



NEWS

Federal Communications Commission
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RULES ADOPTED TO IMPLEMENT DEBT COLLECTION IMPROVEMENT ACT AND GOVERNING APPLICATIONS OR OTHER REQUESTS FOR BENEFITS BY DELINQUENT DEBTORS

Washington, DC – Today the Federal Communications Commission (FCC) released a report and order amending its rules governing the collection of claims owed the United States 47 C.F.R. Part 1 Subpart O.

The new rules incorporate statutory changes adopted in the Debt Collection Improvement Act of 1996 (DCIA), and the implementing regulations adopted by the Departments of Treasury and Justice, adjusted to take into account the special circumstances of debts arising under our auction rules.

The major changes to the Commission's debt collection rules include:

- (a) increasing the maximum dollar amount of claims that can be compromised, suspended, or terminated by the agency and the minimum dollar amount of claims that may be referred to Department of Justice;
- (b) modifying the procedures for the transfer or referral of delinquent debt to the Department of Treasury or Treasury-designated debt collection centers for collection;
- (c) requiring mandatory, centralized administrative offset of debt by disbursing officials;
- (d) requiring mandatory reporting of delinquent debt to credit bureaus;
- (e) mandatory prohibition against extending Federal assistance in the form of loan or loan guarantees to delinquent debtors; and
- (f) incorporating the DCIA administrative wage garnishment requirements and the Federal salary offset procedures into agency rules.

The new rules also include provisions requiring the agency to withhold action on applications and other requests for benefits when the entity applying for or seeking benefits is delinquent in non-tax debts owed the Commission, and to dismiss such applications or request if

the delinquency is not resolved. The rules specify how the agency will determine whether an entity has an outstanding delinquency, as well as the consequences of an outstanding delinquent debt. The rules provide limited exceptions to these procedures.

The amended and new rules will become effective 30 days after publication in the Federal Register, except for changes to rules 1.1112, 1.1116, 1.1161 and 1.1164 and newly adopted rule 1.1910 (relating to the handling of applications and other requests by delinquent debtors), which will become effective October 1, 2004.

The full text of the R&O is available on the FCC website at: www.fcc.gov or for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CYA257, Washington, DC, 20054.

Action by the Commission March 25, 2004, by Report and Order (FCC 04-72).
Chairman Powell, Commissioners Adelstein, Abernathy, Copps and Martin.

For further information contact, Mark Reger, Chief Financial Officer 202-418-1925.

MD Docket No. 02-339

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