977, Washington, DC 20024-0977; or

*Overnight service (only USPS Express Mail is acceptable):* Copyright Royalty Board, P.O. Box 70977, Washington, DC 20024-0977; or

*Commercial courier:* Address package to: Copyright Royalty Board, Library of Congress, James Madison Memorial Building, LM-403, 101 Independence Avenue SE., Washington, DC 20559-6000. Deliver to: Congressional Courier Acceptance Site, 2nd Street NE. and D Street NE., Washington, DC; or

*Hand delivery:* Library of Congress, James Madison Memorial Building, LM-401, 101 Independence Avenue SE., Washington, DC 20559-6000.

Dated: October 12, 2016.

**Suzanne M. Barnett,**

*Chief Copyright Royalty Judge.*

[FR Doc. 2016-25075 Filed 10-17-16; 8:45 am]

**BILLING CODE 1410-72-P**

## DEPARTMENT OF VETERANS AFFAIRS

### 38 CFR Part 8a

#### RIN 2900-AP49

### Veterans' Mortgage Life Insurance—Coverage Amendment

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Proposed rule.

**SUMMARY:** The Department of Veterans Affairs (VA) proposes to amend its regulations governing the Veterans' Mortgage Life Insurance (VMLI) program in order to provide VMLI-eligible individuals the option to lower their premiums by purchasing less than the minimum coverage amount required under current VA regulations. The proposed rule would also amend current VA regulations to reflect that the statutory maximum amount of coverage available under the VMLI program was previously increased to \$200,000, to define the term "eligible individual," and to clarify that eligibility for VMLI coverage has been extended to include servicemembers as well as veterans. These additional amendments are necessary to conform the existing regulations to current statutory provisions.

**DATES:** Comments must be received on or before December 19, 2016.

**ADDRESSES:** Written comments may be submitted through <http://www.Regulations.gov>; by mail or hand delivery to Director, Regulation Policy and Management (00REG), Department

of Veterans Affairs, 810 Vermont Ave. NW., Room 1068, Washington, DC 20420; or by fax to (202) 273-9026.

Comments should indicate that they are submitted in response to "RIN 2900-AP49—Veterans' Mortgage Life Insurance—Coverage Amendment." Copies of comments received will be available for public inspection in the Office of Regulation Policy and Management, Room 1068, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays). Please call (202) 461-4902 for an appointment. (This is not a toll-free number.) In addition, during the comment period, comments may be viewed online through the Federal Docket Management System (FDMS) at <http://www.Regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:**

Jeanne King, Attorney-Advisor, Insurance Service, Department of Veterans Affairs (310/290B), 5000 Wissahickon Avenue, P.O. Box 8079, Philadelphia, PA 19101, (215) 842-2000, ext. 4839. (This is not a toll-free number.)

**SUPPLEMENTARY INFORMATION:** The Veterans' Mortgage Life Insurance (VMLI) program was established in 1971 to provide mortgage protection insurance to service-disabled veterans who receive Specially Adapted Housing Grants from VA. Under 38 U.S.C. 2106(g), the amount of VMLI coverage for a veteran is the amount necessary to pay the veteran's mortgage indebtedness in full, except as limited by section 2106(b) or "regulations prescribed by the Secretary under this section." Section 2106(b) currently limits the amount of VMLI available to \$200,000. Therefore, currently, a veteran who has a mortgage indebtedness that is greater than \$200,000 and seeks VMLI must be covered in the amount of \$200,000 and pay the corresponding premiums for such coverage. VA has concluded that requiring this level of coverage in such circumstance may cause some individuals to forego VMLI protection because they cannot afford the premiums. To address this specific problem and to allow veterans to pay lower premiums regardless of their mortgage indebtedness, VA proposes to exercise its explicit statutory authority set forth in section 2106(g) and amend its regulations to permit program participants to lower their premiums by carrying VMLI in an amount less than both the \$200,000 statutory maximum and the amount necessary to pay the covered mortgage indebtedness in full.

As noted, paying the premiums on the level of coverage required under current regulations can present a financial

hardship to individuals insured under the program. We realize that allowing eligible individuals to carry an amount of VMLI lower than the amount outstanding on the mortgage loan may result in circumstances where an insured dies with a balance on the loan that exceeds the amount of VMLI in effect, which currently occurs when an individual's mortgage balance exceeds the statutory maximum level of coverage. In such a situation, the individual's survivors may have to assume payment on the mortgage. However, VA believes that it is preferable for individuals to participate in the VMLI program to the extent they can financially, rather than foregoing coverage entirely because they cannot afford it. If an eligible individual opts out of the program, and then dies with an outstanding balance on the loan, his or her survivors could ultimately be forced to assume an even greater indebtedness than if the individual had carried partial VMLI coverage.

Individuals often seek to lower their VMLI premiums by requesting an amount of coverage less than both the statutory limit and the amount necessary to pay the mortgage indebtedness in full. For example, from January 1, 2005, to December 31, 2010, when the statutory coverage limit was \$90,000, VA received 231 requests to terminate existing VMLI coverage. VA reviewed approximately 100 requests to determine if financial hardship was a factor in individuals' decisions to terminate coverage. Thirty percent of veterans who terminated their coverage during that period stated that the premium charged for their coverage was the main factor motivating their requests.

Effective October 1, 2011, the Veterans' Benefits Act of 2010 raised the statutory maximum coverage for VMLI from \$90,000 to \$150,000, and to \$200,000 after January 1, 2012. See Public Law 111-275, Title IV, § 407, 124 Stat. 2864, 2880. Depending on a veteran's age and mortgage balance, this statutory change could cause an individual's monthly premiums to increase by almost \$400.00—from less than \$460.00 to more than \$850.00 per month. As such, VA has concluded that, because premiums for the new statutory maximum amount of \$200,000 are considerably higher than premiums for the former maximum amount, an increasing number of individuals may terminate their VMLI coverage or decline coverage entirely unless VA offers options to buy a lesser amount of VMLI.

To promptly address this problem, VA adopted an interim policy allowing