

including reporting under 34 CFR 80.12 (Special grant or subgrant conditions for “high-risk” grantees) or 34 CFR 80.20 (Standards for financial management systems).

(c)(1) A State must submit these reports in the manner prescribed by the Secretary, including submitting any of these reports electronically and at the quality level specified in the data collection instrument.

(2) Failure by a State to submit reports in accordance with paragraph (c)(1) of this section constitutes a failure, under section 454 of the General Education Provisions Act, 20 U.S.C. 1234c, to comply substantially with a requirement of law applicable to the funds made available under that program.

(3) For reports that the Secretary requires to be submitted in an electronic manner, the Secretary may establish a transition period of up to two years following the date the State otherwise would be required to report the data in the electronic manner, during which time a State will not be required to comply with that specific electronic submission requirement, if the State submits to the Secretary—

(i) Evidence satisfactory to the Secretary that the State will not be able to comply with the electronic submission requirement specified by the Secretary in the data collection instrument on the first date the State otherwise would be required to report the data electronically;

(ii) Information requested in the report through an alternative means that is acceptable to the Secretary, such as through an alternative electronic means; and

(iii) A plan for submitting the reports in the required electronic manner and at the level of quality specified in the data collection instrument no later than the date two years after the first date the State otherwise would be required to report the data in the electronic manner prescribed by the Secretary.

(Authority: 20 U.S.C. 1221e-3, 1231a, and 3474)

3. Section 76.722 is revised to read as follows:

#### **§ 76.722 Subgrantee reporting requirements.**

A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program.

(Authority: 20 U.S.C. 1221e-3, 1231a, and 3474)

[FR Doc. E6-6355 Filed 4-26-06; 8:45 am]

BILLING CODE 4000-01-P

## **LIBRARY OF CONGRESS**

### **Copyright Office**

#### **37 CFR Part 201**

##### **[Docket No. 2006-2]**

### **Electronic Payment of Royalties**

**AGENCY:** Copyright Office, Library of Congress.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Copyright Office is proposing to amend its rules governing the submission of royalty fees to the Copyright Office to require such payments to be made by electronic funds transfer.

**DATES:** Written comments are due June 12, 2006. Reply comments are due July 11, 2006.

**ADDRESSES:** If hand delivered by a private party, an original and five copies of a comment or reply comment should be brought to Room LM-401 of the James Madison Memorial Building between 8:30 a.m. and 5 p.m. and the envelope should be addressed as follows: Office of the General Counsel, U.S. Copyright Office, James Madison Memorial Building, Room LM-401, 101 Independence Avenue, SE, Washington, DC 20559-6000. If delivered by a commercial courier, an original and five copies of a comment or reply comment must be delivered to the Congressional Courier Acceptance Site located at 2nd and D Streets, NE, between 8:30 a.m. and 4 p.m. The envelope should be addressed as follows: Office of the General Counsel, Room LM-403, James Madison Memorial Building, 101 Independence Avenue, SE, Washington, DC. If sent by mail (including overnight delivery using U.S. Postal Service Express Mail), an original and five copies of a comment or reply comment should be addressed to U.S. Copyright Office, Copyright GC/I&R, P.O. Box 70400, Southwest Station, Washington, DC 20024. Comments and reply comments may not be delivered by means of overnight delivery services such as Federal Express, United Parcel Service, etc., due to delays in processing receipt of such deliveries.

#### **FOR FURTHER INFORMATION CONTACT:**

Tanya M. Sandros, Associate General Counsel, Copyright GC/I&R, P.O. Box 70400, Southwest Station, Washington, DC 20024. Telephone: (202) 707-8380. Telefax: (202) 707-8366.

**SUPPLEMENTARY INFORMATION:** Cable systems and satellite carriers that retransmit broadcast signals in accordance with the provisions governing the statutory licenses set forth

in sections 111 and 119 of the Copyright Act, title 17 of the United States Code, respectively, are required to pay royalty fees to the Copyright Office. The Copyright Office also receives statutory fees from manufacturers and importers of digital audio recording devices and media who distribute these products in the United States. 17 U.S.C. chapter 10. Payments made under the cable and satellite carrier statutory licenses are remitted semiannually to the Copyright Office. Payments made under the Audio Home Recording Act of 1992 are made quarterly. The Copyright Office invests the royalties in United States Treasury securities pending distribution of these funds to those copyright owners who are entitled to receive a share of the fees.

The current Copyright Office regulations permit payment by three different methods: electronic funds transfer (“EFT”), certified or cashier’s check, or money order. 37 CFR 201.11 (f), (g) and (h); 37 CFR 201.17 (i) and (j); and 37 CFR 201.28 (e). A mechanism for electronic payments was added in 1991, since it was thought that use of electronic payments would facilitate the process and lessen the administrative burden on the Office and on the filer. See 56 FR 29588 (June 28, 1991). An electronic payment option provides advantages to the payor and the Copyright Office as the agency responsible for the collection and distribution of the royalty fees. EFTs can be transmitted either as an Automated Clearing House (“ACH”) credit or a Fedwire (“Wire”) transaction depending upon how you arrange the transfer through your financial institution, or as an ACH debit by using the U. S. Department of the Treasury, Financial Management Service’s web based remittance system, Pay.gov. In an ACH credit, your financial institution sends the remittance to the U. S. Treasury; whereas, in an ACH debit, you authorize the U. S. Treasury to take the funds out of the account at your financial institution.

Use of an electronic payment option offers specific advantages over payment via a check or money order. First, the remitters gain more time to transfer funds without fear of incurring interest assessments for late payments. In the case of a Wire transaction, the remitter may make a payment up until and including the due date (provided the financial institution is open that day and is still processing wire transfers), whereas an ACH transaction requires more time. It must be completed one or two banking days before the due date to ensure interest for late payments are not assessed. Second, electronic payments avoid the problems associated with lost

checks or delays in processing mail. Third, copyright owners, the ultimate recipients of the funds, accrue more interest on the funds because the monies go directly to the Department of the Treasury instead of being diverted to the Copyright Office for processing first. And finally, the Copyright Office benefits from the use of the electronic payment option because it lessens the Office's administrative workload by reducing paperwork and related administrative costs.

Currently, electronic funds transfers (EFTs) are used primarily by the larger cable systems and account for more than 95% of the royalty fees collected by the Office, whereas smaller systems tend to still send checks through the mail. As a result, the Office still receives a relatively high number of checks and other paper remittances for a disproportionately small amount of the royalty fees. Consequently, the Office is taking steps to increase further the number of payments made by EFTs by amending its rules to require remitters to use an EFT when making royalty fee payments.

In addition, the proposed rules would require that parties submit specific identifying and linking information as part of the EFT and/or as part of a "remittance advice" which will accompany the Statement(s) of Account and be faxed or emailed to the Licensing Division. This information would include: (1) the remitter's name and address; (2) the name of a contact person, telephone number and extension, and email address; (3) the actual or anticipated date that the EFT will be transmitted; (4) the type of royalty payment (*i.e.*, cable, satellite, or DART); (5) the total amount to be submitted via an EFT; (6) the total amount to be paid by year and period; (7) the number of statements of account that the EFT covers; (8) ID number(s) assigned by the Licensing Division; (9) the legal name of the owner for each Statement of Account; and (10) identification of the first community served (city and state) (for cable systems only). The information to be sent as part of the EFT and the information that needs to be included in the remittance advice will be detailed in circulars issued by the Copyright Office with respect to a specific type of EFT.

Frequently, with multiple filings and a single payment to cover them all, Office staff find that an overpayment or underpayment of the fee results after they have apportioned the fee to each statement based on the amount indicated therein. The "remittance advice" form helps avoid this type of problem by providing the Office with

the information needed to match the EFT with the appropriate Statements of Account.

Currently, the Office requests similar identifying and linking information, but in many cases the information is wholly or partially omitted. In these cases, Office staff must tediously search through the bundles of statements of account submitted in an effort to match the correct statements with a payment. Considerable efforts have been made to contact remitters and advise them of these errors and omissions. Failure to provide this information creates delays in processing and undercuts the advantages gained by submitting an electronic payment. Because of the burden imposed upon the Office in attempting to process payments which lack sufficient identifying information, the proposed rules would allow the Office to return any EFT which fails to properly identify statements to which they relate and would require the remitter to resubmit the EFT correctly. Should this occur, the remitter will then be responsible for any assessed interest charge that accrues as a result of a late payment.

Also, the rules would require that "remittance advice" information be included with the statements of account in order to accurately identify what is submitted and how the fees are to be allocated among the statements.

The Office is further amending its regulations to include a waiver provision in cases where there may be circumstances which would make it virtually impossible for a remitter to use the electronic payment option or would work a financial or other hardship. Requests for a waiver must include a statement setting forth the reasons why the waiver should be granted and the statement must be signed by a duly authorized representative of the entity making the payment, certifying that the information provided is true and correct.

#### Regulatory Flexibility Act Statement

Although the Copyright Office, as a department of the Library of Congress and part of the Legislative Branch, it is not an "agency" subject to the Regulatory Flexibility Act, 5 U.S.C. 601-612, the Register of Copyrights has considered the effect of the proposed amendment on small businesses. The Register has determined that the amendments would not have a significant economic impact on a substantial number of small businesses because they may request a waiver from the requirement to submit payment via an electronic funds transfer in the event compliance with the requirement would

create a financial or other hardship for the remitter.

#### List of Subjects in 37 CFR Part 201

Copyright.

#### Proposed Regulations

For the reasons set forth in the preamble, part 201 of title 37 of the Code of Federal Regulations is proposed to be amended as follows:

#### PART 201—GENERAL PROVISIONS

1. The authority citation for part 201 continues to read as follows:

**Authority:** 17 U.S.C. 702.

2. Amend § 201.11 to revise paragraph (f) to read as follows:

**§ 201.11 Satellite carrier statements of account covering statutory licenses for secondary transmissions.**

\* \* \* \* \*

(f) *Royalty fee payment.* (1) All royalty fees shall be paid by a single electronic funds transfer and payment must be received in the designated bank by the filing deadline for the relevant accounting period. The following information shall be provided as part of the EFT and/or as part of the remittance advice as provided for in circulars issued by the Copyright Office:

- (i) Remitter's name and address;
- (ii) Name of a contact person, telephone number and extension, and email address;
- (iii) The actual or anticipated date that the EFT will be transmitted;
- (iv) Type of royalty payment (*i.e.* satellite);
- (v) Total amount submitted via the EFT;
- (vi) Total amount to be paid by year and period;
- (vii) Number of statements of account that the EFT covers;
- (viii) ID numbers assigned by the Licensing Division;
- (ix) Legal name of the owner for each Statement of Account.

(2) The remittance advice shall be attached to the Statement(s) of Account. In addition, a copy of the remittance advice shall be emailed or sent by facsimile to the Licensing Division.

(3) A remitter may request a waiver from the requirement for payment by electronic funds transfer as set forth in paragraph (1) of this section. To obtain a waiver, the remitter shall submit to the Licensing Division at least 60 days prior to the royalty fee due date a certified statement setting forth the reasons explaining why payment by an electronic funds transfer would impose a financial or other hardship on the remitter. The certification must be signed by a duly authorized

representative of the entity making the payment. A waiver shall cover only a single payment period. Failure to obtain a waiver may result in the remittance being returned to the remitter.

\* \* \* \* \*

3. Amend § 201.17 to revise paragraph (i)(1) to read as follows:

**§ 201.17 Statements of Account covering compulsory licenses for secondary transmissions by cable systems.**

\* \* \* \* \*

(i) *Royalty fee payment.* (1) All royalty fees must be paid by a single electronic funds transfer, and must be received in the designated bank by the filing deadline for the relevant accounting period. The following information must be provided as part of the EFT and/or as part of the remittance advice as provided for in circulars issued by the Copyright Office:

- (i) Remitter's name and address;
- (ii) Name of a contact person, telephone number and extension, and email address;
- (iii) The actual or anticipated date that the EFT will be transmitted;
- (iv) Type of royalty payment (*i.e.* cable);
- (v) Total amount submitted via the EFT;
- (vi) Total amount to be paid by year and period;
- (vii) Number of statements of account that the EFT covers;
- (viii) ID numbers assigned by the Licensing Division;
- (ix) Legal name of the owner for each Statement of Account;
- (x) Identification of the first community served (city and state).

(2) The remittance advice shall be attached to the Statement(s) of Account. In addition, a copy of the remittance advice shall be emailed or sent by facsimile to the Licensing Division.

(3) The Office may waive the requirement for payment by electronic funds transfer as set forth in paragraph (1)(i) of this section. At least 60 days prior to the royalty fee due date, the remitter shall submit to the Licensing Division a certified statement setting forth the reasons explaining why payment by an electronic funds transfer would be virtually impossible or, alternatively, why it would impose a financial or other hardship on the remitter. The statement must be signed by a duly authorized representative of the entity making the payment. A waiver shall cover only a single payment period. Failure to obtain a waiver may result in the remittance being returned to the remitter.

\* \* \* \* \*

4. Amend § 201.28 as follows:

a. By revising paragraph (e)(3)(ii);  
b. By redesignating §§ 201.28(h) through (l) as §§ 201.28(i) through (m) respectively, and adding a new § 201.28(h);

c. By amending newly redesignated § 201.28(j)(1)(ii) to remove "(i)(2)" and add in its place "(j)(2)"

d. By amending newly redesignated § 201.28(j)(3)(i) to remove "(i)(3)" and add in its place "(j)(3)"

e. By amending newly redesignated § 201.28(j)(3)(vi) to remove "(i)" and add in its place "(j)".

The additions and revisions to § 201.28 read as follows:

**§ 201.28 Statements of Account for digital media audio recording devices or media.**

\* \* \* \* \*

(e) \* \* \*  
(3) \* \* \*

(ii) The amount of the royalty payment shall be calculated in accordance with the instructions specified in the quarterly Statement of Account form. Payment shall be made as specified in section 201.28(h).

\* \* \* \* \*

(h) *Royalty fee payment.* (1) All royalty fees must be paid by a single electronic funds transfer, and must be received in the designated bank by the filing deadline for the relevant accounting period. The following information must be provided as part of the EFT and/or as part of the remittance advice as provided for in circulars issued by the Copyright Office:

- (i) Remitter's name and address;
- (ii) Name of a contact person, telephone number and extension, and email address;

(iii) The actual or anticipated date that the EFT will be transmitted;

(iv) Type of royalty payment (*i.e.* DART);

(v) Total amount submitted via the EFT;

(vi) Total amount to be paid by year and period;

(vii) Number of statements of account that the EFT covers;

(viii) ID numbers assigned by the Licensing Division;

(ix) Legal name of the owner for each Statement of Account.

(2) The remittance advice shall be attached to the Statement(s) of Account. In addition, a copy of the remittance advice shall be emailed or sent by facsimile to the Licensing Division.

(3) The Office may waive the requirement for payment by electronic funds transfer as set forth in paragraph (1) of this section. At least 60 days prior to the royalty fee due date, the remitter shall submit to the Licensing Division a certified statement setting forth the

reasons explaining why payment by an electronic funds transfer would be virtually impossible or, alternatively, why it would impose a financial or other hardship on the remitter. The certification must be signed by a duly authorized representative of the entity making the payment. A waiver shall cover only a single payment period. Failure to obtain a waiver may result in the remittance being returned to the remitter.

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Dated: April 20, 2006.

**Tanya M. Sandros,**  
*Associate General Counsel.*

[FR Doc. E6-6186 Filed 4-26-06; 8:45 am]

**BILLING CODE 1410-33-S**

**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 52**

[EPA-R03-OAR-2006-0279; FRL-8162-7]

**Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; VOC and NO<sub>x</sub> RACT Determinations for Eight Individual Sources**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** EPA proposes to approve revisions to the Pennsylvania State Implementation Plan (SIP). The revisions were submitted by the Pennsylvania Department of Environmental Protection (PADEP) to establish and require reasonably available control technology (RACT) for eight major sources of volatile organic compounds (VOC) and nitrogen oxides (NO<sub>x</sub>) pursuant to the Commonwealth of Pennsylvania's (Pennsylvania or the Commonwealth) SIP-approved generic RACT regulations. EPA is proposing to approve these revisions in accordance with the Clean Air Act (CAA).

**DATES:** Written comments must be received on or before May 30, 2006.

**ADDRESSES:** Submit your comments, identified by Docket ID Number EPA-R03-OAR-2006-0279 by one of the following methods:

A. <http://www.regulations.gov>. Follow the on-line instructions for submitting comments.

B. E-mail: [morris.makeba@epa.gov](mailto:morris.makeba@epa.gov).

C. Mail: EPA-R03-OAR-2006-0279, Makeba Morris, Chief, Air Quality Planning Branch, Mailcode 3AP21, U.S. Environmental Protection Agency, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103.