

described in 5 U.S.C. 2302(b)(1) and/or (b)(8).

§ 724.103 Agency Obligations.

A Federal agency must reimburse the Judgment Fund for payments covered by the No FEAR Act. Such reimbursement must be made within a reasonable time as described in § 724.104.

§ 724.104 Procedures.

(a) The procedures that agencies must use to reimburse the Judgment Fund are those prescribed by the Financial Management Service (FMS), the Department of the Treasury, in Chapter 3100 of the Treasury Financial Manual. All reimbursements to the Judgment Fund covered by the No FEAR Act are expected to be fully collectible from the agency. FMS will provide notice to the agency's Chief Financial Officer within 15 business days after payment from the Judgment Fund. For any payments from the Fund between October 1, 2003, and January 22, 2004, FMS will provide such notice within 15 business days after January 22, 2004, if it has not already provided such notice.

(b) Within 45 business days of notice by FMS, agencies must reimburse the Judgment Fund or contact FMS to make arrangements in writing for reimbursement.

§ 724.105 Compliance.

An agency's failure to reimburse the Judgment Fund or to contact FMS within 45 business days of an FMS notice for reimbursement under § 724.104 will be recorded on an annual basis and posted on the FMS Web site.

§ 724.106 Effective Date.

This subpart is effective on October 1, 2003.

Subpart B—Notification of Rights and Protections and Training

[RESERVED]

Subpart C—Annual Report

[RESERVED]

Subpart D—Best Practices

[RESERVED]

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DEPARTMENT OF AGRICULTURE

Rural Housing Service

Rural Business-Cooperative Service

Rural Utilities Service

Farm Service Agency

7 CFR Part 1951

RIN 0570-AA52

Debt Collection Improvement Act—Treasury Offset and Cross Servicing

AGENCY: Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, Farm Service Agency, USDA.

ACTION: Final rule.

SUMMARY: This action amends the regulations governing the servicing of Rural Business-Cooperative Service (RBS) loan and grant programs by adding a section to clarify that any amounts paid by RBS on account of the liabilities of a guaranteed loan borrower will constitute a Federal debt owing to RBS by the guaranteed loan borrower. RBS may use all remedies available to it, including offset under the Debt Collection Improvement Act (DCIA), to collect the debt from the borrower.

EFFECTIVE DATE: This rule is effective on January 22, 2004.

FOR FURTHER INFORMATION CONTACT: Bill Hagy, Deputy Administrator, Rural Business-Cooperative Service, USDA, Stop 3220, Room 5050, 1400 Independence Ave. SW., Washington, DC 20250-3250, Telephone (202) 720-7287, or internet e-mail bill.hagy@usda.gov.

SUPPLEMENTARY INFORMATION:

Classification

This rule has been reviewed under Executive Order 12866 and has been determined to be a nonsignificant regulatory action by the Office of Management and Budget (OMB).

This rule is not published for notice and comment because it implements statutory and regulatory provisions that are binding on the RBS. Since RBS does not have discretion in this matter, public comment would not be able to affect the provisions of the rule. Therefore, the rule is published as final and effective upon publication.

Programs Affected

The Catalog of Federal Domestic Assistance Program number assigned to this program is: 10.768, Business and Industrial Loans.

Paperwork Reduction Act

There are no reporting or record keeping requirements associated with this rule.

Environmental Impact Statement

It is the determination of the Secretary that this action is not a major Federal action significantly affecting the environment. Therefore, in accordance with the National Environmental Policy Act of 1969, an Environmental Impact Statement is not required.

Executive Order 12988

This rule has been reviewed in accordance with E.O. 12988, Civil Justice Reform. In accordance with this rule: (1) All State and local laws and regulations that are in conflict with this rule will be preempted; (2) no retroactive effect will be given to this rule; and (3) administrative proceedings in accordance with 7 CFR part 11 must be exhausted before bringing suit in court challenging action taken under this rule unless those regulations specifically allow bringing suit at an earlier time.

The Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA) establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal Governments and the private sector. Under section 202 of the UMRA, USDA must prepare a written statement, including a cost benefit analysis, for proposed and final rules with "Federal mandates" that may result in expenditures to State, local or tribal Governments, in the aggregate, or to the private sector, of \$100 million or more in any one year. When such a statement is needed for a rule, section 205 of UMRA generally requires USDA to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, more cost effective, or least burdensome alternative that achieves the objectives of the rule.

This rule contains no Federal mandates (under the regulatory provisions of Title II of the UMRA) for State, local, and tribal Governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Regulatory Flexibility Act

In compliance with the Regulatory Flexibility Act (5 U.S.C. 601-612), the undersigned has determined and certified by signature of this document that this rule will not have a significant

economic impact on a substantial number of small entities. The Regulatory Flexibility Act is intended to encourage Federal Agencies to utilize innovative administrative procedures in dealing with individuals, small businesses, small organizations, and small governmental bodies that would otherwise be unnecessarily adversely affected by Federal regulations. The provisions included in this rule will not impact a substantial number of small entities to a greater extent than large entities. Therefore, no regulatory flexibility analysis under the Regulatory Flexibility Act is necessary.

Executive Order 13132, Federalism

The policies contained in this rule do not have any substantial direct effect on States, the relationship between the National Government and the States, or the distribution of power and responsibilities among the various levels of government. Nor does this rule impose substantial direct compliance costs on State and local Governments. Therefore, consultation with the States is not required.

Discussion

This rule clarifies the policy of the RBS concerning the statutory mandate imposed on the Agency by the Debt Collection Improvement Act of 1996 (104 Pub. L. 134) (DCIA).

Section 3701 of 31 U.S.C. defines "claim" or "debt" in part to include funds owed on account of loans guaranteed by the Government. This rule puts the guarantee borrower on notice that RBS will attempt to collect from them through Treasury Offset and any other available remedies when a final loss claim is paid to a guaranteed lender. It provides that a debt for purposes of the DCIA is established upon payment of a loss claim to the original guarantee-lender.

The Debt Collection Act of 1982 (Act) (97 Pub. L. 365) provides for the use of administrative, salary and Internal Revenue Service (IRS) offsets by Government Agencies to collect delinquent Federal debts. Any money that is or may become payable from the United States to an individual or entity indebted to RBS may be offset for the collection of a debt owed to RBS. In addition, money may be collected from the debtor's retirement payments for delinquent amounts owed to RBS if the debtor is an employee or retiree of a Federal Agency, the U.S. Postal Service, the Postal Rate Commission, or a member of the U.S. Armed Forces or the Reserve. Current regulations published for RBS programs in title 7 of the Code of Federal Regulations do not expressly

discuss at what point a debt to the Federal Government is established for purposes of the remedies available under the DCIA; this rulemaking expressly provides that the debt is created at the time the loss claim is paid to the guaranteed lender.

This rule is consistent with the Act and clarifies that, in cases of guaranteed loans, a Federal debt is established when a guaranteed loss claim is paid. The loss claim paid may or may not be a final loss claim for purposes of this rule. Accordingly, if several claims are paid over time, separate debts are created accordingly. RBS will exercise all remedies available for collection, including those provided by the Debt Collection Improvement Act of 1996. RBS has already implemented a practice of referring debts arising from direct loans to the U.S. Department of the Treasury.

The Agency is in the process of revising the applicable forms to include the applicant's certification and acknowledgment that any amounts paid by RBS on account of liabilities of the guaranteed loan borrower will constitute a Federal debt to RBS on the part of the borrower. The forms will provide direct notice to interested applicants of RBS' debt collection policy and memorialize their understanding and acknowledgment of RBS' collection policy.

RBS loan officials will provide notification to the B&I guaranteed borrower of their applicable rights and potential collection actions by sending a 60 day due process letter.

List of Subjects in 7 CFR Part 1951

Accounting, Account servicing, Credit, Debt collection, Loan programs—agriculture, Low and moderate income housing loans—servicing, Offsets of Federal payments.

■ Accordingly, chapter VXIII, title 7, Code of Federal Regulations, is amended as follows:

PART 1951—SERVICING AND COLLECTIONS

■ 1. The authority citation for part 1951 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1932 Note; 7 U.S.C. 1989; 31 U.S.C. 3716; 42 U.S.C. 1480.

Subpart C—Offsets of Federal Payments to USDA Agency Borrowers

■ 2. Section 1951.133 is added to read as follows:

§ 1951.133 Establishment of Federal Debt.

Any amounts paid by RBS on account of liabilities of a business and industry

(B&I) program guaranteed loan borrower will constitute a Federal debt owing to RBS by the B&I guaranteed loan borrower. In such case, the RBS may use all remedies available to it, including offset under the Debt Collection Improvement Act of 1996 (DCIA), to collect the debt from the borrower. Interest charges will be established at the note rate of the guaranteed loan on the date a loss claim is paid. RBS may, at its option, refer such debt in all or part to the Department of the Treasury, before a final loss claim is determined.

Dated: January 14, 2004.

John Rosso,

Administrator, Rural Business-Cooperative Service.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 2003–NM–275–AD; Amendment 39–13436; AD 2004–02–01]

RIN 2120–AA64

Airworthiness Directives; Gulfstream Model G–V Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This amendment adopts a new airworthiness directive (AD) that is applicable to certain Gulfstream Model G–V series airplanes. This action requires a one-time inspection of the landing gear selector dump valve (LGSDV) to determine the serial number (S/N). For any part with an affected S/N, or for any part for which the S/N cannot be determined, this action requires replacing the LGSDV with a cleaned part having an S/N within the affected range; or replacing the LGSDV with a new or serviceable part that has an S/N outside the affected range. This action is necessary to prevent uncommanded unlocking of the landing gear, which could result in collapse of the landing gear. This action is intended to address the identified unsafe condition.

DATES: Effective February 6, 2004.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of February 6, 2004.