

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## OFFICE OF PERSONNEL MANAGEMENT

### 5 CFR Part 550

RIN 3206-AM14

#### Collection by Offset From Indebted Government Employees

**AGENCY:** U.S. Office of Personnel Management.

**ACTION:** Proposed rule with request for comments.

**SUMMARY:** The U.S. Office of Personnel Management (OPM) is issuing proposed regulations to eliminate the 10-year statute of limitations on collection of debt by administrative offset, which includes centralized salary offset. The proposed regulations conform with an amendment made by the Food, Conservation, and Energy Act of 2008. This change would authorize the offset of nontax payments (via salary offset) to collect delinquent Federal debt without regard to the amount of time the debt has been delinquent. OPM is also proposing several technical changes to be consistent with the Department of the Treasury Federal Claims Collection Standards and salary offset regulations.

**DATES:** Comments must be received on or before: July 1, 2011.

**ADDRESSES:** You may submit comments, identified by RIN "3206-AM14," using any of the following methods:

*Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

*E-mail:* [pay-leave-policy@opm.gov](mailto:pay-leave-policy@opm.gov).

*Fax:* (202) 606-0824.

*Mail:* Jerome D. Mikowicz, Deputy Associate Director for Pay and Leave, Room 7H31, 1900 E Street, NW., Washington, DC, 20415-8200.

**FOR FURTHER INFORMATION CONTACT:** Tameka Gillis by telephone at (202) 606-2858; by fax at (202) 606-0824; or by e-mail at [pay-leave-policy@opm.gov](mailto:pay-leave-policy@opm.gov).

**SUPPLEMENTARY INFORMATION:** The U.S. Office of Personnel Management (OPM) is issuing proposed regulations to eliminate the 10-year statute of

limitations on collection of debt by administrative offset, which includes centralized salary offset. The proposed regulations conform with an amendment to 31 U.S.C. 3716(e) made by section 14219 of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246 (122 Stat. 1651) that became effective on June 18, 2008. This change authorizes the offset of nontax payments (via salary offset) to collect delinquent Federal debt without regard to the amount of time the debt has been delinquent.

The Department of the Treasury has updated its regulations to reflect this change (*see* 74 FR 68537, December 28, 2009). To avoid any undue hardship, the Secretary of the Treasury has added a requirement applicable to debts that were previously ineligible for collection by offset because they have been outstanding for more than 10 years. For these debts, creditor agencies must certify to the Secretary of the Treasury that the notice of intent to offset was sent to the debtor after the debt became 10 years delinquent. This is intended to alert the debtor that his or her debt may now be collected by offset and allows the debtor additional opportunities to dispute the debt, enter into a repayment agreement, or otherwise avoid offset.

To be consistent with the Department of the Treasury regulations, OPM is proposing to revise the regulations at 5 CFR 550.1106 to provide that agencies may initiate salary offset to collect a debt without time limitations on debt outstanding after the Government's right to collect the debt first accrued.

OPM is also proposing to revise regulations at 5 CFR 550.1102(b)(1) to clarify that, because the salary offset procedures contained in 5 CFR part 550, subpart K, must be consistent with the Federal Claims Collection Standards (FCCS), they do not apply to any debts which may be excluded by the FCCS or 31 CFR part 285. OPM is proposing to add a new paragraph (b)(3) in 5 CFR 550.1102 to recognize that certain statutes may exist that allow specific agencies to take certain compromise, suspension, or termination of collection actions as provided under such statutes and the FCCS. Further, OPM is proposing to revise the definition of FCCS to include a reference to 31 CFR parts 900 through 904 and delete the obsolete reference to 4 CFR parts 101 through 105.

Also, OPM is proposing to revise regulations at 5 CFR 550.1104 to clarify that the amount deducted for any involuntary installment deductions may exceed 15 percent of the disposable pay only when a greater deduction has been ordered by a court of the United States in an action or suit brought against the debtor. This is to conform with section 124 of Public Law 97-276, October 2, 1982 (96 Stat. 1195) which allows an agency to deduct an amount greater than 15 percent of disposable pay, as determined by a court of the United States.

#### Regulatory Flexibility Act

I certify that these regulations will not have a significant economic impact on a substantial number of small entities because they will apply only to Federal agencies and employees.

#### Executive Order 13563 and Executive Order 12866

The Office of Management and Budget has reviewed this rule in accordance with E.O. 13563 and 12866.

#### List of Subjects in 5 CFR Part 550

Administrative practice and procedure, Claims, Government employees, Wages.

U.S. Office of Personnel Management.

**John Berry,**

*Director.*

Accordingly, OPM is proposing to amend 5 CFR part 550 as follows:

#### PART 550—PAY ADMINISTRATION (GENERAL)

##### Subpart K—Collection by Offset From Indebted Government Employees

1. The authority citation for subpart K of part 550 continues to read as follows:

**Authority:** 5 U.S.C. 5514; sect 8(1) of E.O. 11609; redesignated in sec. 2-1 of E.O. 12107.

2. In § 550.1102, paragraph (b)(1) is revised and paragraph (b)(3) is added to read as follows:

#### § 550.1102 Scope.

\* \* \* \* \*

(b) \* \* \*

(1) *Excluded debts.* The procedures contained in this subpart do not apply to—

(i) Debts arising under the Internal Revenue Code (26 U.S.C. 1 *et seq.*);

(ii) Debts arising under the tariff laws of the United States;

(iii) Any case where collection of a debt by salary offset is explicitly provided for or prohibited by another statute (e.g., travel advances in 5 U.S.C. 5705 and employee training expenses in 5 U.S.C. 4108); or

(iv) Any other debt excluded by the FCCS or 31 CFR part 285.

\* \* \* \* \*

(3) *Compromise, suspension, or termination of collection actions.* This subpart does not preclude the compromise, suspension, or termination of collection actions, where appropriate, as provided in the FCCS (31 CFR 900.4) or the use of alternative dispute resolution methods if they are not inconsistent with agency-specific laws and regulations.

3. In § 550.1103, the definition of "FCCS" is revised to read as follows:

**§ 550.1103 Definitions.**

\* \* \* \* \*

*FCCS* means the Federal Claims Collections Standards published in 31 CFR parts 900 through 904.

\* \* \* \* \*

4. In § 550.1104, paragraphs (d)(3), (i), and (j) are revised to read as follows:

**§ 550.1104 Agency regulations.**

\* \* \* \* \*

(d) \* \* \*

(3) The frequency and amount of the intended deduction (stated as a fixed dollar amount or as a percentage of pay, not to exceed 15 percent of disposable pay except as provided in paragraph (i) of this section) and the intention to continue the deductions until the debt is paid in full or otherwise resolved;

\* \* \* \* \*

(i) *Limitation on amount of deductions.* Prescribe the limitations on the amount of the deduction. Ordinarily, the size of installment deductions must bear a reasonable relationship to the size of the debt and the employee's ability to pay (see the FCCS). However, the amount deducted for any period may not exceed 15 percent of the disposable pay from which the deduction is made, unless the employee has agreed in writing to the deduction of a greater amount or a higher deduction has been ordered by a court under section 124 of Public Law 97-276 (96 Stat. 1195).

(j) *Duration of deductions.* Prescribe the duration of deductions. Ordinarily, debts must be collected in one lump sum where possible. However, if the employee is financially unable to pay in one lump sum or the amount of the debt exceeds 15 percent of disposable pay (or

other applicable limitation as provided in paragraph (i) of this section) for an officially established pay interval, collection must be made in installments. Such installment deductions must be made over a period not greater than the anticipated period of active duty or employment, as the case may be, except as provided in paragraphs (l) and (m) of this section.

\* \* \* \* \*

5. Section 550.1106 is revised to read as follows:

**§ 550.1106 Time limit on collection of debts.**

Agencies may initiate salary offset to collect a debt without time limitations on any debt outstanding after the Government's right to collect the debt first accrued. (See § 550.1108 for requirement when debts are delinquent over 180 days.)

\* \* \* \* \*

[FR Doc. 2011-10626 Filed 4-29-11; 8:45 am]

**BILLING CODE 6325-39-P**

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 39**

[Docket No. FAA-2011-0392; Directorate Identifier 2011-NE-12-AD]

RIN 2120-AA64

**Airworthiness Directives; General Electric Company CT7-8, CT7-8A, CT7-8A1, CT7-8E, and CT7-8F5 Turboshaft Engines**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** We propose to adopt a new airworthiness directive (AD) for the products listed above. This proposed AD would require the installation of an accessory gearbox (AGB) axis-A oil slinger nut to the axis-A shaft assembly. This proposed AD was prompted by four reports of unrecoverable engine stalls, during hover in a left-roll attitude. We are proposing this AD to prevent an unrecoverable engine stall, leading to a helicopter forced landing or accident.

**DATES:** We must receive comments on this proposed AD by June 16, 2011.

**ADDRESSES:** You may send comments by any of the following methods:

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *Fax:* 202-493-2251.

- *Mail:* U.S. Department of Transportation, Docket Operations, M-30, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590.

- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this proposed AD, contact GE-Aviation, M/D Rm. 285, One Neumann Way, Cincinnati, OH 45215; telephone: 513-552-3272; e-mail: [geaoc@ge.com](mailto:geaoc@ge.com). You may review copies of the referenced service information at the FAA, Engine & Propeller Directorate, 12 New England Executive Park, Burlington, MA. For information on the availability of this material at the FAA, call 781-238-7125.

**Examining the AD Docket**

You may examine the AD docket on the Internet at <http://www.regulations.gov>; or in person at the Docket Management Facility between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this proposed AD, the regulatory evaluation, any comments received, and other information. The street address for the Docket Office (phone: 800-647-5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

**FOR FURTHER INFORMATION CONTACT:**

Walter Meibaum, Aerospace Engineer, Engine & Propeller Directorate, FAA, 12 New England Executive Park, Burlington, MA 01803; phone: 781-238-7119; fax: 781-238-7199; e-mail: [walter.meibaum@faa.gov](mailto:walter.meibaum@faa.gov).

**SUPPLEMENTARY INFORMATION:**

**Comments Invited**

We invite you to send any written relevant data, views, or arguments about this proposal. Send your comments to an address listed under the **ADDRESSES** section. Include "Docket No. FAA-2011-0392; Directorate Identifier 2011-NE-12-AD" at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this proposed AD. We will consider all comments received by the closing date and may amend this proposed AD because of those comments.

We will post all comments we receive, without change, to <http://www.regulations.gov>, including any personal information you provide. We will also post a report summarizing each substantive verbal contact we receive about this proposed AD.