

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Food and Consumer Service

7 CFR Part 277

[Amendment No. 368]

RIN 0584-AB92

Food Stamp Program: Automated Data Processing Equipment and Services; Reduction in Reporting Requirements

AGENCY: Food and Consumer Service, USDA.

ACTION: Proposed rule.

SUMMARY: This rule proposes to increase the cost thresholds above which prior written Federal approval of State automated data processing (ADP) equipment and services acquisitions is required for Federal financial participation. The effect of the proposed changes would be a reduction in State reporting requirements.

Additionally, State request would be deemed to have provisionally met the prior approval requirement if FCS does not approve, disapprove, or request additional information about the request within 60 days of the agency's letter to the State acknowledging its receipt. Finally, this rule proposes to eliminate the requirement that State agencies submit written information pertaining to the State biennial system security reviews. States would be required to maintain copies of the report and pertinent supporting documentation for FCS review.

DATES: Comments must be received on or before September 29, 1995 in order to be assured of consideration.

ADDRESSES: Comments should be addressed to John H. Knaus, Chief, Quality Control Branch, Program Accountability Division, Food Stamp Program, 3101 Park Center Drive, Room 904, Alexandria, Virginia 22302. All written comments will be open to public inspection during regular business hours (8:30 a.m. to 5 p.m., Monday through Friday) at that address.

FOR FURTHER INFORMATION CONTACT:

Questions concerning this proposed rulemaking should be addressed to Mr. Knaus at the above address or by telephone at (703) 305-2474.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This rulemaking has been determined to be significant and was reviewed by the Office of Management and Budget under Executive Order 12866.

Executive Order 12372

The Food Stamp Program (FSP) is listed in the Catalog of Federal Domestic Assistance under 10.551 and information on State agency administrative matching grants for the FSP is listed under 10.561. For the reasons set forth in the final rule and related notice to 7 CFR 3015, subpart v (48 FR 29115), the FSP is excluded from the scope of Executive Order 12372 which requires intergovernmental consultation with State and local officials.

Executive Order 12778

This rulemaking has been reviewed under Executive Order 12778, Civil Justice Reform. This rule is intended to have preemptive effect with respect to any State or local laws, regulations or policies which conflict with its provisions or which would otherwise impede its full implementation. This rule is not intended to have retroactive effect unless so specified in the "Effective Date" section of this preamble. Prior to any judicial challenge to the provisions of this rule or the application of its provisions, all applicable administrative procedures must be exhausted. In the FSP the administrative procedures are as follows: (1) For program benefit recipients—State administrative procedures issued pursuant to 7 U.S.C. 2020(e)(10) and 7 CFR 273.15; (2) for State agencies—administrative procedures issued pursuant to 7 U.S.C. 2023 set out at 7 CFR 276.7 (for rules related to non-QC liabilities) or Part 283 (for rules related to QC Liabilities); (3) for program retailers and wholesalers—administrative procedures issued pursuant to 7 U.S.C. 2023 set out at 7 CFR 278.8.

Regulatory Flexibility Act

This rulemaking has been reviewed with regard to the requirements of the Regulatory Flexibility Act of 1980 (Pub. L. 96-354, 94 Stat. 1164, September 19, 1980, 5 U.S.C. 601-612). Ellen Haas, Under Secretary for Food, Nutrition, and Consumer Services, has certified that this rule does not have a significant economic impact on a substantial number of small entities. This rule will affect State agencies by reducing the reporting requirements applicable to them.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3507), information collection requirements relating to automated data processing and information retrieval systems have been approved by OMB Approval No. 0584-0083. The provisions of this rule do not contain any additional reporting and/or recordkeeping requirements subject to OMB approval.

Background

State agencies acquire ADP equipment and services for computer operations which support the FSP. For Federal financial participation, States are required to obtain prior written Federal approval when ADP acquisitions for total State and Federal costs exceed the thresholds established in 7 CFR 277.18. Currently, prior approval is required for competitively bid ADP acquisitions of \$500,000 or more; sole source acquisitions costing more than \$100,000; project increases of \$300,000 or more; most procurement documents (requests of proposals (RFPs) and contracts) of \$500,000 or more; and contract amendments that cost \$100,000 or more.

ADP equipment and services acquisitions under \$5 million account for a small percentage of the total cost of State systems development. In the interest of improved efficiency and effectiveness of the ADP process, the Department proposes to increase thresholds above which prior approval is required. This change would reduce the reporting burden on States and provide for better use of Federal resources.

The higher thresholds proposed in this rule would require prior approval from the U.S. Department of Agriculture (USDA) Food and Consumer Service