

In considering this proposal, the Council has consulted with several Federal agencies and some recipients subject to the Circular. However, OMB and the Council are interested in soliciting comments from the broader grants community, learning how pooled and grant-by-grant payment systems affect Federal agencies and recipients, as well as what specific problems or benefits are created for recipients under the two systems.

This proposal will not affect the policy recently adopted by the Council that each civilian agency permit recipients the option of using one of two governmentwide payment systems, the Automated Standard Application for Payments (ASAP) system managed by the Department of the Treasury, and the Payment Management System (PMS) operated by the Department of Health and Human Services (HHS). Both of these systems have the ability to track either pooled or award-by-award payment requests.

The Pooled Payment System

Under a pooled payment process, the recipient estimates the aggregate amount of cash that it will need for all its Federal awards from each awarding agency and requests a draw in that amount. The draw is then allocated among all the awards based on a formula. When recipients report expenditures, the allocation is adjusted to the actual reported expenditures.

The Council found that two major agencies currently using the pooling method—HHS and the National Science Foundation—believe it provides a more efficient and customer-friendly method of drawing cash for grant purposes. Recipients report individual cash expenditures for each grant via a financial report such as the Standard Form (SF) 269 (Financial Status Report) or SF-272 (Report of Federal Cash Transactions). Many recipients have expressed an inability to accurately determine cash needs on a grant-by-grant basis at the time of draw. Requiring this determination “up front” may cause recipients to draw larger amounts of cash, less frequently, resulting in poor management of Federal funds.

Grant-By-Grant Payment Systems

Other Federal agencies have developed systems that require recipients to request funds on a grant-by-grant basis. Some of these agencies approve the requests on a grant-by-grant basis; pool the individual amounts; and issue payments in the aggregate. At least one agency accepts grant-by-grant payments as reports of cash usage and

records them as expenditures, eliminating the requirement for recipients to submit the SF-272 or, in most cases, the SF-269.

Agencies that use grant-by-grant payment systems believe that agency grant officers have more timely information on payments and can provide more immediate technical assistance to a recipient experiencing problems with a particular grant. These agencies believe that, under pooled payment systems, reports often come in too late for them to be able to help recipients take corrective actions on specific grants.

Effect on Federal Agencies

Federal agencies face some challenges accounting for advances similar to those of their recipients. These challenges include identifying advances to multiple awards. Those agencies that currently use pooling address this challenge by using estimates of how recipients will distribute a pooled payment request among the various grants held by the institution. These estimates are then adjusted to actual when the recipients submit their expense reports (SF-269 or SF-272).

After the agency has made these adjustments, it gains a better understanding of how the recipients are using funds under each specific award. Thus, accurate and timely reporting is essential to the success of any pooling method. For this reason, some agencies believe that a transition from grant-by-grant to pooled payments for their awards must be accompanied by monthly reporting of actual expenditures, in an electronic format, rather than the paper-based quarterly reporting that is currently required by agencies currently using pooled payment systems.

Request for Comment

OMB and the Council seek comments from both recipients and Federal agencies on the merits of pooled payment systems and grant-by-grant payment systems, as well as whether recipients should have this option. Specifically, commenters are asked to respond to the following questions:

1. Would it be worth it to recipients if they were allowed to make pooled payment requests only in exchange for a requirement to electronically report their actual costs on a monthly basis? (Section 52(a)(2)(iv) of the Circular authorizes Federal agencies to require monthly submission of the SF-272 from recipients that receive advances of \$1 million or more annually.)

2. Should the Circular include a minimum number of awards and/or

dollars below which the pooled payment option is not be offered? That is, recipients that only get a few awards, or for only small amounts, would not be offered the option to make pooled payment requests.

3. How might a pool payment system impact the Federal agencies' abilities to monitor the financial performance of recipients, and thus determine program compliance?

4. Should recipients be permitted to determine whether they receive advances on a pooled or grant-by-grant basis, or should Federal agencies continue to make that determination?

Joshua Gotbaum,

Executive Associate Director and Controller.

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BILLING CODE 3110-01-P

PENSION BENEFIT GUARANTY CORPORATION

Privacy Act of 1974; System of Records

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Notice of a new system of records—PBGC-13, Debt Collection—PBGC.

SUMMARY: The Pension Benefit Guaranty Corporation proposes to establish a new system of records maintained pursuant to the Privacy Act of 1974, as amended. The new system of records, PBGC-13, Debt Collection—PBGC, will be maintained to collect debts owed to PBGC by various individuals. A routine use will permit disclosure of records to the United States Department of Treasury for debt collection pursuant to the Debt Collection Improvement Act of 1996.

DATES: Comments on the new system of records must be received on or before May 31, 2000. The new system of records will become effective June 15, 2000, without further notice, unless comments result in a contrary determination and a notice is published to that effect.

ADDRESSES: Comments may be mailed to the Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005-4026, or delivered to Suite 340 at the above address. Comments also may be sent by Internet e-mail to reg.comments@pbgc.gov. Comments will be available for public inspection at the PBGC's Communications and Public Affairs Department, Suite 240.

FOR FURTHER INFORMATION CONTACT: Holli Beckerman Jaffe, Attorney,

Pension Benefit Guaranty Corporation, Office of the General Counsel, 1200 K Street, NW., Washington, DC 20005-4026; 202-326-4123. (For TTY/TDD users, call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

SUPPLEMENTARY INFORMATION: The PBGC proposes to establish a new debt collection system of records entitled PBGC-13, Debt Collection, pursuant to the Privacy Act of 1974, as amended. The new system of records will be maintained to collect debts owed to PBGC by various individuals. A routine use will permit disclosure of certain information about debtors and delinquent debts to the Department of Treasury (Treasury) to facilitate the PBGC's compliance with the transfer and disclosure provisions of the Debt Collection Improvement Act of 1996 (DCIA), 31 U.S.C. 3711(e) & (g). General Routine Uses G1 and G4 through G8, from PBGC's Prefatory Statement of General Routine Uses, last published at 60 FR 57462, 57463-57464 (1995), will also apply to records maintained in PBGC-13.

Section 3711(g) of DCIA requires Federal agencies to transfer any non-tax debt that is over 180 days delinquent to the Department of Treasury for debt collection action. This centralized collection of government-wide debt is called "cross-servicing." Under section 3711(g), Treasury will use all appropriate debt collection tools to collect the debt, including referral to a designated debt collection center or private collection agency, disclosure to a consumer reporting agency, and administrative or tax refund offset.

Section 3711(e) of DCIA requires agencies to disclose information about a debt to a consumer reporting agency. Under cross-servicing, Treasury is authorized to disclose debts to consumer reporting agencies and will do so if the creditor agency has not done so. The PBGC intends, in most cases, to comply with DCIA's requirement to disclose debts to consumer reporting agencies by transferring the debt to Treasury for cross-servicing.

Issued in Washington, DC this 26 day of April, 2000.

David Strauss,

Executive Director, Pension Benefit Guaranty Corporation.

PBGC-13

SYSTEM NAME:

Debt Collection—PBGC.

SECURITY CLASSIFICATION:

Not applicable.

SYSTEM LOCATION:

Pension Benefit Guaranty Corporation, 1200 K Street NW., Washington, DC 20005-4026 and/or field benefit administrator, plan administrator, and paying agent worksites.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Anyone who may owe a debt to the PBGC, including but not limited to: Employees of the PBGC; individuals who are consultants and vendors to the PBGC; participants and beneficiaries in terminating and terminated pension plans covered by Title IV of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and individuals who fraudulently received benefit payments from PBGC.

CATEGORIES OF RECORDS IN THE SYSTEM:

Names; addresses; social security numbers; taxpayer identification numbers; employee number; travel vouchers and related documents filed by employees of the PBGC; invoices filed by consultants and vendors to the PBGC; records of benefit payments made to participants and beneficiaries in terminating and terminated pension plans covered by Title IV of ERISA; and other relevant records relating to the debt including the amount, status, and history of the debt, and the program under which the debt arose. The records listed herein are included only as pertinent or applicable to the individual debtor.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

29 U.S.C. 1302; 31 U.S.C. 3711(e) & (g).

PURPOSE(S):

This system of records is maintained for the purpose of collecting debts owed to PBGC by various individuals, including, but not limited to, the PBGC's employees, consultants and vendors, participants and beneficiaries in terminating and terminated pension plans covered by Title IV of ERISA, and individuals who received benefit payments to which they are not entitled. This system facilitates the PBGC's compliance with the Debt Collection Improvement Act of 1996.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

1. A record from this system of records may be disclosed to the United States Department of Treasury for cross-servicing to effect debt collection in accordance with 31 U.S.C. 3711(e).

General Routine Uses G1 and G4 through G8 (see Prefatory Statement of

General Routine Uses) apply to this system of records.

DISCLOSURE TO CONSUMER REPORTING AGENCIES:

Information may be disclosed to a consumer reporting agency in accordance with 31 U.S.C. 3711(e) (5 U.S.C. 552a(b)(12)).

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Records are maintained in paper and electronic form.

RETRIEVABILITY:

Records are indexed by any one or more of the following: employer identification number; social security number; plan number; and name of debtor, plan, plan sponsor, plan administrator, participant or beneficiary.

SAFEGUARDS:

Paper records are kept in file folders in areas of restricted access that are locked after office hours. Electronic records are stored on computer networks and protected by assigning user identification numbers to individuals needing access to the records and by passwords set by authorized users that must be changed periodically.

RETENTION AND DISPOSAL:

Records relating to the debts of consultants and vendors are destroyed 6 years and 3 months after the date of the voucher.

Records relating to debts of PBGC employees involving payroll, leave, attendance, and travel are maintained for various periods of time, as provided in National Archives and Records Administration General Records Schedules 2 and 9.

Records relating to debts of participants and beneficiaries in terminating and terminated pension plans covered by Title IV of ERISA are transferred to the Washington National Federal Records Center 6 months after either the final payment to a participant and/or beneficiary, or the PBGC's final determination that a participant or beneficiary is not entitled to any benefits, and are destroyed 7 years after such payment or determination.

Records relating to debts of other individuals are maintained until their disposition is authorized by the National Archives and Records Administration.

SYSTEM MANAGER(S) AND ADDRESS:

Director, Financial Operations
Department, Pension Benefit Guaranty

Corporation, 1200 K Street, NW., Washington, DC 20005-4026.

NOTIFICATION PROCEDURE:

Procedures are detailed in PBGC regulations: 29 CFR part 4902.

RECORD ACCESS PROCEDURES:

Same as notification procedure.

CONTESTING RECORD PROCEDURES:

Same as notification procedure.

RECORD SOURCE CATEGORIES:

Subject individual, plan administrators, labor organization officials, firms or agencies providing locator services, and other Federal agencies.

EXEMPTIONS CLAIMED FOR THE SYSTEM:

None.

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BILLING CODE 7708-01-P

POSTAL SERVICE

Retirement Plan for Manually Set Postage Meters

AGENCY: Postal Service.

ACTION: Notice of proposed plan with request for comments.

SUMMARY: The Postal Service recently completed the first phase of a plan to remove insecure postage meters from the marketplace with the decertification of mechanical postage meters. A plan is herewith proposed for the second phase, which is the retirement of manually reset electronic meters. Upon completion of this phase all meters in service will offer enhanced levels of security, thereby greatly reducing the Postal Service's exposure to meter fraud, misuse, and loss of revenue.

DATES: Comments must be received on or before June 15, 2000.

ADDRESSES: Written comments should be mailed or delivered to the Manager, Postage Technology Management, U.S. Postal Service, Room 8430, 475 L'Enfant Plaza SW, Washington DC 20260-2444. Copies of all written comments will be available at the above address for inspection and photocopying between 9 a.m. and 4 p.m. Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Nicholas S. Stankosky, (202) 268-5311.

SUPPLEMENTARY INFORMATION: In 1996 the Postal Service, in cooperation with all authorized postage meter manufacturers, began a phase-out, or decertification, of all mechanical postage meters because of identified cases of indiscernible tampering and misuse. Postal revenues were proven to

be at serious risk. With the recent completion of this initial effort, 776,000 mechanical meters have been withdrawn from service. Recent advances in postage meter technology offer high levels of security, operational reliability, and flexibility for meter users. As a result, the Postal Service is addressing the next category of meter insecurity, namely electronic meters that are manually set by postal employees. Of the current total installed population of 1,587,000 meters, over 92 percent are remotely set through telephone access to a manufacturer's setting center. Customers have recognized the advantages of remote setting, and as a result the marketplace has moved in a positive direction. The remaining 145,000 manually set electronic meters are to be retired and no longer authorized for use as postage evidencing devices. It is the Postal Service's intent to make this an orderly process minimizing impacts on meter users. A schedule has been devised that gives meter users ample time to make timely and intelligent decisions on replacement meters. The Postal Service proposed plan is as follows:

1. Effective February 1, 2000, new placements of manually reset electronic postage meters ceased. The edict applies to new customers as well as existing meter users. All meter manufacturers were notified of this policy and are complying.

2. Meters must be withdrawn at the expiration of a user's lease, with one exception. The Postal Service will allow a lease extension up to December 31, 2001, for any lease which expires during calendar year 2000. No other lease extensions are permitted by the Postal Service. Manufacturers or users cannot avoid meter retirement by the manipulation of leases.

3. Some users currently have multiple-year leases which expire after June 30, 2001. Any meter covered under such a lease may be used until the lease expires.

4. All retired meters must be withdrawn from active service records immediately upon lease expiration. Manufacturers must process PS Form 3601-C, Postage Meter Activity Report, to withdraw the meter effective the lease expiration date.

5. Retired meters must be physically returned to the manufacturer within 30 business days after lease expiration. The use of a retired meter in the time period between the expiration date and when the meter is returned to the manufacturer may result in the cancellation of the user's meter license.

6. Official notification to users explaining this action will be sent

directly by the Manager, Postage Technology Management, Postal Service Headquarters. No other correspondence will be considered to be official.

7. Any manufacturer correspondence to these meter users must be provided to and reviewed by the Manager, Postage Technology Management prior to distribution.

8. Manufacturers will provide the Postal Service with a complete listing of lease expiration dates including those extended under item 2 above.

9. The meters affected by this rule are:

Ascom Hasler

1441
1446
SM1441
SM1446
16410
16410TMS
16413
16463
SM16410
SM16413
SM16463
17563
SM17563
741
SM741
7410
7413
SM7410
SM7413
7560
7563
SM7560
SM7563

Neopost

9212
9212G
9248
9248G
9252
9252G
9257
9257G
9258
9258G
9252U
9257U
9258U
9258UG
9267
9268
9268G

Francotyp-Postalia

7000
7100
7200

Pitney Bowes

6501
6502
6513
B901