

active duty as described in DoD policy guidance.

In paragraph (b) of both §§ 17.380 and 17.412 we incorrectly stated that authority to provide health care services under these sections expires on September 30, 2017, the end of fiscal year 2017. In this correction, we amend both paragraphs to reflect that authority to provide health care services under these sections expires on September 30, 2018.

#### Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Gina S. Farrisee, Deputy Chief of Staff, Department of Veterans Affairs, approved this document on February 15, 2017, for publication.

#### List of Subjects in 38 CFR Part 17

Administrative practice and procedure, Alcohol abuse, Alcoholism, Claims, Day care, Dental health, Drug abuse, Government contracts, Grant programs—health, Grant programs—veterans, Health care, Health facilities, Health professions, Health records, Homeless, Medical and Dental schools, Medical devices, Medical research, Mental health programs, Nursing homes, Reporting and recordkeeping requirements, Travel and transportation expenses, Veterans.

Dated: February 15, 2017.

**Janet Coleman,**

*Chief, Office of Regulation Policy & Management, Office of the Secretary, Department of Veterans Affairs.*

For the reasons set out in the preamble, VA is correcting 38 CFR part 17 by making the following correcting amendments:

#### PART 17—MEDICAL

- 1. The authority citation for part 17 continues to read as follows:

**Authority:** 38 U.S.C. 501, and as noted in specific sections.

Section 17.38 is also issued under 38 U.S.C. 101, 501, 1701, 1705, 1710, 1710A, 1721, 1722, 1782, and 1786.

Sections 17.380 and 17.412 are also issued under sec. 260, Public Law 114–223, 130 Stat. 857.

Section 17.415 is also issued under 38 U.S.C. 7301, 7304, 7402, and 7403.

Sections 17.640 and 17.647 are also issued under sec. 4, Public Law 114–2, 129 Stat. 30.

Sections 17.641 through 17.646 are also issued under 38 U.S.C. 501(a) and sec. 4, Public Law 114–2, 129 Stat. 30.

#### § 17.380 [Amended]

- 2. In § 17.380 paragraph (b), remove “2017” and add in its place “2018”.

#### § 17.412 [Amended]

- 3. In § 17.412 paragraph (b), remove “2017” and add in its place “2018”.

[FR Doc. 2017–03319 Filed 2–17–17; 8:45 am]

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### DEPARTMENT OF VETERANS AFFAIRS

#### 38 CFR Part 36

**RIN 2900–AP95**

#### Veterans Benefits Administration; Loan Guaranty: Technical Corrections

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Final rule; correcting amendment.

**SUMMARY:** On June 15, 2010, VA published a document in the **Federal Register** eliminating redundant provisions from its loan guaranty regulations following the implementation of a new electronic reporting system and redesignating the section numbers of these regulations. At that time, VA did not update cross-reference citations to conform to the redesignated sections. A subsequent notice updated some, but not all, cross-reference citations. VA is now updating the remaining non-substantive, cross-reference citations for clarity and accuracy.

**DATES:** This correction is effective on February 21, 2017.

#### FOR FURTHER INFORMATION CONTACT:

Jeffrey F. London, Director, Loan Guaranty Service (26), Veterans Benefits Administration, Department of Veterans Affairs, 810 Vermont Avenue NW., Washington, DC 20420, (202) 632–8862. (This is not a toll-free number.)

**SUPPLEMENTARY INFORMATION:** On June 15, 2010, at 75 FR 33704, VA amended what had been the 36.4800 series of 38 CFR part 36 to eliminate redundant and obsolete regulations, found from 38 CFR 36.4800 through 36.4893, and redesignated those sections as CFR 36.4300 through 36.4393.

On October 22, 2010, at 75 FR 65238, VA amended the cross-references in the 36.4300 series to reflect the June 15, 2010, amendments. At that time, VA inadvertently failed to update a number of cross-references. Additionally, VA attempted to amend 38 CFR 36.4309(c)(1)(vii) to replace a reference to 36.4826 with a reference to 36.4326. However, VA erroneously cited paragraph (c)(1)(vi) as containing the

reference to 36.4826. Consequently, the Electronic Code of Federal Regulations, published by the Government Printing Office, could not implement the change, noting an “inaccurate amendatory instruction” at the bottom of 38 CFR 36.4309.

With this notice, VA is amending §§ 36.4309, 36.4322, 36.4335, and 36.4378, to correct the outdated cross-references to the 36.4800 series regulations.

#### Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Gina S. Farrisee, Deputy Chief of Staff, Department of Veterans Affairs, approved this document on February 15, 2017, for publication.

#### List of Subjects in 38 CFR Part 36

Condominiums, Housing, Individuals with disabilities, Loan programs—housing and community development, Loan programs—veterans, Manufactured homes, Mortgage insurance, Reporting and recordkeeping requirements, Veterans.

#### Correction

For the reasons discussed in the preamble, VA is amending 38 CFR part 36 with the following correcting amendments:

#### PART 36—LOAN GUARANTY

- 1. The authority citation for part 36 continues to read as follows:

**Authority:** 38 U.S.C. 501 and as otherwise noted.

#### § 36.4309 [Amended]

- 2. In § 36.4309, amend paragraph (c)(1)(vii) by removing “36.4826” and adding in its place “36.4326”.

#### § 36.4322 [Amended]

- 3. In § 36.4322, amend paragraphs (b)(2) and (3) by removing “38 CFR 36.4848” and adding in its place “38 CFR 36.4348”.

#### § 36.4335 [Amended]

- 4. Amend § 36.4335 by removing “§§ 36.4800 to 36.4880” and adding in its place “§§ 36.4300 to 36.4380”.
- 5. Revise the section heading for § 36.4378 to read as follows:

**§ 36.4378 Debits and credits to insurance account under § 36.4320.**

\* \* \* \* \*

Approved: February 15, 2017.

**Jeffrey Martin,**

*Office Program Manager, Office of Regulation Policy & Management, Office of the Secretary, Department of Veterans Affairs.*

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## DEPARTMENT OF VETERANS AFFAIRS

### 38 CFR Part 74

RIN 2900-AP93

#### VA Veteran-Owned Small Business Verification Guidelines

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Interim final rule.

**SUMMARY:** This document implements a portion of the Veterans Benefits, Health Care, and Information Technology Act of 2006, which requires the Department of Veterans Affairs (VA) to verify ownership and control of veteran-owned small businesses (VOSB), including service-disabled veteran-owned small businesses (SDVOSB) in order for these firms to participate in VA acquisitions set-aside for SDVOSB/VOSBs. This interim final rule contains a minor revision to require re-verification of SDVOSB/VOSB status only every three years rather than biennially. The purpose of this change is to reduce the administrative burden on SDVOSB/VOSBs regarding participation in VA acquisitions set asides for these types of firms.

**DATES:**

*Effective Date:* February 21, 2017.

*Comment Date:* Comments must be received on or before April 24, 2017.

**ADDRESSES:** Written comments may be submitted by: Mail or hand-delivery to Director, Regulations Management (00REG1), Department of Veterans Affairs, 810 Vermont Ave. NW., Room 1068, Washington, DC 20420; fax to (202) 273-9026; or email through <http://www.Regulations.gov>. Comments should indicate that they are submitted in response to “RIN 2900-AP93—VA Veteran-Owned Small Business Verification Guidelines.” All comments received will be available for public inspection in the Office of Regulation Policy and Management, Room 1063B, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays). Please call (202) 273-9515 for an appointment.

**FOR FURTHER INFORMATION CONTACT:** Thomas McGrath, Director, Center for Verification and Evaluation (00VE), Department of Veterans Affairs, 810

Vermont Ave. NW., Washington DC 20420, phone (202) 461-4300.

**SUPPLEMENTARY INFORMATION:** In a final rule published in the **Federal Register** on February 8, 2010, (73 FR 6098), VA established new 38 CFR part 74 setting forth a mechanism for verifying ownership and control of VOSBs, including SDVOSBs. At that time, with respect to 38 CFR 74.15, VA anticipated that annual examinations were necessary to ensure the integrity of the Verification Program. This was deemed consistent with the annual Federal size and status recertification requirement in the Central Contractor Registry. In June 2012, the period was extended to two years. Subsequently, VA has determined that a three-year eligibility period is warranted.

In administering this program since February 2010, VA has concluded that an annual examination is not necessary to adequately maintain the integrity of the program and proposes a 3-year eligibility period. This change is appropriate because VA conducts a robust examination of personal and company documentation to verify ownership and control by Veterans of applicant businesses. In addition to verifying individual owners' service-disabled veteran status or veteran status, in accordance with 38 CFR 74.20(b), VA reviews an applicant's financial statements; Federal personal and business tax returns; personal history statements; articles of incorporation/organization; corporate by-laws or operating agreements; organizational, annual and board/member meeting records; stock ledgers and certificates; State-issued certificates of good standing; contract, lease and loan agreements; payroll records; bank account signature cards; and licenses. Given the depth of this review, annual or biennial re-verification examinations have become an unnecessary administrative burden on both applicants/participants and VA.

Given this extensive initial examination, VA is confident that the integrity of the verification program will not be compromised by establishing a 3-year eligibility period. This is borne out by fiscal year 2016 data that shows that out of 1,109 reverification applications, only ten were denied. Therefore, only 0.9 percent of firms submitting reverification applications were found to be ineligible after two years. Other integrity aspects of the program remain adequate to oversee a 3-year eligibility period. Once verified, 38 CFR 74.15(a) mandates that the participant must maintain its eligibility during its tenure and, if ownership or control changes

occur, must inform VA's Center for Verification and Evaluation (CVE) of any changes that would adversely affect its eligibility. Moreover, in accordance with 38 CFR part 74.20(a), VA has the right to conduct random, unannounced site examinations of participants or to conduct a further examination upon receipt of specific and credible information that a participant is no longer eligible. Lastly, in the course of specific SDVOSB/VOSB set-aside acquisitions, VA contracting officers and also competing SDVOSB/VOSBs have the right to raise a SDVOSB/VOSB status protest to VA's Office of Small and Disadvantaged Business Utilization (OSDBU) if either has a reasonable basis upon which to challenge the SDVOSB/VOSB status of a verified firm.

Establishment of a longer, 3-year eligibility period is consistent with other Federal set-aside programs. With respect to the Historically Underutilized Business Zone (HUBZone) small business certification program, U.S. Small Business Administration (SBA) regulations at 13 CFR 126.500 require that any qualified HUBZone small business concern seeking to remain on the HUBZone approved list must recertify every 3 years with SBA. With regard to SBA's Section 8(a) Business Development program, SBA authorizes a program term of up to 9 years in 13 CFR 124.2. For VA's SDVOSB/VOSB verification program, VA has now determined that a program term of 3 years is reasonable given the mandatory nature of VA's SDVOSB/VOSB set-aside authority in contrast to the discretionary nature of the HUBZone and Section 8(a) set-aside programs. In accordance with 38 U.S.C. 8127 and VA Acquisition Regulation, 48 CFR part 819, VA is required to set aside any open market procurement for SDVOSBs and then VOSBs, first and second respectively, if two or more such concerns are reasonably anticipated to submit offers at fair and reasonable pricing. Given the large volume of appropriated funds subject to these set-aside requirements, a 3-year eligibility period prior to re-examination is deemed reasonable to adequately balance the burden on SDVOSB/VOSBs and to protect the integrity of the program.

#### Administrative Procedure Act

The Secretary of Veterans Affairs finds good cause to issue this interim final rule prior to notice and comment procedures. The interim rule makes a minor modification to extend the eligibility period for SDVOSB/VOSBs after VA's initial robust verification examination and approval from 2 years to 3 years. The rule will reduce the