

Agency automatic (1%) contributions means contributions made pursuant to 5 U.S.C. 8432(c)(1) or 5 U.S.C. 8432(c)(3).

Agency matching contributions means contributions made pursuant to 5 U.S.C. 8432(c)(2).

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Employer contributions means agency automatic (1%) contributions and agency matching contributions.

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Forfeitures means amounts forfeited pursuant to 5 U.S.C. 8432(g)(2) and other nonstatutory forfeited amounts, net of restored forfeited amounts.

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Month-end account balance means the value, as of the allocation date, of the funds for each source of contributions in each investment fund, including all earnings, and any forfeiture, restored forfeited amount, adjustment, earnings correction, loan, withdrawal, or interfund transfer transactions posted as of the allocation date.

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Source means the origin of any one of the three types of contributions that are made to the Fund on behalf of participants—employee contributions, agency automatic (1%) contributions, or agency matching contributions.

* * * * *

Valuation period means the calendar month during which earnings accrue.

3. Section 1645.2 is revised to read as follows:

§ 1645.2 Posting of receipts.

Agency and employee contributions and loan repayments will be posted by source and by investment fund to the appropriate individual account on the day they are processed by the recordkeeper.

§ 1645.3 [Amended]

4. Section 1645.3 is amended by revising references to "Investment Fund" to read "investment fund" wherever they appear.

5. Section 1645.4 is revised to read as follows:

§ 1645.4 Administrative expenses attributable to each investment fund.

A portion of administrative expenses accrued during each valuation period will be charged to each investment fund. The investment funds' respective portions will be determined as follows:

(a) Investment managers' fees and other accrued administrative expenses attributable only to the C or F Fund will be charged to the C or F Fund, respectively;

(b) All other accrued administrative expenses will be reduced by forfeitures

and earnings on forfeitures accrued during the valuation period;

(c) The amount of accrued administrative expenses not covered by forfeitures under paragraph (b) of this section will be charged on a *pro rata* basis to the investment funds, based on the respective investment fund balances on the last day of the prior valuation period.

6. Section 1645.5 is revised to read as follows:

§ 1645.5 Basis for allocation of earnings.

(a) *Individual account basis.* Except for the amounts described in paragraph (b) of this section, the individual account basis on the earnings allocation date for each source of contributions in each investment fund equals:

(1) The month-end account balance as of the previous allocation date; plus

(2) One-half of contributions posted to the individual account during the current valuation period (except for contributions referred to in paragraph (b) of this section); plus

(3) One-half of all loan repayments posted to the individual account during the current valuation period.

(b) *Inclusion of retroactive contributions.* The individual account basis for agency automatic (1%) contributions will also include all amounts attributable to retroactive contributions that are made to the individual account pursuant to 5 U.S.C. 8432(c)(3) and that are processed by the recordkeeper during the current valuation period.

(c) *Computation of fund basis.* For each valuation period, the total fund basis for each investment fund will be the sum of all individual account bases for all sources of contributions in that investment fund, calculated as described in paragraphs (a) and (b) of this section.

7. In § 1645.6, paragraph (a) is revised and paragraph (b) is republished to read as follows:

§ 1645.6 Earnings allocation for individual accounts.

(a) *Computation of earnings for each individual account.* Earnings for each source of contributions for each investment fund will be allocated to each individual account separately. The total net earnings for each investment fund (as computed under § 1645.3) will be divided by the total fund basis for that investment fund (as computed under § 1645.5(c)). The resulting number (the "allocation factor") will be multiplied by the individual account basis for the respective source of contributions in that investment fund (as computed under § 1645.5(a)), to

determine the individual account earnings for the valuation period attributable to that source of contributions in that investment fund. The earnings of the individual account for each source of contributions in each investment fund, when added together, will constitute the earnings for that individual account during the valuation period.

(b) *Residual net earnings.* Amounts allocated to individual accounts may not exceed the total amount of earnings available to be allocated. To avoid allocating excessive amounts, computation of earnings for individual accounts described in paragraph (a) of this section will not include fractions of a cent. Residual net earnings attributable to unallocated fractions of a cent will be allocated with the earnings for the following valuation period.

8. Section 1645.7 is revised to read as follows:

§ 1645.7 Posting of earnings to individual accounts.

For each source of contributions for each investment fund, the amount of earnings computed for each individual account in a valuation period, as described in § 1645.6, will be posted to the individual account as of the allocation date.

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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 0560-AE93

Handling Payments From the Farm Service Agency (FSA) to Delinquent FSA Farm Credit Program Borrowers

AGENCY: Farm Service Agency, USDA.

ACTION: Proposed rule.

SUMMARY: This rule proposes to revise regulations which establish the requirements for the use of administrative offset to collect delinquent debts due under programs formerly administered by the Farmers Home Administration. The proposed action will eliminate the existing provisions contained in the regulation and the Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service and Farm Service

Agency (the Agencies) will instead adhere to the requirements in the existing United States Department of Agriculture administrative offset regulations. This revision will eliminate the requirement that a borrower's account must be accelerated prior to offset of payments to delinquent borrowers.

DATES: Comments on the proposed rule, or comments on alternatives to this proposal, must be received on or before September 16, 1996. The comment period was reduced to allow for publication of a final rule prior to the distribution of income supplementation and enhancement program payments by the Farm Service Agency in September 1996. Comments on the information collection requirements of this rule must be received on or before October 29, 1996 to be assured of consideration.

ADDRESSES: Send comments on the proposed rule to: Director, Farm Credit Programs Loan Servicing and Property Management Division (LSPMD), Farm Service Agency (FSA), U.S. Department of Agriculture (USDA), room 5449-S, P.O. Box 2415, Stop 0523, Washington, D.C. 20013-2415. Comments on the information collection requirements of this proposed rule must be sent to the Office of Management and Budget (OMB) at the address listed in the Paperwork Reduction Act section of this preamble and to the Department address listed after the OMB address.

FOR FURTHER INFORMATION CONTACT: Phillip Elder, Senior Loan Officer, USDA, FSA, Farm Credit Programs Loan Servicing Division, P.O. Box 2415, Stop 0523, Washington, D.C. 20013-2415, telephone (202) 720-9053.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This rule has been reviewed under Executive Order 12866 has been determined to be a significant regulatory action, and has been reviewed by the Office of Management and Budget.

Executive Order 12372

The programs to which this Executive Order may apply are listed in the Catalog of Federal Domestic Assistance under the following:

- 10.104 Emergency Loans
- 10.405 Farm Labor Housing Loans
- 10.406 Farm Operating Loans
- 10.407 Farm Ownership Loans
- 10.410 Low Income Housing Loans
- 10.411 Rural Housing Site Loans
- 10.414 Resource Conservation Development Loans
- 10.415 Rural Rental Housing Loans
- 10.416 Soil and Water Loans
- 10.417 Very Low-Income Housing repair Loans and Grants

- 10.418 Water and Waste Disposal Systems for Rural Communities
- 10.419 Watershed Protection and Flood Prevention Loans
- 10.420 Rural Self-Help Housing Loans
- 10.421 Indian Tribes and tribal Corporation Loans
- 10.422 Business and Industry Loans
- 10.423 Community Facility Loans
- 10.427 Rural rental Housing Assistance Grants
- 10.428 Economic Emergency Loans
- 10.433 Housing Preservation Grants
- 10.434 Nonprofit Organizations
- 10.435 Agricultural Loan Mediation Program

Programs listed under numbers 10.404, 10.406, 10.407, 10.410, 10.417, 10.421, 10.428, and 10.435 are not subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. (7 CFR Part 3015, subpart V, 48 FR 29115, June 24, 1983).

Programs listed under the numbers 10.405, 10.411, 10.414, 10.415, 10.416, 10.418, 10.419, 10.420, 10.422, 10.423, 10.427, 10.433, and 10.434 are subject to and have met the provisions of Executive Order 12372. (7 CFR 3015, subpart V, 48 FR 29112, June 24, 1983; 49 FR 22675, May 31, 1984; 50 FR 14088, April 10, 1985.)

Environmental Impact Statement

It is the determination of the issuing agencies that this action is not a major Federal action significantly affecting the environment and, in accordance with the National Environmental Policy Act of 1969, Public Law 91-190, an Environmental Impact Statement is not required.

Executive Order 12778

This proposed rule has been reviewed in accordance with Executive Order 12778, 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 parts 11 and 780 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.

Regulatory Flexibility Act

The issuing Agencies are not required by 5 U.S.C. 553, or any other provision of law, to publish a notice of proposed rulemaking to effect these administrative changes.

Paperwork Reduction Act

The amendments to 7 CFR part 1951 set forth in this proposed rule involve a change in existing information collection requirements which were previously approved by OMB under the provisions of 44 U.S.C. 35 and assigned OMB Control Number 0575-0119. The regulations containing the information collection approved under 0575-0119 are jointly owned by the Agencies issuing this rule as a result of the recent reorganization of USDA. A review of 0575-0119 has resulted in a division of the information collection requirements currently approved and a request for approval of the revised collection has been submitted to OMB.

OMB Control Number: 0560—New.

Title: Offsets of Federal Payments to FmHA Borrowers.

Type of Request: Revision of Currently Approved Information Collection.

Abstract: 7 CFR part 1951, subpart C, requires that a borrower's account be accelerated and the borrower's appeal rights exhausted before offsetting any payments to be received by the borrower. The Department of Agriculture Reorganization Act combined the farm credit functions of FmHA and the former Agricultural Stabilization and Conservation Service (ASCS), into the Farm Service Agency (FSA). This results in FSA making payments generated from participation in the former ASCS programs to the same farmer or rancher that is delinquent on his debts to the Agency. Acceleration of a borrower's account is one of the last steps FSA takes before liquidating the account. This process may take years while the borrower continues to receive payments from FSA.

This rule proposes to remove the existing administrative offset regulation which was used by the Agencies when they were a part of the former Farmers Home Administration (FmHA). The Department of Agriculture has an existing administrative offset regulation at 7 CFR part 3, subpart B and the administrative offset regulation of the former FmHA in 7 CFR part 1951, subpart C is redundant. The Department of Agriculture regulation complies with the requirements of 31 U.S.C. 3716, as amended by the Debt Collection Improvement Act of 1996, ch. 10 of Pub. L. 104-134 (April 26, 1996).

One intended effect of using the existing Department of Agriculture administrative offset procedure is that the Department procedure does not contain the restrictive provision of the former FmHA offset regulation which

requires the debt to have been accelerated prior to using administrative offset. There is no statutory basis for delaying offset until after a loan has been accelerated and the Department administrative offset procedure will permit offset to be utilized for debts which are past due. The information collection requirements for this type of internal agency offset will decrease, due to the development of a shortened notification letter, streamlining of the offset appeal process, and the reduction of the number of notices and number of meetings offered. However, the easing of offset procedures will greatly increase the number of FSA borrowers that receive notices and accounts that are offset. For example, as of March 30, 1996, 1,588 FSA borrowers were accelerated, whereas 27,180 borrowers were past due.

Estimate of Burden: Public reporting burden for this information collection is estimated to average 2.35 hours per response.

Respondents: FSA Farm Credit Programs borrowers that are over 30 days past due.

Estimated Number of Respondents: 13,000.

Estimated Number of Responses per Respondent: 1.

Estimated Total Annual Burden on Respondents: 30,500 hours.

Estimated Annual Cost to the Public: \$377,000.

Comments regarding the following issues should be sent to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503 and to Phillip D. Elder, Senior Loan Officer, Loan Servicing Division, Farm Service Agency, USDA, P.O. Box 2415, Ag Box Code 0523, Washington, D.C. 20013-2415; telephone (202) 720-9053: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of burden including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Copies of the information collection may be obtained from Phillip Elder at the above address. All responses to this notice will be summarized and included

in the request for OMB approval. All comments will also become a matter of public record.

OMB is required to make a decision concerning the collection of information contained in these proposed regulations between 30 and 60 days after publication of this document in the Federal Register. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment to the Department on the proposed regulations.

Unfunded Mandates

Title II of the Unfunded Mandate Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments or the private sector. Under section 202 of the UMRA, agencies generally 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, and tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any 1 year. When such a statement is needed for a rule, section 205 of the UMRA generally requires agencies 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.

The 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. Thus, today's rule is not subject to the requirements of sections 202 and 205 of the UMRA.

Discussion of Proposed Rule

The proposed changes involve the credit programs formerly administered by FmHA. Under the authority of the Department of Agriculture Reorganization Act of 1994, Pub. L. 10-354 (October 10, 1994), FmHA was abolished on October 20, 1994, and its functions were transferred to the Agencies.

This rule proposes to remove the existing administrative offset regulation which was used by the Agencies when they were a part of the former FmHA. The Department of Agriculture has an existing administrative offset regulation at 7 CFR part 3, subpart B and the administrative offset regulation of the former FmHA in 7 CFR part 1951, subpart C is redundant. The Department of Agriculture regulation complies with

the requirements of 31 U.S.C. 3716, as amended by the Debt Collection Improvement Act of 1996, chapter 10 of Pub. L. 104-134 (April 26, 1996) and satisfies the administrative offset needs of the Agencies.

Section 1951.103(b) of Title 7 of the Code of Federal Regulations, which is part of the existing administrative offset procedure which the Agencies are proposing to remove, requires a borrower's account to have been accelerated prior to the use of administrative offset to collect part of the past due debt. One of the intended effects of this proposed rule is to eliminate the acceleration prerequisite to the use of administrative offset. The Department of Agriculture administrative offset regulation does not impose such a prerequisite. There is no statutory requirement that a past due account must have been accelerated prior to offsetting a borrower's federal payments.

Specifically, the acceleration prerequisite to administrative offset means that a FSA farm credit program borrower's account has to be accelerated and the borrower's appeal rights exhausted before FSA can offer any contract payments received by the borrower from programs of the former Agricultural Stabilization and Conservation Service (ASCS) (contract payments). Acceleration is one of the last steps FSA takes before liquidating a farm credit program borrower's account. This process may take years while the borrower continues to receive contract payments. After the reorganization of ASCS and FmHA into FSA, an acceleration prerequisite results in the incongruous situation of FSA having to make substantial contract payments to a farmer or rancher that is seriously delinquent on his or her farm program debts to FSA.

FSA proposes to remove the acceleration barrier to administrative offset in order to enhance collection of delinquent debts thereby reducing losses. While FSA could have revised the existing administrative offset procedure in 7 CFR part 1951, subpart C, this would mean continuing a regulation which is redundant with the existing Department of Agriculture administrative offset regulation. Removing unnecessary regulations is a goal of the National Performance Review, so the Agencies have determined that the adoption of the Department of Agriculture administrative offset regulation will serve the dual purpose of eliminating redundancy and removing the acceleration prerequisite to administrative offset.

While section 534 of the Housing Act of 1949 requires that regulations issued pursuant to title V of the Housing Act of 1949 generally must be published for a 60-day comment period, this regulation is being proposed to implement 31 U.S.C. 3716, not the Housing Act of 1949. Therefore, the notice and comment provisions of section 534 are inappropriate to this regulation.

List of Subjects in 7 CFR Part 1951

Accounting, Accounting Servicing, Credit, Loan Programs—Agriculture, Loan Programs—Housing and community development, Low and moderate income housing loans—Servicing.

Accordingly, 7 CFR part 1951 is proposed to be amended as follows:

PART 1951—GENERAL

1. The authority citation for part 1951 is revised to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1989; 42 U.S.C. 1480.

2. The title of part 1951, subpart C is revised to read as follows:

Subpart C—Offsets of Federal Payments to Agency Borrowers

3. Section 1951.102 is revised to read as follows:

§ 1951.102 Administrative offset.

Action to effect administrative offset to recover delinquent claims may be taken in accordance with the procedures in 7 CFR part 3, subpart B.

4. Sections 1951.103 through 1951.105 are removed and reserved.

Signed in Washington, DC, on August 23, 1996.

Jill Long Thompson,

Under Secretary for Rural Development.

Eugene Moos,

Under Secretary for Farm and Foreign Agriculture Services.

[FR Doc. 96-22160 Filed 8-29-96; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 96-NM-29-AD]

RIN 2120-AA64

Airworthiness Directives; Airbus Model A320 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This document proposes the adoption of a new airworthiness directive (AD) that is applicable to certain Airbus Model A320 series airplanes. This proposal would require repetitive inspections to detect wear of the inboard flap trunnions, and modification or replacement, if necessary. This proposal would also require the eventual modification of the trunnions, which would terminate the repetitive inspections. This proposal is prompted by reports of wear damage found on the inboard flap drive trunnions that was caused by chafing of the Teflon rollers of the chain that actuates the sliding panel of the fairing. The actions specified by the proposed AD are intended to prevent such chafing and resultant wear damage, which could result in the failure of the trunnion primary load path; this would adversely affect the fatigue life of the secondary load path and could lead to loss of the flap.

DATES: Comments must be received by October 8, 1996.

ADDRESSES: Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-103, Attention: Rules Docket No. 96-NM-29-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056. Comments may be inspected at this location between 9:00 a.m. and 3:00 p.m., Monday through Friday, except Federal holidays.

The service information referenced in the proposed rule may be obtained from Airbus Industrie, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

FOR FURTHER INFORMATION CONTACT: Tim Backman, Aerospace Engineer, Standardization Branch, ANM-113, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (206) 227-2797; fax (206) 227-1149.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications shall identify the Rules Docket number and be submitted in triplicate to the address specified above. All communications received on or before the closing date

for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this notice may be changed in light of the comments received.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons. A report summarizing each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 96-NM-29-AD." The postcard will be date stamped and returned to the commenter.

Availability of NPRMs

Any person may obtain a copy of this NPRM by submitting a request to the FAA, Transport Airplane Directorate, ANM-103, Attention: Rules Docket No. 96-NM-29-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056.

Discussion

The Direction Générale de l'Aviation Civile (DGAC), which is the airworthiness authority for France, recently notified the FAA that an unsafe condition may exist on certain Airbus Model A320 series airplanes. The DGAC advises that several operators have found wear marks on the inboard drive flap trunnions (both left-hand and right-hand) during removal and inspection of the inboard flaps. Investigation has revealed that such wear is caused by chafing of the Teflon rollers of the drive chain that actuates the sliding panel on the track No. 1 fairing. This chafing and resultant wear damage, if not corrected, could result in the failure of the trunnion primary load path. This failure would adversely affect the fatigue life of the secondary load path and, consequently, could lead to the loss of the flap.

Explanation of Relevant Service Information

Airbus has issued Service Bulletin A320-27-1066, dated March 7, 1994; and Revision 1, dated February 21, 1995. These service bulletins describe a program for conducting repetitive inspections to detect wear damage of the inboard flap trunnions. The interval for conducting each inspection depends