

Proposed Regulations

For reasons set out in the preamble, the Coast Guard proposes to amend 33 CFR Part 165 as follows:

PART 165—[AMENDED]

1. The authority citation for part 165 continues to read as follows:

Authority: 33 U.S.C. 1231; 50 U.S.C. 191; 33 CFR 1.05–1(g), 6.04–1, 6.04–6, and 160.5; 49 CFR 1.46.

2. A temporary § 165.T01–072, is added to read as follows:

§ 165.T01–072 Safety Zone; New York Super Boat Race, Hudson River, New York and New Jersey.

(a) *Location.* All waters of the Lower Hudson River between Pier 76 in Manhattan and a point of the New Jersey shore in Weehawken, New Jersey at 40°45'52"N latitude, 074°01'01"W longitude and north of a line connecting the following points:

<i>Latitude</i>	<i>Longitude</i>
40°42'16.0" N	074°01'09.0" W, then south to
40°41'55.0" N	074°01'16.0" W, then west to
40°41'47.0" N	074°01'36.0" W, then northwest to
40°41'55.0" N	074°01'59.0" W, then to shore at
40°42'20.5" N (NAD 83)	074°02'06.0" W

(b) *Effective period.* This safety zone is in effect on Sunday, September 8, 1996, from 12 p.m. until 4 p.m., unless extended or terminated sooner by the Captain of the Port New York.

(c) *Regulations.* (1) The general regulations contained in § 165.23 apply.

(2) All persons and vessels shall comply with the instructions of the Coast Guard Captain of the Port or the designated on scene patrol personnel. U.S. Coast Guard patrol personnel include commissioned, warrant, and petty officers of the Coast Guard. Upon being hailed by a U.S. Coast Guard vessel via siren, radio, flashing light, or other means, the operator of a vessel shall proceed as directed.

Dated: July 18, 1996.

Richard C. Vlaun,

Captain, U.S. Coast Guard, Captain of the Port, New York.

[FR Doc. 96–19746 Filed 8–2–96; 8:45 am]

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DEPARTMENT OF VETERANS AFFAIRS**38 CFR Part 1**

RIN 2900–AF29

Reduction of Debt Through the Performance of Work-Study Services

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: The Department of Veterans Affairs (VA) proposes to amend its general regulations to provide that the money payable for performance of work-study services may be offset against an individual's outstanding debt to the United States arising from participation in educational and vocational rehabilitation programs VA administers. This would help veterans pay outstanding debts to the United States.

DATES: Comments must be received on or before October 4, 1996.

ADDRESSES: Mail or hand deliver written comments to: Director, Office of Regulations Management (02D), Department of Veterans Affairs, 810 Vermont Ave., NW., Room 1154, Washington, DC 20420. Comments should indicate that they are submitted in response to "RIN 2900–AF29." All written comments will be available for public inspection at the above address in the Office of Regulations Management, Room 1158, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays).

FOR FURTHER INFORMATION CONTACT: June C. Schaeffer, Assistant Director for Policy and Program Administration, Education Service, Veterans Benefits Administration, Department of Veterans Affairs, 810 Vermont Ave., NW., Washington, DC 20420, (202) 273–7187.

SUPPLEMENTARY INFORMATION: Participants in some VA education programs and in the VA vocational rehabilitation program have been able to supplement their educational assistance by performing VA-related work services. An eligible individual contracts with VA to perform work and receives payment for that work.

In 1991 the governing statute, 38 U.S.C. 3485, was amended to allow VA to adopt a method by which individuals who are indebted to VA for overpayments of education or rehabilitation benefits may reduce their debt by entering into an agreement to provide work-study services. The money otherwise payable for the performance of these services would be used to eliminate their outstanding indebtedness. VA is authorized by the statute to waive certain requirements of

law which normally would apply to individuals participating in a work-study program, and to waive various provisions of law which apply to payment or offset of a debt owed to VA. VA is proposing to exercise this authority as described in the proposed rule.

The statute gives VA authority to waive, in whole or in part, the limitations otherwise contained in 38 U.S.C. 3485(a) concerning the number of hours and periods during which work-study services can be performed. Section 3485(a) permits work-study performance during or between enrollment periods, but limits the number of hours to be worked to 25 times the number of weeks in the enrollment period. For those performing work-study services in order to liquidate a debt, but who currently may not be enrolled in school, VA finds no reason to limit those work-study contracts by the number of weeks in a school term. Thus, VA proposes to waive that restriction. The Department proposes to allow maximum flexibility for the debtor while at the same time facilitating collection and program administration. Accordingly, proposed § 1.929(d) would allow the hours worked to be as much as 40 times the number of weeks in the contract, while limiting the contract period in which the work-study services are to be performed to the lesser of the number of weeks needed to liquidate the debt or 52 weeks.

When an individual is performing work-study services to liquidate a debt, VA also is permitted by 38 U.S.C. 3485 to waive its usual practice of collection of the debt by offset of other benefits to which the individual may be entitled. In order to simplify administration and encourage individuals who may have limited cash resources to liquidate debt through performance of work-study services, VA has chosen to exercise the waiver. This issue is addressed in proposed § 1.929(f).

The primary purpose of the work-study program is to provide eligible persons a means of obtaining additional subsistence or educational assistance funds to enable them to continue their programs of education. Therefore, VA proposes that in localities where only a limited number of work-study positions are available, those individuals actually in school will be given preference over those who are not in school. This ensures that the granting of work-study contracts to debtors to liquidate their debts will not deny deserving persons in school who have not defaulted on their obligations to VA the economic

assistance of the work-study benefit, as originally intended by the law.

VA interprets the authorizing statute as permitting it to approve only those types of work-study services that are VA-related such as working in a VA regional office, working on a school campus with veteran's records or in a VA hospital.

The Secretary of Veterans Affairs hereby certifies that this proposed rule, if promulgated, would not have significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. This proposed rule would directly affect only individuals and would not directly affect small entities. Pursuant to 5 U.S.C. 605(b), the proposed rule, therefore, is exempt from the initial and final regulatory flexibility analyses requirements of sections 603 and 604.

This proposed rule has been reviewed by the Office of Management and Budget under the provisions of Executive Order 12866.

The Catalog of Federal Domestic Assistance numbers for the programs affected by the proposed rule are 64.111, 64.117, 64.120 and 64.124.

List of Subjects in 38 CFR Part 1

Administrative practice and procedure, Cemeteries, Claims, Employment, Flags, Freedom of information, Government contracts, Government employees, Government property, Inventions and patents, Investigations, Privacy, Seals and insignia.

Approved: April 24, 1996.

Jesse Brown,

Secretary of Veterans Affairs.

For the reasons set out in the preamble, 38 CFR part 1 is proposed to be amended as set forth below:

PART 1—GENERAL PROVISIONS

1. The authority citation for part 1, §§ 1.910 to 1.921 continues to read as follows:

Authority: Sections 1.910 to 1.921 issued under 72 Stat. 1114; 38 U.S.C. 501.

2. Section 1.929 is added to read as follows:

§ 1.929 Reduction of debt through performance of work-study services.

(a) *Scope.* (1) Subject to the provisions of this section VA may allow an individual to reduce an indebtedness to the United States through offset of benefits to which the individual becomes entitled by performance of work-study services under 38 U.S.C. 3485 and 3537 when the debt arose by

virtue of the individual's participation in a benefits program provided under any of the following:

- (i) 38 U.S.C. chapter 30;
- (ii) 38 U.S.C. chapter 31;
- (iii) 38 U.S.C. chapter 32;
- (iv) 38 U.S.C. chapter 34;
- (v) 38 U.S.C. chapter 35;
- (vi) 38 U.S.C. chapter 36 (other than an education loan provided under

subpart F, part 21 of this title); or

- (vii) 10 U.S.C. chapter 1606 (other than an indebtedness arising from a refund penalty imposed under 10 U.S.C. 16135).

(2) This section shall not apply in any case in which the individual has a pending request for waiver of the debt under §§ 1.950 through 1.970.

(Authority: 38 U.S.C. 3485(e)(1); Pub. L. 102-16)

(b) *Selection criteria.* If there are more candidates for a work-study allowance than there are work-study positions available in the area in which the services are to be performed:

(1) VA will give priority to the candidates who are pursuing a program of education or rehabilitation.

(2) Only after all candidates in the area described in paragraph (b)(1) of this section either have been given work-study contracts or have withdrawn their request for contracts will VA offer contracts to those who are not pursuing a program of education or rehabilitation and who wish to reduce their indebtedness through performance of work-study services.

(3) VA shall not offer a contract to an individual who is receiving compensation from another source for the work-study services the individual wishes to perform.

(4) VA shall not offer a contract to an individual if VA determines that the debt can be collected through other means such as collection in a lump sum, collection in installments as provided in § 1.917 or compromise as provided in § 1.918.

(Authority: 38 U.S.C. 3485(e); Pub. L. 102-16)

(c) *Utilization.* The work-study services to be performed under a debt-liquidation contract will be limited as follows:

(1) If the individual is concurrently receiving educational assistance in a program administered by VA, work-study services are limited to those allowed in the educational program under which the individual is receiving benefits.

(2) If the individual is not concurrently receiving educational assistance in a program administered by

VA, the individual may perform only those work-study services and activities which are or were open to those students receiving a work-study allowance while pursuing a program of education pursuant to the chapter under which the debt was incurred.

(Authority: 38 U.S.C. 3485(e); Pub. L. 102-16)

(d) *Contract to perform services.* (1) The work-study services performed to reduce indebtedness shall be performed pursuant to a contract between the individual and VA.

(2) The individual shall perform the work-study services required by the contract at the place or places designated by VA.

(3) The number of hours of services to be performed under the contract must be sufficient to enable the individual to become entitled to a sum large enough to liquidate the debt by offset.

(4) The number of weeks in the contract will not exceed the lesser of—

- (i) The number of weeks of services the individual needs to perform to liquidate his or her debt; or
- (ii) 52.

(5) In determining the number of hours per week and the number of weeks under paragraphs (d)(3) and (d)(4) of this section necessary to liquidate the debt, VA will use the amount of the account receivable, including all accrued interest, administrative costs and marshal fees outstanding on the date the contract is offered to the individual and all accrued interest, administrative costs and marshal fees VA estimates will have become outstanding on the debt on the date the debt is to be liquidated.

(6) The contract will automatically terminate after the total amount of the individual's indebtedness described in paragraph (d)(5) of this section has been recouped, waived, or otherwise liquidated. An individual performing work-study services under a contract to liquidate a debt is released from the contract if the debt is liquidated by other means.

(7) The contract to perform work-study services for the purpose of liquidating indebtedness will be terminated if:

(i) The individual is liquidating his or her debt under this section while receiving either an educational assistance allowance for further pursuit of a program of education or a subsistence allowance for further pursuit of a program of rehabilitation;

(ii) The individual terminates or reduces the rate of pursuit of his or her program of education or rehabilitation; and

(iii) The termination or reduction causes an account receivable as a debt owed by the individual.

(8) VA may terminate the contract at any time the individual fails to perform the services required by the contract in a satisfactory manner.

(Authority: 38 U.S.C. 3485(e), 7104(a); Pub. L. 102-16)

(e) *Reduction of indebtedness.* (1) In return for the individual's agreement to perform hours of services totaling not more than 40 times the number of weeks in the contract, VA will reduce the eligible person's outstanding indebtedness by an amount equal to the higher of—

(i) The hourly minimum wage in effect under section 6(a) of the Fair Labor Standards Act of 1938 times the number of hours the individual works; or

(ii) The hourly minimum wage under comparable law of the State in which the services are performed times the number of hours the individual works.

(2) VA will reduce the individual's debt by the amount of the money earned for the performance of work-study services after the completion of each 50 hours of services (or in the case of any remaining hours required by the contract, the amount for those hours).

(Authority: 38 U.S.C. 3485(e); Pub. L. 102-16)

(f) *Suspension of collections by offset.* Notwithstanding the provisions of § 1.912a, during the period covered by the work-study debt-liquidation contract with the individual, VA will ordinarily suspend the collection by offset of a debt described in paragraph (a)(1) of this section. However, the individual may voluntarily permit VA to collect part of the debt through offset against other benefits payable while the individual is performing work-study services. If the contract is terminated before its scheduled completion date, and the debt has not been liquidated, collection through offset against other benefits payable will resume on the date the contract terminates.

(Authority: 38 U.S.C. 3485(e); Pub. L. 102-16)

(g) *Payment for additional hours.* (1) If an individual, without fault on his or her part, performs work-study services for which payment may not be authorized, including services performed after termination of the contract, VA will pay the individual at the applicable hourly minimum wage for such services as the Director of the VA field station of jurisdiction determines were satisfactorily performed.

(2) The Director of the VA field station of jurisdiction shall determine whether the individual was without fault. In making this decision he or she shall consider all evidence of record and any additional evidence which the individual wishes to submit.

(Authority: 38 U.S.C. 3485(e); Pub. L. 102-16)

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[MO 007-1007; FRL-5547-4]

Approval and Promulgation of Implementation Plans; State of Missouri

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA is proposing to approve new Missouri rule 10 CSR 10-2.360, "Emission Restrictions for Bakeries," as a revision to the Missouri State Implementation Plan (SIP). This rule restricts volatile organic compound (VOC) emissions from large commercial bakery operations in the Kansas City area.

DATES: Comments must be received on or before September 4, 1996.

ADDRESSES: Comments may be mailed to Mr. Joshua A. Tapp, Environmental Protection Agency, Air Branch, 726 Minnesota Avenue, Kansas City, Kansas 66101.

FOR FURTHER INFORMATION CONTACT: Mr. Joshua A. Tapp at (913) 551-7606.

SUPPLEMENTARY INFORMATION: The Clean Air Act requires states to apply reasonably available control technology (RACT) to major sources (sources emitting greater than 100 tons per year) of VOCs to reduce such emissions in ozone nonattainment areas. RACT is defined as the lowest emissions limit that a particular source is capable of meeting by the application of control technology that is both reasonably available, as well as technologically and economically feasible.

Kansas City was designated as an ozone nonattainment area in 1978. The Missouri Department of Natural Resources (MDNR) submitted a Part D ozone attainment SIP in 1979. This SIP was fully approved by the EPA; however, violations of the ozone national ambient air quality standards were recorded after the attainment date, causing the EPA to notify Kansas and

Missouri that the Kansas City SIP was substantially inadequate to meet the standard in February 1985 (50 FR 26198, June 25, 1985). The effect of the SIP call, as stated in the EPA guidance dated January 1984 entitled "Guidance Document for the Correction of Part D SIPs for Nonattainment Areas," and the November 24, 1987, "Post-1987 Policy," is that Kansas City and other such areas were required to have RACT in place for all major sources, whether or not they belonged to a control technique guideline (CTG) source category.

Kansas City was redesignated to attainment on June 23, 1992, with the assumption that all existing major sources had RACT controls. Recently, MDNR discovered a large, uncontrolled commercial bakery located in Kansas City. Since bakery operations emit significant amounts of ethanol, which is a VOC, this source should have been addressed prior to redesignation.

The EPA recently developed an Alternative Control Technology (ACT) document which is designed to provide states with background information to assist them in developing RACT rules for this source category. This ACT document examines the baking process and the feasibility of various VOC control strategies. Unlike a CTG document, however, this document does not identify a presumptive norm for RACT. An achievable control level is identified, and states are given the flexibility to select controls strategies.

Region VII has determined that Missouri rule 10 CSR 10-2.360 meets Federal requirements for RACT for commercial bakeries because it requires achievable control levels consistent with the EPA's ACT document. Specifically, Missouri's rule requires a minimum of 80 percent VOC destruction and contains provisions addressing compliance determinations and recordkeeping.

EPA ACTION

The EPA is proposing to approve rule 10 CSR 10-2.360 as a revision to the Missouri SIP.

Nothing in this action should be construed as permitting or allowing or establishing a precedent for any future request for revision to any SIP. Each request for revision to the SIP shall be considered separately in light of specific technical, economic, and environmental factors, and in relation to relevant statutory and regulatory requirements.

Under the Regulatory Flexibility Act, 5 U.S.C. 600 *et seq.*, the EPA must prepare a regulatory flexibility analysis assessing the impact of any proposed or final rule on small entities (5 U.S.C. 603 and 604). Alternatively, the EPA may