7. If you remove the winglets from your airplane prior to further flight or no longer have the winglets installed on your airplane, the safe life of your airplane is the adjusted safe life (result of Step 6 above). Enter this number in paragraph (d)(1)(i) of this AD and the airplane logbook.

What If I Have the Marburger Winglet Installed as of the Effective Date of This AD and Plan to Operate My Airplane Without Removing the Winglet?

1. Review your airplane's logbook to determine your airplane's TIS without the winglets installed.

Example: A review of your airplane's logbook shows that you have accumulated 1,500 hours TIS, including 500 hours with the Marburger winglets installed. Therefore, your airplane's TIS without the winglets installed is 1,000 hours.

2. Determine your airplane's unmodified safe life from paragraph (a)(1) of this AD.

Example: Your airplane is a Model AT–502B, serial number 0292. From paragraph (a)(1) of this AD, the safe life of your airplane is 2,050 hours TIS.

All examples from hereon will be based on the Model AT–502B, serial number 0292 airplane.

3. Determine the winglet usage factor from paragraph (a)(3) of this AD.

Example: Again, your airplane is a Model AT–502B, serial number 0292. From paragraph (a)(3) of this AD, your winglet usage factor is 1.2.

4. Determine the potential winglet TIS. Subtract the TIS without the winglets installed (result of Step 1 above) from the unmodified safe life (result of Step 2 above).

Example:

$$\text{Unmodified safe life} - \text{TIS without winglets} = \text{Potential winglet TIS.}$$
$$(2{,}050 \text{ hours TIS}) - (1{,}000 \text{ hours TIS}) = (1{,}050 \text{ hours TIS}).$$

5. Adjust the potential winglet TIS to account for the winglet usage factor. Divide the potential winglet TIS (result of Step 4 above) by the winglet usage factor (result of Step 3 above).

Example:

$$\text{Potential winglet TIS} \div \text{Winglet usage factor} = \text{Adjusted potential winglet TIS.}$$
$$(1{,}050 \text{ hours TIS}) \div (1.2) = (875 \text{ hours TIS}).$$

6. Calculate the winglet usage penalty. Subtract the adjusted potential winglet TIS (result of Step 5 above) from the potential winglet TIS (result of Step 4 above).

Example:

$$\text{Potential winglet TIS} - \text{Adjusted potential winglet TIS} = \text{Winglet usage penalty.}$$
$$(1{,}050 \text{ hours TIS}) - (875 \text{ hours TIS}) = (175 \text{ hours TIS}).$$

7. Adjust the safe life of your airplane to account for the winglet installation. Subtract the winglet usage penalty (result of Step 6 above) from the unmodified safe life from paragraph (a)(1) of this AD (result of Step 2 above).

Example:

$$\text{Unmodified safe life} - \text{Winglet usage penalty} = \text{Adjusted safe life.}$$
$$(2{,}050 \text{ hours TIS}) - (175 \text{ hours TIS}) = (1{,}875 \text{ hours TIS}).$$

8. Enter the adjusted safe life (result of Step 7 above) in paragraph (d)(1)(i) of this AD and the airplane logbook.

What If I Install or Remove the Marburger Winglet From My Airplane in the Future?

If, at anytime in the future, you install or remove the Marburger winglet STC from your airplane, you must repeat the procedures in this Appendix to determine the airplane's safe life.

Issued in Kansas City, Missouri, on May 22, 2002.

Michael Gallagher,

Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 02–13423 Filed 6–3–02; 8:45 am]

BILLING CODE 4910–13–P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 40

Fees for Product Review and Approval

AGENCY: Commodity Futures Trading Commission.

ACTION: Annual update of schedule of fees for product review and approval.

SUMMARY: The Commission charges fees to designated contract markets and registered derivatives transaction execution facilities to recover the costs of its review of requests for product review and approval. The calculation of the fee amounts to be charged for the upcoming year is based on an average of actual program costs incurred in the most recent three full fiscal years, as explained below. The new fee schedule is set forth below.

EFFECTIVE DATE: June 4, 2002.

FOR FURTHER INFORMATION CONTACT: Richard A. Shilts, Acting Director, Division of Economic Analysis, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581, (202) 418–5260.

SUPPLEMENTARY INFORMATION:

I. Summary of Fees

Fees Charged for Processing Requests for Product Review and Approval

Single Applications

- A single futures contract or an option on a physical—$5,000;
- A single option on a previously-approved futures contract—$1,000;

• A combined submission of a futures contract and an option on the same futures contract—$5,500.

Multiple Applications

For multiple contract filings containing related contracts, the product review and approval fees are:

• A submission of multiple related futures contracts—$5,000 for the first contract, plus $500 for each additional contract;

• A submission of multiple related options on futures contracts—$1,000 for the first contract, plus $100 for each additional contract;

• A combined submission of multiple futures contracts and options on those futures contracts—$5,500 for the first combined futures and option contract, plus $550 for each additional futures and option contract.

II. Background Information

1. General

The Commission recalculates each year the fees it charges with the intention of recovering the costs of operating certain programs.[1] All costs are accounted for by the Commission's Management Accounting Structure Codes (MASC) system operated according to a government-wide standard established by the Office of Management and Budget. The fees are set each year based on direct program costs, plus an overhead factor.

2. Overhead Rate

The fees charged by the Commission are designed to recover program costs, including direct labor costs and overhead. The overhead rate is calculated by dividing total Commission-wide direct program labor costs into the total amount of the Commission-wide overhead pool. For this purpose, direct program labor costs are the salary costs of personnel working in all Commission programs. Overhead costs consist generally of the following Commission-wide costs: indirect personnel costs (leave and benefits), rent, communications, contract services, utilities, equipment, and supplies. This formula has resulted in the following overhead rates for the most recent three years (rounded to the nearest whole percent): 105 percent for fiscal year 1999, 117 percent for fiscal year 2000, and 105 percent for fiscal year 2001. These overhead rates are applied to the direct labor costs to calculate the costs of reviewing contract approval requests.

3. Processing requests for contract approval

Calculations of the fees for processing requests for product review and approval have become more refined over the years as the types of contracts being reviewed have changed.

On August 23, 1983, the Commission established a fee for Contract Market Designation (48 FR 38214). Prior to its recent amendment, the Commodity Exchange Act (Act) provided for ''designation'' of each new contract as a ''contract market.'' The Commodity Futures Modernization Act (CFMA) amended the Act to limit the concept of ''contract market designation'' to the approval of certain markets or trading facilities on which futures and options are traded, as opposed to approval of a specific contract or product. Commission rules that implemented the CFMA, therefore, charged a fee for the contract review where approval has been requested by a designated contract market or registered derivatives transaction execution facility (DTF). No fee is charged a board of trade for its initial designation as a contract market or registration as a DTF.

The fee, as originally adopted in 1983, was based on a three-year moving average of the actual costs expended and the number of contracts reviewed by the Commission during that period. The formula for determining the fee was revised in 1985. At that time, most designation applications were for futures contracts and no separate fee was set for option contracts.

In 1992, the Commission reviewed its data on the actual costs for reviewing applications for both futures and option contracts and determined that the percentage-of applications pertaining to options had increased and that the cost of reviewing a futures contract designation application was much higher than the cost of reviewing an application for an option contract. The Commission also determined that when applications for a futures contract and an option on that futures contract are submitted simultaneously, the cost is much lower than when the contracts are separately reviewed. 'To recognize this cost difference, three separate fees were established: one for futures; one for options; and one for combined futures and option contract applications (57 FR 1372, Jan. 14, 1992).

The Commission refined its fee structure further in 1999 to recognize the unique processing cost characteristics of a class of contracts—cash-settled based on an index of non-tangible commodities (64 FR 30384, June 8, 1999). The Commission determined to charge a reduced fee for related simultaneously submitted contracts for which the terms and conditions of all contracts in the filing are identical, except in regard to a specified temporal or spatial pricing characteristic or the multiplier used to determine the size of each contract. Contracts on major currencies, defined as the Australian dollar, British pound, Euro (and its component currencies), Japanese yen, Canadian dollars Swiss franc, New Zealand dollar, Swedish krona, and the Norwegian krone (including contracts based on currency cross rates), were determined to be eligible for the reduced multiple contract fees.[2] The Commission determined that a 10 percent marginal fee for additional contracts in a filing would be appropriate for simultaneously submitted contracts eligible for the multiple contract filing fee.

Commission staff compiled the actual costs of processing a request for product review and contract approval for a futures contract for fiscal years 1999, 2000, and 2001, and found that the average cost over the three-year period was $5,000, including overhead. Review of actual costs of processing contract-approval reviews for an option contract for fiscal years 1999, 2000, and 2001 reveal that the average cost over the period was $1,000 per contract, including overhead.

In accordance with its regulations as codified at 17 CFR part 40 appendix B, the Commission has determined that the fee for approval of a futures contract will be set at $5,000 and the fee for approval of an option contract will be set at $1,000. The fee for simultaneously submitted futures contracts and option contracts on those futures contracts and the fees for filings containing multiple cash-settled indices on non-tangible commodities have been set similarly and as indicated in the schedule set forth in the *Summary of Fee* above.

III. Cost-Benefit Analysis

Section 15 of the Act, as amended by section 119 of the CFMR, requires the Commission to consider the costs and benefits of its action before issuing a new regulation under the Act. Section

[1] *See* Section 237 of the Futures Trading Act of 1982, 7 U.S.C. 16a and 31 U.S.C. 9701. For a broader discussion of the history of Commission fees, *see* 52 FR 46070 (Dec. 4, 1987).

[2] Submissions containing a number of similar cash-settled contracts based on the government debt of different foreign countries would not be eligible for the reduced fee, since the manipulation potential of each contract would be related to the liquidity of the underlying instruments, and the individual trading practices and governmental oversight in each specific country require separate analysis.

15 does not require the Commission to quantify the costs and benefits of a new regulation or to determine whether the benefits of the proposed regulation outweigh its costs. Rather, section 15 simply requires the Commission to ''consider the costs and benefits'' of its action, in light of five broad areas of market and public concern: protection of market participants and the public; efficiency, competitiveness, and financial integrity of futures markets; price discovery; sound risk management practices; and other public interest considerations. Accordingly, the Commission could in its discretion give greater weight to any one of the five enumerated areas of concern and could in its discretion determine that, notwithstanding its costs, a particular rule was necessary or appropriate to protect the public interest or to effective any of the provisions or to accomplish any of the purposes of the Act.

The submission of new products for Commission review and approved by designated contract markets or DTFs is voluntary. The Commission has therefore concluded that those entities choosing to make such submissions find that the benefits of doing so equal or exceed the fees, which, as explained above, are derived from the Commission's actual processing costs.

IV. Regulatory Flexibility Act

The Regulatory Flexibility Act, 5 USC 601, *et seq.*, requires agencies to consider the impact of rules on small business. The fees implemented in this release affect contract markets and registered DTFs. The Commission has previously determined that contract markets and registered DTFs are not ''small entities'' for purposes of the Regulatory Flexibility Act. Accordingly, the Chairman, on behalf of the Commission, certifies pursuant to 5 USC 605(b), that the fees implemented here will not have a significant economic impact on a substantial number of small entities.

Issued in Washington, DC, on May 29, 2002 by the Commission.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 02–13861 Filed 6–3–02; 8:45 am]

BILLING CODE 6351–01–M

SOCIAL SECURITY ADMINISTRATION

20 CFR Part 416

RIN 0960–AF53

Collection of Supplemental Security Income Overpayments From Special Benefits for Certain World War II Veterans

AGENCY: Social Security Administration.

ACTION: Final rules.

SUMMARY: We are revising our regulations to permit the Social Security Administration (SSA) to recover Supplemental Security Income (SSI) overpayments under title XVI of the Social Security Act (the Act) by adjusting the amount of Special Benefits for Certain World War II Veterans (SVB) payable under title VIII of the Act. This collection practice is limited to individuals who are not currently eligible to receive any cash payments under any provision of title XVI or any State supplementary payments that we administer. Also, the amount of SVB to be withheld in a month to recover the SSI overpayment will not exceed 10 percent unless the overpaid person requests us to withhold a different amount or the overpaid person (or his or her spouse) willfully misrepresented or concealed material information in connection with the SSI overpayment. If there was willful misrepresentation or concealment, the entire SVB amount will be withheld to recover the SSI overpayment. These revisions will permit SSA to recover SSI overpayments from SVB payable to the overpaid individual when SSI cash benefits are not payable.

EFFECTIVE DATE: These rules are effective on July 5, 2002.

FOR FURTHER INFORMATION CONTACT: Patricia Hora, Social Insurance Specialist, Office of Process and Innovation Management, 2109 West Low Rise Building, Social Security Administration, 6401 Security Boulevard, Baltimore, Maryland 21235–6401, *regulations@ssa.gov,* (410) 965–7183 or TTY (410) 966–5609 for information about these rules. For information on eligibility or filing for benefits, call our national toll-free numbers, 1–800–772–1213 or TTY 1–800–325–0778 or visit our Internet web site, SSA Online, at *http://www.ssa.gov.*

Electronic Version

The electronic file of this document is available on the date of publication in the **Federal Register** on the Internet site for the Government Printing Office: *http://www.access.gpo.gov/su—docs/aces/aces140.html.* It is also available on the Internet site for SSA (i.e. Social Security Online): *http://www.ssa.gov/regulations/.* Electronic copies of public comments may also be found on this site.

SUPPLEMENTARY INFORMATION: On December 14, 1999, Pub. L. 106–169, the ''Foster Care Independence Act of 1999'' was enacted. Section 251(a) of Pub. L. 106–169 added title VIII to the Social Security Act, establishing a new benefit program—Special Benefits for Certain World War II Veterans. Under this program, if you are a World War II veteran who was eligible for SSI for December 1999 and for the month of application for SVB, and who meets other criteria specified in the law, you may be entitled to SVB for each month in which you reside outside the United States.

Section 251(b) of Pub. L. 106–169 amended section 1147 of the Act. Prior to the enactment of Pub. L. 106–169, section 1147 of the Act (added by section 8 of Pub. L. 105–306) allowed SSA to recover SSI overpayments from you, if you were no longer receiving SSI cash payments, by reducing the amount of any benefits payable to you under title II of the Act. Final regulations on recovery of SSI overpayments from title II benefits were published on July 26, 2001, at 66 FR 38902. Section 251(b) of Pub. L. 106–169 amended section 1147 to allow recovery of SSI overpayments from title VIII benefits, as well as title II benefits, payable in a month. Throughout this preamble, this type of overpayment recovery is called ''cross-program recovery.'' With certain exceptions, the amount of the reduction permitted under cross-program recovery cannot exceed 10 percent of the benefits payable in a month.

On July 26, 2001 we published a Notice of Proposed Rulemaking in the **Federal Register** at 66 FR 38963 and provided a 60-day period for interested individuals and organizations to comment on the proposed rules. We received one public comment from an individual. A summary of the comment and our response to it follows.

Comment: The commenter believes we should not reduce an individual's SVB payments to recover an SSI overpayment unless there was willful concealment or misrepresentation on the part of the overpaid person. The commenter points out that the overpaid individual is an aged veteran who may not even understand why the overpayment occurred. The commenter argues that, rather than holding the veteran liable, we should make stronger efforts to eliminate payment errors within SSA.