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D.J. Stadler,

*Director, Office of Financial Management,
Federal Railroad Administration.*

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DEPARTMENT OF THE TREASURY

Fiscal Service

Prompt Payment Interest Rate; Contract Disputes Act

AGENCY: Bureau of the Public Debt,
Fiscal Service, Treasury.

ACTION: Notice.

SUMMARY: For the period beginning January 1, 2008, and ending on June 30, 2008, the prompt payment interest rate and the contract disputes interest rate is 4-³/₄ per centum per annum.

ADDRESSES: Comments or inquiries may be mailed to Carol Brooks, Accountant, Borrowings Accounting Team, Division of Accounting Operations, Office of Public Debt Accounting, Bureau of the Public Debt, Parkersburg, West Virginia, 26106-1328. A copy of this Notice is available at <http://www.publicdebt.treas.gov>.

DATES: Effective January 1, 2008 to June 30, 2008.

FOR FURTHER INFORMATION CONTACT:

Veronica Lowther, Acting Director, Division of Accounting Operations, Office of Public Debt Accounting, Bureau of the Public Debt, Parkersburg, West Virginia, 26106-1328, (304) 480-5161; Carol Brooks, Accountant, Borrowings Accounting Team, Division of Accounting Operations, Office of Public Debt Accounting, Bureau of the Public Debt, Parkersburg, West Virginia 26106-1328, (304) 480-5167; Amy Mertz Brown, Deputy Chief Counsel, Office of the Chief Counsel, Bureau of the Public Debt, (202) 504-3715; or Brenda L. Hoffman, Attorney-Advisor, Office of the Chief Counsel, Bureau of the Public Debt, (202) 504-3706.

SUPPLEMENTARY INFORMATION: An agency acquiring property or services from a business concern, but failing to pay for each complete delivered item of property or service by the required payment date, must pay the business concern an interest penalty, commonly known as the Prompt Payment Interest Penalty. 31 U.S.C. 3902(a). The applicable interest rate for determining this penalty is the rate established by the Secretary of the Treasury under § 12 of the Contract Disputes Act (codified at 41 U.S.C. 611) and in effect at the time the agency accrues the obligation to pay this late payment interest penalty. 31 U.S.C. 3902(a). Agencies must pay the interest penalty calculated with the

Prompt Payment Interest Rate, "for the period beginning on the day after the required payment date and ending on the date on which the payment is made." 31 U.S.C. 3902(b). If an interest penalty is owed to a business concern because of a late payment, the penalty must be paid regardless of whether the business concern requested payment of the penalty.

An agency also must pay interest on claims found due to contractors that are submitted to procuring agencies for payment, payable for the time period between when the contracting officer receives the claim and when the procuring agency pays the claim. Contract Disputes Act § 12; 41 U.S.C. 611.

The Secretary is required to establish an interest rate for both of these purposes. 31 U.S.C. 3902(a); 41 U.S.C. 611. Therefore, notice is given that the Secretary of the Treasury has determined that the rate of interest for purposes of both Prompt Payment and the Contract Disputes Act, applicable for the period beginning January 1, 2008, and ending on June 30, 2008, is 4-³/₄ per centum per annum.

Kenneth E. Carfine,

Fiscal Assistant Secretary

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