## BRB No. 02-0424 BLA

THELMA D. WYANT	)	
(Widow of LEONARD E. WYANT)	)	
Claimant	)	
v.	)	
PEABODY COAL COMPANY	)	
Employer-Petitioner )	)	
and	) DATE ISSUED:	
S.K. GROSE/STEVE & SON, INCORPORATED	) ) )	
Employer	)	
DIRECTOR, OFFICE OF WORKERS' COMPENSATION PROGRAMS, UNITED	) )	
STATES DEPARTMENT OF LABOR	)	
Party-in-Interest	) DECISION and ORDE	R

Appeal of the Decision and Order and Order Denying Motion for Reconsideration of Daniel L. Leland, Administrative Law Judge, United States Department of Labor.

W. William Prochot (Greenberg Traurig, LLP), Washington, D.C., for employer.

Barry H. Joyner (Eugene Scalia, Solicitor of Labor; Donald S. Shire, Associate Solicitor; Rae Ellen Frank James, Deputy Associate Solicitor; Michael J. Rutledge, Counsel for Administrative Litigation and Legal Advice), Washington, D.C., for the Director, Office of Workers' Compensation Programs, United States Department of Labor.

Before: SMITH, McGRANERY, and HALL, Administrative Appeals Judges.

PER CURIAM:

Employer, Peabody Coal Company, appeals the Decision and Order and Order Denying Motion for Reconsideration (01-BLA-0385) of Administrative Law Judge Daniel L. Leland awarding benefits on a claim filed pursuant to the provisions of Title IV of the Federal Coal Mine Health and Safety Act of 1969, as amended, 30 U.S.C. §901 *et seq.* (the Act). Initially, the administrative law judge found that employer was the responsible operator because it satisfied all of the relevant regulatory criteria and because claimant's two more recent employers were ineligible for designation; the most recent, S.K. Grose/Steve & Son, Incorporated (hereinafter, Grose), had not employed claimant to perform qualifying coal mine employment and the next most recent, Triple J Trucking, was no longer in existence.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> The Department of Labor has amended the regulations implementing the Federal Coal Mine Health and Safety Act of 1969, as amended. These regulations became effective on January 19, 2001, and are found at 20 C.F.R. Parts 718, 722, 725 and 726 (2002). All citations to the regulations, unless otherwise noted, refer to the amended regulations.

<sup>&</sup>lt;sup>2</sup> Claimant is the surviving widow of the miner, Leonard E. Wyant, who died on July 8, 1998, Director's Exhibit 7. Although the miner filed a living miner's claim on November 8, 1979, it was finally denied on August 26, 1980, and is not at issue herein, Director's Exhibit 18. Subsequent to the miner's death, claimant filed a survivor's claim on August 17, 1998, at issue herein, Director's Exhibit 1. Claimant provided an employment history for the

Next, the administrative law judge adjudicated the survivor's claim pursuant to 20 C.F.R. Part 718 and found the evidence of record sufficient to meet the statutory and regulatory criteria for invoking the irrebuttable presumption of death due to pneumoconiosis at Section 411(c)(3) of the Act, 30 U.S.C. §921(c)(3), as implemented by 20 C.F.R. §718.304, *see also* 20 C.F.R. §718.205(c)(3). Accordingly, benefits were awarded.

Employer filed a motion for reconsideration, contending that, in finding that Triple J Trucking was no longer in existence, the administrative law judge relied on information which the Director, Office of Workers' Compensation Programs (the Director), had provided after the hearing and which was not in the record. The administrative law judge issued an Order Denying Motion for Reconsideration, holding that:

Although the evidence regarding Triple J's status should have been introduced into evidence prior to filing of the Director's [post-hearing brief], the information is uncontroverted and its consideration does not prejudice [employer]. It would be illogical to exclude this information and to resolve the responsible operator issue on an incomplete record. Consideration of this evidence does not require a remand nor interfere with the efficiency of the administrative process.

miner that indicated that the miner's last three employers, respectively, for each of whom the miner had worked for a period of over a year, were most recently with S.K. Grose/Steve & Son (hereinafter, Grose) as a coal truck driver, with Triple J Trucking as a coal truck driver, and with employer, Peabody Coal Company, as an underground coal miner, Director's Exhibits 2-3. A Notice of Claim was sent to employer, Director's Exhibit 10, and, ultimately, to Grose, Director's Exhibit 33. In a post-hearing brief, the Director, Office of Workers' Compensation Programs (the Director), noted information, that had originally been gathered by the Director prior to the hearing but had not been submitted as part of the record "for efficiency," which indicated that Triple J Trucking had been dissolved and that there was no record that it had insurance.

On appeal, employer contends that the administrative law judge erred in finding that employer was the responsible operator liable for the payment of benefits. The Director, as a party-in-interest, has filed a Motion to Remand, contending that the administrative law judge erred in finding that employer was the responsible operator liable for the payment of benefits.<sup>3</sup>

The Board's scope of review is defined by statute. If the administrative law judge's findings of fact and conclusions of law are supported by substantial evidence, are rational, and are consistent with applicable law, they are binding upon this Board and may not be disturbed. 33 U.S.C. §921(b)(3), as incorporated into the Act by 30 U.S.C. §932(a); O'Keeffe v. Smith, Hinchman & Grylls Associates, Inc., 380 U.S. 359 (1965).

 $<sup>^3</sup>$  We accept the Director's Motion to Remand as his response brief , and herein decide the case on its merits.

The regulation at 20 C.F.R. §725.492 (2000), applicable to the instant claim, see 20 C.F.R. §725.2(c), establishes certain criteria employer must meet in order to be considered a responsible operator. See 20 C.F.R. §725.492 (2000).<sup>4</sup> If employer does not meet these criteria, then the responsible operator shall be considered the next employer with whom the miner had the most recent periods of employment of not less than one year pursuant to 20 C.F.R. §725.493(a)(4) (2000); 20 C.F.R. §725.2(c), see Director, OWCP v. Trace Fork Coal Co. [Matney], 67 F.3d 503, 19 BLR 2-290 (4th Cir. 1995); Eastern Associated Coal Corp. v. Director, OWCP [Patrick], 791 F.2d 1129 (4th Cir. 1986); see also Cole v. East Kentucky Collieries, 20 BLR 1-50 (1996). Pursuant to Section 725.492(a)(4) (2000), one of the criteria employer must meet in order to be considered a responsible operator is that the operator and/or the employer shall be capable of assuming liability for the payment of benefits. See 20 C.F.R. §§725.492(a)(4) (2000), 725.493(a)(4) (2000); 20 C.F.R. §725.2(c). Additionally, an employee must have been employed as a "miner" for his employer to be appropriately considered a responsible operator. See 30 U.S.C. §§932(b), (c), 902(d); see generally 20 C.F.R. §§725.490(a), 725.101(a)(19), 725.202(b) (A "miner" is an individual who works or has worked in or around a coal mine or coal preparation facility in the extraction or preparation of coal).

Both employer and the Director contend that the administrative law judge erred in finding that the miner's most recent work with Grose as a coal truck driver did not constitute qualifying coal mine employment. At the hearing, claimant testified that the miner's work as a coal truck driver at Grose entailed hauling both unprocessed coal to the tipple and processed coal from the tipple, but admitted that she never observed the miner's work at Grose, Hearing Transcript at 7-8, 14-15, 20-21. The owner of Grose testified at the hearing that the miner's work as a coal truck driver entailed hauling coal, "probably" both unprocessed and processed, from the tipple to a river barge; he did not haul coal to the tipple, Hearing Transcript at 29-30, 33.

The administrative law judge found the testimony of the owner of Grose that the miner hauled coal only from the tipple to a loading point on the river more credible than claimant's testimony that the miner hauled coal from the mine to the tipple, as claimant did not observe the miner at work, Decision and Order at 4. The administrative law judge held, without explanation, that hauling coal from the tipple to a loading point on the river does not

<sup>&</sup>lt;sup>4</sup> Inasmuch as the administrative law judge's finding that the evidence of record is sufficient to entitle claimant to the irrebuttable presumption that the miner's death was due to pneumoconiosis at Section 411(c)(3) of the Act, 30 U.S.C. §921(c)(3), as implemented by 20 C.F.R. §718.304, *see also* 20 C.F.R. §718.205(c)(3), and the administrative law judge's award of benefits is unchallenged by any party on appeal, they are affirmed, *see Skrack v. Island Creek Coal Co.*, 6 BLR 1-710 (1983).

constitute coal mine employment, citing decisions issued by the United States Court of Appeals for the Fourth Circuit, within whose jurisdiction this case arises, in *Norfolk & Western Ry. Co. v. Director, OWCP [Schrader]*, 5 F.3d 777, 18 BLR 2-35 (4th Cir. 1993) and *Norfolk & Western Ry. Co. v. Roberson*, 918 F.2d 1144, 14 BLR 2-106 (4th Cir. 1990), *cert. denied*, 500 U.S. 916 (1991).

In order to determine whether the duties performed by the miner as a coal transportation worker with Grose satisfy the definition of a miner, *see* 30 U.S.C. §902(d); 20 C.F.R. §§725.101(a)(19), 725.202(b), claimant must satisfy a two-pronged situs-function test, *see Glem Co. v. McKinney*, 33 F.3d 340, 341, 18 BLR 2-368, 2-371 - 2-372 (4th Cir. 1994); *Director, OWCP v. Consolidation Coal Co. [Krushansky]*, 923 F.2d 38, 41, 14 BLR 2-139, 2-143 (4th Cir. 1991); *Roberson*, 918 F.2D at 1147, 14 BLR at 2-111. To satisfy the "situs" requirement, claimant must establish that the work the miner performed was performed in or around a coal mine or coal preparation facility, and, to satisfy the "function" requirement, claimant must establish both that the miner's work was integral to the extraction and preparation of coal, *id.*, and that the coal around which the miner worked was still in the course of being processed, *see McKinney*, 33 F.3d 341 n. 1, 18 BLR 2-371 n. 1. It is for the administrative law judge to determine whether a miner's activities at a mine site are necessary to the coal production process, *see Price v. Peabody Coal Co.*, 7 BLR 1-671 (1985).

Employer contends that the administrative law judge erred in crediting the testimony of the owner of Grose over claimant's testimony regarding whether the miner hauled coal exclusively away from the tipple, because claimant did not observe the miner at work. Employer contends that this was error because there is no evidence that the owner of Grose observed the miner at work while claimant's testimony was based on the miner's statements.

The administrative law judge, as the trier-of-fact, has broad discretion to assess the evidence of record and draw her own conclusions and inferences therefrom, see Maddaleni v. The Pittsburg & Midway Coal Mining Co., 14 BLR 1-135 (1990); Lafferty v. Cannelton Industries, Inc., 12 BLR 1-190 (1989); Stark v. Director, OWCP, 9 BLR 1-36 (1986), and the determination of which testimony is credible is the prerogative of the administrative law judge, see Elswick v. Eastern Associated Coal Corp., 2 BLR 1-1016, 1-1018 (1980). Thus, inasmuch as the Board is not empowered to reweigh the evidence nor substitute its inferences for those of the administrative law judge, if rational and supported by substantial evidence, see Anderson v. Valley Camp of Utah, Inc., 12 BLR 1-111 (1989); Worley v. Blue Diamond Coal Co., 12 BLR 1-20 (1988), the administrative law judge's crediting of the testimony of the owner of Grose, that the miner only hauled coal from the tipple, over claimant's contrary testimony, is affirmed as rational and supported by substantial evidence.

Employer further contends, however, that as the uncontradicted testimony of both claimant and the owner of Grose establish that the miner hauled unprocessed coal, in addition

to processed coal, even after the coal left the tipple, his work with Grose constituted qualifying coal mine employment, even under the cases cited by the administrative law judge in *Schrader*, *supra*, and *Roberson*, *supra*. In *Roberson*, the Fourth Circuit held that the hauling of raw coal to a preparation plant is part of coal preparation, *see Roberson*, 918 F.2d at 1148, 14 BLR at 2-112. It is not clear from a review of the administrative law judge's finding or the testimony of both claimant and the owner of Grose whether the raw coal that the miner hauled was going to another preparation plant or was put into the stream of commerce. In *Schrader*, however, the Fourth Circuit held that the delivery of empty railroad cars to a coal preparation facility to be loaded with processed coal is integral to the process of loading coal at the preparation facility and therefore is part of coal preparation, noting that the loading of coal is included in the statutory definition of coal preparation, *see* 30 U.S.C. \$802(i), as implemented by 20 C.F.R. \$725.101(13). *Schrader*, 5 F.3d at 780, 18 BLR at 2-39. The Fourth Circuit has also held that shoveling coal from a tipple into a lorry constitutes qualifying coal mine employment, *see Sexton v. Mathews*, 538 F.2d 88, 89 (4th Cir. 1976).

As the Director contends, the administrative law judge did not explain why the miner's work with Grose did not satisfy the definition of a miner, *see* 30 U.S.C. §902(d); 20 C.F.R. §§725.101(a)(19), 725.202(b), in accordance with the two-pronged situs-function test enunciated by the Fourth Circuit, *see McKinney*, *supra*; *Krushansky*, *supra*; *Roberson*, *supra*, and he did not make any findings as to whether the miner's work at the tipple may have entailed the loading of coal, as described in *Schrader*, *supra*, and *Sexton*, *supra*, which is included in the statutory definition of coal preparation, *see* 30 U.S.C. §802(i), as implemented by 20 C.F.R. §725.101(13).<sup>5</sup>

An administrative law judge must provide a full detailed opinion which complies with the Administrative Procedure Act (APA), 5 U.S.C. §557(c)(3)(a), as incorporated into the Act by 5 U.S.C. §554(c)(2), 33 U.S.C. §919(d) and 30 U.S.C. §932(a), and which fully explains the specific bases for his decision, the weight assigned to the evidence and the relationship he finds between the evidence and his legal and factual conclusions, *see Tenney v. Badger Coal Co.*, 7 BLR 1-589 (1984). Thus, inasmuch as the administrative law judge did not adequately explain his determination that the miner's work with Grose did not satisfy the definition of a miner, *see* 30 U.S.C. §902(d); 20 C.F.R. §§725.101(a)(19), 725.202(b),

<sup>&</sup>lt;sup>5</sup> Although claimant testified that the miner did not load coal, *see* Hearing Transcript at 20-21, the administrative law judge, within his discretion, credited the testimony of the owner of Grose over claimant's testimony, as claimant did not observe the miner at work, *see Maddaleni*, *supra*; *Lafferty*, *supra*; *Stark*, *supra*; *Elswick*, *supra*; *see also Anderson*, *supra*; *Worley*, *supra*. When asked whether the miner hauled unprocessed coal, the owner of Grose testified that the miner did and that "we load it"; he also testified that the miner was "not out of the truck on the job," Hearing Transcript at 33.

Tenney, supra, we vacate that finding, and, therefore, vacate the administrative law judge's finding that employer was the responsible operator which most recently employed the miner for at least one year and is liable for the payment of benefits, and we remand the case for the administrative law judge to reconsider the evidence in accordance with the two-pronged situs-function test enunciated by the Fourth Circuit, see McKinney, supra; Krushansky, supra; Roberson, supra; see also Schrader, supra; Sexton, supra, and provide further explanation of his determination.

The Director contends that if the administrative law judge determines that the miner's work for Grose was qualifying coal mine employment, Grose should be designated the responsible operator. Employer argues, however, that the Director did not develop any evidence which would establish that Grose was financially capable of assuming liability and, therefore, that Grose cannot be designated the responsible operator and liability should rest with the Black Lung Disability Trust Fund (hereinafter, the Trust Fund). The evidence of record, however, establishes that Grose is still operating, Director's Exhibits 22, 31, that Grose responded to the Notice of Claim, Director's Exhibit 34, and that the owner of Grose appeared and testified at the hearing, stating that Grose is still in business, Hearing Transcript at 31, and that Grose has workers' compensation insurance and state black lung claim insurance, but not federal black lung claim insurance, Hearing Transcript at 30-32. Although an operator must be financially capable of assuming benefit liability in order to be found responsible for the payment of benefits, a showing that a business or a corporate entity exists will be deemed sufficient evidence, in the absence of evidence to the contrary, of an operator's capacity to assume liability, see 20 C.F.R. §725.492(b) (2000); 20 C.F.R. §725.2(c); see also 20 C.F.R. §725.495(b). The burden of producing such evidence lies with the named responsible operator. See Gilbert v. Williamson Coal Co., Inc., 7 BLR 1-289, 1-294 (1984). Thus, we reject employer's contention in this regard. Consequently, we agree with the Director that if the administrative law judge determines on remand that the miner's work for Grose constituted qualifying coal mine employment, Grose should be named the responsible operator which is liable for the payment of benefits, see 20 C.F.R. §§725.492(a)(4), (b) (2000); 725.493(a)(1) (2000); see also 20 C.F.R. §725.2(c).

If the administrative law judge again finds on remand that the miner's work for Grose did not constitute qualifying coal mine employment, the miner's next most recent employer, Triple J Trucking, potentially would be the responsible operator in this case.

The Director presented information in his post-hearing brief, which he admitted he had originally obtained prior to the hearing but had not been submitted as part of the record for reasons of "efficiency"; the data indicated that Triple J Trucking had been dissolved and that there was no record of insurance. Thus, the administrative law judge found that Triple J Trucking was no longer in existence. In response to employer's contention on

reconsideration that the administrative law judge relied on information that was not a part of the record, the administrative law judge held on reconsideration that "[a]lthough the evidence regarding Triple J's status should have been introduced into evidence prior to filing of the Director's [post-hearing brief], the information is uncontroverted and its consideration does not prejudice [employer]." The administrative law judge further held that "[i]t would be illogical to exclude this information and to resolve the responsible operator issue on an incomplete record" and that "[c]onsideration of this evidence does not ... interfere with the efficiency of the administrative process."

Employer properly contends on appeal, and the Director concedes, that the administrative law judge erred in relying on evidence that was not admitted into the record in finding that Triple J Trucking was no longer in existence. Pursuant to 20 C.F.R. §725.456(b)(2) (2000), applicable to the instant claim, see 20 C.F.R. §725.2(c), the administrative law judge may admit, at his discretion, documentary evidence not submitted to the district director and not exchanged by the parties within twenty days before a hearing, if the parties waive the requirement or if a showing of good cause is made as to why such evidence was not exchanged, see 20 C.F.R. §725.456(b)(2) (2000); Newland v. Consolidation Coal Co., 6 BLR 1-1286 (1984). If the administrative law judge admits "late" evidence into the record, 20 C.F.R. §725.456(b)(3) (2000) requires that the record be left open for at least thirty days after the hearing to permit the parties the opportunity to respond to such evidence, see 20 C.F.R. §725.456(b)(3) (2000); 20 C.F.R. §725.2(c); Baggett v. Island Creek Coal Co., 6 BLR 1-1311 (1984).

In this case, as employer objected to the administrative law judge's reliance on the evidence submitted post-hearing regarding Triple J Trucking, employer did not waive any objection to the admission of that evidence and the administrative law judge did not make any finding as to whether the Director showed good cause for not timely submitting the evidence, *see* 20 C.F.R. §725.456(b)(2) (2000); 20 C.F.R. §725.2(c); *Newland, supra*. Moreover, contrary to the administrative law judge's characterization that such evidence was "uncontroverted" and that consideration of such evidence, which the administrative law judge conceded was late evidence, does not prejudice employer, the administrative law judge's failure to give employer an opportunity to respond to the evidence was potentially prejudicial to employer, because as a consequence, employer could be found liable for the payment of benefits in this case. *See* 20 C.F.R. §725.456(b)(3); *Bethlehem Mines Corp. v. Henderson*, 939 F.2d 143, 16 BLR 2-1 (4th Cir. 1991); *Baggett, supra*.

Furthermore, 20 C.F.R. §725.456(d) (2000) provides that documentary evidence that is obtained by a party when the claim is pending before the district director and is withheld until the claim is forwarded to the Office of Administrative Law Judges may not be admitted into the hearing record in the absence of extraordinary circumstances, unless such admission is requested by any other party, *see* 20 C.F.R. §725.456(d) (2000); 20 C.F.R. §725.2(c). The Director admitted to the administrative law judge that the evidence regarding Triple J

Trucking had originally been gathered by the Director prior to the hearing but had not been submitted as part of the record "for efficiency." Employer did not request admission of this evidence, nor did the administrative law judge make any specific finding as to whether there were extraordinary circumstances for admitting this withheld evidence, *see* 20 C.F.R. §725.456(d) (2000); 20 C.F.R. §725.2(c), and the Director concedes on appeal that the administrative law judge's findings that consideration of this evidence was proper because the record would otherwise be "incomplete" or because it did "not prejudice" employer does not amount to the "extraordinary circumstances" envisioned by Section 725.456(d) (2000).

In addition, contrary to the administrative law judge's finding that consideration of this evidence does not interfere with the efficiency of the administrative process, the purpose of Section 725.456(d) (2000) is to eliminate delays in the processing of claims as well as to prevent surprise and, therefore, Section 725.456(d) (2000) applies to all evidence withheld, not merely to evidence that has been deliberately withheld, *see Adams v. Island Creek Coal Co.*, 6 BLR 1-677 (1983); *see also Scott v. Bethlehem Steel Corp.*, 6 BLR 1-760 (1984). Moreover, the Department of Labor must resolve the responsible operator issue alone in a preliminary proceeding, *see* 20 C.F.R. §725.412(d) (2000); 20 C.F.R. §725.2(c), and proceed against all potential putative responsible operators at every stage of the claims adjudication prior to fully litigating the claim, in order to enhance efficient administration of the Act and the expeditious processing of claims, *see Crabtree v. Bethlehem Steel Corp.*, 9 BLR 1-354, 1-357 (1984); *see also Matney, supra*; *England v. Island Creek Coal Co.*, 17 BLR 1-141 (1993).

Thus, we vacate the administrative law judge's finding that Triple J Trucking was no longer in existence and remand the case for reconsideration. If the administrative law judge again finds on remand that the miner's work for his most recent employer, Grose, did not constitute qualifying coal mine employment, the administrative law judge should similarly determine whether the miner's work with his next most recent employer, Triple J Trucking, constituted qualifying coal mine employment, regardless of whether or not the evidence of record establishes that Triple J Trucking is no longer in existence or is capable of assuming liability. If the administrative law judge determines on remand that the miner's work with Triple J Trucking, as well as the miner's work for Grose, did not constitute qualifying coal mine employment, Triple J Trucking's continued existence and financial capability become irrelevant and employer would be the responsible operator in this case.

On the other hand, if the administrative law judge determines on remand that the miner's work with Triple J Trucking did constitute qualifying coal mine employment, the administrative law judge should determine whether the Director showed good cause for not timely submitting the late evidence regarding Triple J Trucking's capability to assume liability, 20 C.F.R. §725.456(b)(2) (2000); 20 C.F.R. §725.2(c); *Newland, supra*, or whether there were extraordinary circumstances for admitting this withheld evidence, 20 C.F.R.

§725.456(d) (2000); 20 C.F.R. §725.2(c). *See Doss v. Director, OWCP*, 53 F.3d 654, 19 BLR 2-181 (4th Cir. 1995). If the administrative law judge determines that any of the late evidence submitted by the Director regarding Triple J Trucking's capability to assume liability is admissible, the administrative law judge should give employer an opportunity to respond to the evidence, *see* 20 C.F.R. §725.456(b)(3); *Henderson, supra*; *Baggett, supra*.

Ultimately, if the administrative law judge determines that Triple J Trucking is capable of assuming liability, the Trust Fund, as the Director concedes, should be held liable for the payment of benefits, inasmuch as the Director did not identify or name Triple J Trucking as a potential responsible operator in this case. The Department of Labor must resolve the responsible operator issue alone in a preliminary proceeding, *see* 20 C.F.R. §725.412(d) (2000); 20 C.F.R. §725.2(c), and proceed against all potential putative responsible operators at every stage of the claims adjudication prior to fully litigating the claim, otherwise liability for payment rests with the Trust Fund, inasmuch as to name another potential operator after fully litigating a claim and awarding benefits would offend due process, potentially upset the administrative law judge's finding on the merits and would undermine the efficient administration of the Act and expeditious processing of claims, *see Crabtree*, *supra*; *see also Matney*, *supra*; *England*, *supra*.

Alternatively, if the administrative law judge ultimately determines on remand that Triple J Trucking is incapable of assuming liability, *see England*, *supra*, <sup>6</sup> and that Grose does not satisfy the criteria in order to be considered a responsible operator as well, employer would be the responsible operator in this case.

<sup>&</sup>lt;sup>6</sup> In *England*, the evidence was insufficient to establish that an unnamed potential responsible operator did not have the capability to assume payment where there was no evidence that the operator was not insured and the only evidence regarding the existence of the operator was a brief statement which contended that the operator was not currently a viable business entity.

Accordingly, the administrative law judge's Decision and Order and Order Denying Motion for Reconsideration are affirmed in part, vacated in part, and the case is remanded for further consideration consistent with this opinion.

SO ORDERED.

ROY P. SMITH Administrative Appeals Judge

REGINA C. McGRANERY Administrative Appeals Judge

BETTY JEAN HALL Administrative Appeals Judge