

during rulemaking and during the effective period of the regulation while respecting the copyright associated with the standard?

- What are the best practices for incorporating standards by reference in regulation while respecting the copyright associated with the standard?

*Voluntary Consensus Standards and Cost-Benefit Analysis.* Standards developing bodies, including not-for-profit organizations, use a variety of cost-recovery models as part of their overall way of doing business. OMB believes that it may be helpful for the purposes of the Circular and for the evaluation of costs and benefits of significant regulatory actions pursuant to Executive Orders 12866 and 13563 for Federal agencies to have a basic understanding of the costs associated with the development of private sector standards, in addition to the purchase costs of standards. Similarly, agencies and the public should have an understanding of the overall resources and costs that would be involved if Federal agencies were to develop government-unique standards. Both of these can be elements in determining when it is practical or impractical to incorporate a voluntary standard into regulation or otherwise adopt a standard in the course of carrying out an agency's mission, as compared to developing a government-unique standard.

- What resource and other costs are involved in the development and revision of voluntary standards?
- What economic and other factors should agencies take into consideration when determining that the use of a voluntary standard is practical for regulatory or other mission purposes?
- How often do standards-developing bodies review and subsequently update standards? If standards are already incorporated by reference in regulations, do such bodies have mechanisms in place for alerting the relevant agencies and the public, especially in regard to the significance of the changes in the standards?

*Using and Updating Standards in Regulation.* Federal agencies have adopted various methods of using standards as a basis for regulation. They have also developed different approaches to updating standards that have been referenced or incorporated in regulations.

- Should OMB set out best practices on how to reference/incorporate standards (or the relevant parts) in regulation? If so, what are the best means for doing so? Are the best means of reference/incorporation context-specific? Are there instances where incorporating a standard or part thereof

into a regulation is preferable to referencing a standard in regulation (or vice versa)?

- Should an OMB supplement to the Circular set out best practices for updating standards referenced in regulation as standards are revised? If so, what updating practices have worked well and which ones have not?

OMB recognizes that changes in technology and the need for innovation can result in the updating of private sector standards in a turn-around time of two years or even less. Where such standards are already incorporated into regulations, these changes can suggest a need to update the relevant regulations as well and, in some cases, can result in a need for regulated entities to purchase the newly updated standards on a fairly routine basis. In addition to the costs associated with the continuing purchase of such standards, rapid update cycles may make it difficult for the regulated public to understand the nature and significance of the changing regulations.

- Is there a role for OMB in providing guidance on how Federal agencies can best manage the need for relevant regulations in the face of changing standards?

- How should agencies determine the cost-effectiveness of issuing updated regulations in response to updated standards?

- Do agencies consult sufficiently with private sector standards bodies when considering the update of regulations that incorporate voluntary standards, especially when such standards may be updated on a regular basis?

*Use of More Than One Standard or Conformity Assessment Procedure in a Regulation or Procurement Solicitation.* OMB recognizes that, in some instances, it may be best, in terms of economic activity, if a regulation or procurement solicitation sets out a requirement that can be met by more than one standard and more than one conformity assessment procedure. In some cases, however, allowing the use of more than one standard or conformity assessment procedure may not be possible or meet the regulatory or procurement objective. For example, doing so may be precluded by statute, and an alternate standard or conformity assessment procedure may not provide an equivalent level of protection as the standard or conformity assessment procedure selected by the regulator.

- Should OMB provide guidance to agencies on when it is appropriate to allow the use of more than one standard or more than one conformity assessment procedure to demonstrate conformity

with regulatory requirements or solicitation provisions?

- Where an agency is requested by stakeholders to consider allowing the demonstration of conformity to another country's standard or the use of an alternate conformity assessment procedure as adequate to fulfilling U.S. requirements, should OMB provide guidance to agencies on how to consider such requests?

## Other Developments

- Have there been any developments internationally—including but not limited to U.S. regulatory cooperation initiatives—since the publication of Circular A-119 that OMB should take into account in developing a possible supplement to the Circular?

- Does the significant role played by consortia today in standards development in some technology areas have any bearing on (or specific implications for) Federal participation?

- Are there other issues not set out above that OMB might usefully seek to address in a supplement?

**Cass Sunstein,**

*Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget.*

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## MILLENNIUM CHALLENGE CORPORATION

[MCC 12-04]

### Report on Countries That Are Candidates for Millennium Challenge Account Eligibility in Fiscal Year 2012 and Countries That Would Be Candidates but for Legal Prohibitions

**AGENCY:** Millennium Challenge Corporation.

**ACTION:** Notice.

**SUMMARY:** Section 608(d) of the Millennium Challenge Act of 2003 (the "Act") requires the Millennium Challenge Corporation to publish a report that identifies countries that are "candidate countries" for Millennium Challenge Account assistance during FY 2012. In December 2011, Congress enacted changes in MCC's FY 2012 appropriation that redefined candidate countries for FY 2012 as part of the Consolidated Appropriations Act, 2012 (Pub. L. 112-74) (the "Appropriations Act").<sup>1</sup> While this does not affect the

<sup>1</sup> The changes to the Act enacted in the Appropriations Act only apply to the FY 2012 selection process. The relevant language would need to be included in next year's appropriations

compact or threshold program eligibility decisions made at the December 2011 MCC Board meeting, it does alter the income classification of some candidate countries. As such, it is necessary for MCC to revise its FY 2012 Candidate Country Report. This revised report incorporates the new definitions and the subsequent reclassification of countries. The report is set forth in full below and updates the report published November 8, 2011 (76 FR 69291).

Dated: March 26, 2012.

**Melvin F. Williams, Jr.,**

*VP/General Counsel and Corporate Secretary,  
Millennium Challenge Corporation.*

**Report on Countries That Are  
Candidates for Millennium Challenge  
Account Eligibility for Fiscal Year 2012  
and Countries That Would Be  
Candidates but for Legal Prohibitions  
Summary**

This report to Congress is provided in accordance with section 608(a) of the Millennium Challenge Act of 2003, as amended, 22 U.S.C. 7701, 7707(a) (the "Act"). The Act authorizes the provision of Millennium Challenge Account (MCA) assistance for countries that enter into a Millennium Challenge Compact with the United States to support policies and programs that advance the progress of such countries to achieve lasting economic growth and poverty reduction. The Act requires the Millennium Challenge Corporation (MCC) to take a number of steps in selecting countries with which MCC will seek to enter into a compact, including (a) determining the countries that will be eligible for MCA assistance for fiscal year 2012 (FY 2012) based on a country's demonstrated commitment to (i) just and democratic governance, (ii) economic freedom, and (iii) investments in its people; and (b) considering the opportunity to reduce poverty and generate economic growth in the country. These steps include the submission of reports to the congressional committees specified in the Act and the publication of notices in the **Federal Register** that identify:

The countries that are "candidate countries" for MCA assistance for FY 2012 based on their per capita income levels and their eligibility to receive assistance under U.S. law and countries that would be candidate countries but for specified legal prohibitions on assistance (section 608(a) of the Act);

The criteria and methodology that the MCC Board of Directors (Board) will use to measure and evaluate the relative policy performance of the "candidate countries"

consistent with the requirements of subsections (a) and (b) of section 607 of the Act in order to determine "MCA eligible countries" from among the "candidate countries" (section 608(b) of the Act); and

The list of countries determined by the Board to be "MCA eligible countries" for FY 2012, identification of such countries with which the Board will seek to enter into compacts, and a justification for such eligibility determination and selection for compact negotiation (section 608(d) of the Act).

This report is the first of three required reports listed above. This report was initially published in September 2011. In December 2011, Congress enacted changes in MCC's FY 2012 appropriation that redefined candidate countries for FY 2012 as part of the Consolidated Appropriations Act, 2012 (Pub. L. 112-74) (the "Appropriations Act").<sup>2</sup> While this does not affect the compact or threshold program eligibility decisions made at the December 2011 MCC Board meeting, it does alter the income classification of some candidate countries. As such, it is necessary for MCC to revise its FY 2012 Candidate Country Report. This revised report incorporates the new definitions and the subsequent reclassification of countries.

**Candidate Countries for FY 2012**

The Act requires the identification of all countries that are candidates for MCA assistance for FY 2012 and the identification of all countries that would be candidate countries but for specified legal prohibitions on assistance. Due to provisions in the Appropriations Act, the FY 2012 candidate pool must be structured differently than in past years. The new provisions define low income as the 75 poorest countries and provide for gradual graduation from the low income to lower middle income category. This year's newly-issued candidate list will establish the baseline of those countries for purposes of determining income levels. The provisions of the Appropriations Act that supplant Sections 606 (a) and (b) of the Act provide that for FY 2012, a country shall be a candidate for MCA assistance if it:

Meets one of the following tests:

Has a per capita income that is not greater than the World Bank's lower middle income country threshold for such fiscal year (\$3,975 GNI per capita for FY12); and is among the 75 lowest per capita income countries, as identified by the World Bank; or

<sup>2</sup> The changes to the Act enacted in the Appropriations Act only apply to the FY 2012 selection process. The relevant language would need to be included in next year's appropriations act or in an amendment to the Act in order for these changes to continue beyond FY 2012.

Has a per capita income that is not greater than the World Bank's lower middle income country threshold for such fiscal year (\$3,975 GNI per capita for FY12); but is not among the 75 lowest per capita income countries as identified by the World Bank;

and

Is not ineligible to receive U.S. economic assistance under part I of the Foreign Assistance Act of 1961, as amended, (the "Foreign Assistance Act"), by reason of the application of the Foreign Assistance Act or any other provision of law.

Pursuant to section 606(c) of the Act, the Board identified the following countries as candidate countries under the Act for FY 2012 at its March 22, 2012 meeting. In so doing, the Board referred to the prohibitions on assistance as applied to countries in the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2012 (SFOAA), Public Law 112-74, Div. I. All section references identified as prohibitions on assistance to a given country are taken from Title VII of the FY 2012 SFOAA, unless another statute is identified.

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**NATIONAL SCIENCE FOUNDATION**

**Agency Information Collection  
Activities: Comment Request**

**AGENCY:** National Science Foundation.

**ACTION:** Submission for OMB review; comment request.

**SUMMARY:** The National Science Foundation (NSF) has submitted the following information collection requirement to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104-13. This is the second notice for public comment; the first was published in the **Federal Register** at 77 FR 3009, and no comments were received. NSF is forwarding the proposed renewal submission to the Office of Management and Budget (OMB) for clearance simultaneously with the publication of this second notice. Comments regarding (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of burden including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility and clarity of the information to be collected; or (d) ways to minimize the burden of the collection of information on those who are to respond, including through the use of

act or in an amendment to the Act in order for these changes to continue beyond FY 2012.