

requirements Federal agencies impose on State and local grantees. In addition, the Circular does not cover subawards and contracts to State or local governments. However, the Circular applies to subawards made by State and local governments to organizations covered by the Circular. Federal agencies may apply the provisions of the Circular to commercial organizations, foreign governments, organizations under the jurisdiction of foreign governments, and international organizations.

HHS applies the provisions of Circular A-110 in making awards to institutions of higher education, hospitals, other non-profit organizations, and commercial organizations through its regulations at 45 CFR part 74. Prior to March 31, 1995, SSA was an operating component of HHS. As a result of Public Law 103-296, SSA became an independent agency on March 31, 1995. However, pursuant to section 106(b) of that law, the HHS regulations at 45 CFR part 74 have remained applicable to SSA. As part of our effort to establish our own set of grant regulations, we are adopting almost verbatim the text of Circular A-110. The result is the SSA grants administration regulations at 20 CFR part 435. HHS regulations at 45 CFR part 74 will cease to be applicable to SSA on the effective date of these regulations, in accordance with section 106(b) of Public Law 103-296.

Consistent with the guidance provided in Circular A-110, this regulation applies to SSA awards made to institutions of higher education, hospitals, other non-profit organizations, and commercial organizations. Subpart E (Disputes) of this regulation applies to all SSA grant and cooperative agreement awards, including awards to the governmental organizations covered by the final rules we are publishing elsewhere in today's **Federal Register** that create a new part 437 in our regulations. When appropriate, this rule will also apply to foreign governments, organizations under the jurisdiction of foreign governments, and international organizations.

As noted above, OMB directed each affected agency to promulgate its own rules adopting the provisions of the Circular. Any exceptions or deviations, unless required by Federal statute, require OMB approval. Therefore, in support of OMB's desired uniformity, this rule incorporates the provisions and language of revised Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education,

Hospitals, and Other Non-Profit Organizations," published by OMB on November 29, 1993 (58 FR 62992), as further amended August 29, 1997 (62 FR 45934), and October 8, 1999 (64 FR 54926).

On April 27, 2000, we published a notice of proposed rulemaking (NPRM) proposing establishment of a new part 435 in the Code of Federal Regulations (65 FR 24768) that would mirror the requirements of OMB Circular A-110 and be separate from the HHS regulations. The NPRM described proposed differences between part 435 and Circular A-110 and between part 435 and the HHS regulations at 45 CFR part 74. The April 27, 2000, NPRM allowed a sixty-day period for public comments. We received no public comments. We are, therefore, adopting the proposed rules as final rules with the nonsubstantive changes noted below.

II. Differences Between Part 435 (Final Rule) and the NPRM

A. In § 435.1, we have added a sentence to reflect that the SSA appeal process for disputes arising under SSA awards that is described in subpart E of these rules applies to all SSA grants and cooperative agreements, including awards to the State, local and Indian tribal governments covered by the new part 437 rules (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments) we are publishing elsewhere in today's **Federal Register**.

B. In § 435.5, we have modified the last sentence to reflect that State and local subrecipients are subject to the new part 437 rules.

Regulatory Procedures

Waiver of 30-Day Delay in Effective Date

Section 702(a)(5) of the Social Security Act (Act) makes the regulations we prescribe subject to the rulemaking procedures established under section 553 of the Administrative Procedure Act (APA), 5 U.S.C. 553. Section 553(d) of the APA requires that the effective date of a substantive rule be no less than 30 days after its publication, except in cases of: Rules which grant or recognize an exemption or relieve a restriction; interpretative rules and statements of policy; or as otherwise provided by the agency for good cause found and published with the rule.

Under 5 U.S.C. 553(d)(3), good cause exists for dispensing with the minimum 30-day period between publication date and effective date. As indicated above, these regulations adopt without change the substantive provisions of the OMB

Circular A-110. Pursuant to section 106(b) of Public Law 103-296, the HHS regulations at 45 CFR part 74, which implement the provisions of OMB Circular A-110, remain applicable to SSA until such time as these regulations become effective. A 30-day delay in the effective date of these regulations would serve no purpose since, during such delay, the identical provisions of part 74, which implement the provisions of OMB Circular A-110, would remain applicable. Accordingly, these regulations are effective on publication.

Executive Order 12866

We have consulted with the Office of Management and Budget (OMB) and have determined that these final rules do not meet the criteria for a significant regulatory action under Executive Order 12866, as amended by Executive Order 13258. Thus, they were not subject to OMB review. We have also determined that these rules meet the plain language requirement of Executive Order 12866, as amended by Executive Order 13258.

Regulatory Flexibility Act

We certify that these final rules will not have a significant economic impact on a substantial number of small entities because they merely reflect the adoption of existing grant policies and procedures by SSA and do not promulgate any new policies or procedures which would impact the public. Therefore, a regulatory flexibility analysis as provided in the Regulatory Flexibility Act, as amended, is not required.

Paperwork Reduction Act

The Paperwork Reduction Act (PRA) of 1995 provided that no one is required to respond to a collection of information unless it displays a valid OMB control number. In accordance with the PRA, SSA is providing notice that the Office of Management and Budget has approved the information collection requirements contained in 20 CFR part 435 in §§ 435.12, 435.22 and 435.52 of these final rules. The OMB Control Numbers for these collections are 0348-0039 (SF-269), 0348-0038 (SF-269A), 0348-0043 (SF-424), 0348-0004 (SF-270), 0348-0002 (SF-271) and 0348-00030 (SF-272).

(Catalog of Federal Domestic Assistance: Program No. 96.007 Social Security—Research and Demonstration; and Program No. 96.008—Social Security Administration—Benefits Planning, Assistance, and Outreach Program.)

List of Subjects in 20 CFR Part 435

Accounting, Administrative practice and procedure, Colleges and universities, Grant programs—health,