

we are correcting the citation by changing “§ 305.50” to “§ 304.50”.

*Mandatory Computerized Support Enforcement System—§ 302.85*

1. *Comment:* A commenter suggested editing paragraph (b)(2), governing the conditions for waiver of certain automated systems requirements, because it refers to 45 CFR part 305 which was removed and reserved by the interim final rule.

*Response:* Since publication of the interim final rule, a new part 305 was added to the regulations. Section 305.63 of this part contains requirements for determining substantial compliance with title IV–D of the Act as a result of an audit conducted under § 305.60. Thus, we are not changing the reference to part 305 in this section.

*Location of Noncustodial Parents—§ 303.3*

1. *Comment:* With the expanded Federal Parent Locator Service (FPLS), States submit cases in their State Case Registries to the Federal Case Registry (FCR). When a new case is submitted to the FCR, it is matched proactively with other data in the FPLS and States receive locate information automatically. Now that this proactive matching occurs, the commenter asked if there is still a need for States to submit cases quarterly to the FPLS for locate? Also, is it still necessary to access all appropriate location sources, including the FPLS, within 75 calendar days of determining that location is necessary and to make repeated locate attempts, including transmitting cases to the FPLS, when new information becomes available on a case?

*Response:* Proactive matching between the FCR and the National Directory of New Hires (NDNH) occurs each time new information is added to an FCR or NDNH record on an individual. The proactive match information is sent electronically to State IV–D agencies daily when a match occurs to link a IV–D case with newly provided information. This is a major enhancement to program locate processes and leads to location of individuals sought in many child support cases. Further location attempts may remain necessary in cases where people are self-employed, employed but not reported, unemployed but not receiving unemployment compensation, or employed outside the United States by entities that do not report to the FPLS. In addition, location efforts are needed to find assets, debts, and other information that enables an agency to proceed with a case even though proactive match information is provided

on new hires, quarterly wages and unemployment compensation. OCSE has issued PIQ–01–02, dated February 28, 2001, to address these changes. The PIQ indicates States are not required to submit cases to the FPLS for searches of other locate sources, but OCSE encourages this if the State has reason to believe that an FPLS query may be helpful. States are not required to submit cases to the FPLS quarterly, nor are they required to make repeated locate attempts to the FPLS, when new information becomes available, since constant updating of FCR and NDNH databases and ongoing proactive matching are in place.

*Establishment of Paternity—§ 303.5*

1. *Comment:* A commenter noted that this section is amended to include administrative orders for genetic testing. As amended, the language eliminates reference to certain paternity actions taken in court. The commenter asked if we intend to drop the requirement for the child support agency to obtain an order for repayment of costs for genetic tests if the tests were ordered as part of a court process.

*Response:* In § 303.5(d)(2) we deleted “legal” to indicate that a contested paternity case is any action in which the issue of paternity may be raised under State law and one party denies paternity. The action may occur through an administrative or judicial process. The amendment deleting “legal” did not eliminate court actions.

2. *Comment:* Two commenters asked whether the phrase in paragraph (c) which reads “and use through competitive procurement laboratories” is correct.

*Response:* This phrase is accurate. States must follow competitive procurement practices, consistent with requirements at 45 CFR part 74, and use accredited laboratories that perform legally and medically acceptable genetic tests at reasonable cost, consistent with requirements at section 466(a)(5)(F) of the Act.

3. *Comment:* One commenter noted that the use of the phrase “alleged father who has denied paternity” in paragraph (e)(3) is inconsistent with section 466(a)(5)(B)(ii)(I) of the Act which requires recoupment from the alleged father if paternity is established, whether or not he denies paternity.

*Response:* Section 466(a)(5)(B)(ii)(I) of the Act provides for recoupment at State option only in contested cases where the agency has to order genetic tests and paternity is established. The commenter raises issues that go beyond the scope of this technical rulemaking. We will consider this comment in future

revisions to this section through proposed rulemaking.

*Provision of Services in Interstate IV–D Cases—§ 303.7*

1. *Comment:* Several commenters noted that the preamble to the interim final rule (64 FR 6241) indicates paragraph (b)(1) is amended to require States to use their long-arm statute to establish paternity, but there is no corresponding requirement in the regulation itself.

*Response:* We have corrected this error by revising paragraph (b)(1) to read: “Use its long-arm statute to establish paternity, when appropriate.” As indicated in the preamble to the interim final rule, all States have long-arm paternity establishment authority under UIFSA.

2. *Comment:* One commenter suggested changing “wage withholding to “income withholding” in paragraph (b)(2).

*Response:* We agree and have made this change for consistency with section 466(a)(1) and (b) of the Act which refer to income withholding.

3. *Comment:* One commenter noted that the preamble indicated that regulatory references in paragraphs (c)(7)(ii) and (iii) were placed in the correct numerical order, but there was no corresponding change in the regulation itself.

*Response:* We have made these changes, as intended in the interim final rule. In paragraph (c)(7)(ii) we are correcting “§§ 303.4 and 303.101 of this part and § 303.31 of this chapter” to read “§§ 303.4, 303.31 and 303.101 of this part”. Similarly, in paragraph (c)(7)(iii) we are correcting “§§ 303.6 and 303.100 through 303.102 and 303.104 of this part and § 303.31 of this chapter” to read “§§ 303.6, 303.31, 303.100 through 303.102, and 303.104 of this part”.

4. *Comment:* Several commenters suggested that § 303.7(c)(7)(iv) be revised to require the IV–D agency to forward payments to the initiating State within 2 business days of the date of receipt in the State Disbursement Unit of the responding State.

*Response:* We agree that this suggestion is consistent with section 454B of the Act, which requires SDUs to disburse certain amounts within 2 business days of receipt, but it is not required by statute and therefore not included in this rulemaking. The 2-day time frame applies only to collections from employers and collections of other periodic income. Collections that do not result from periodic income, such as tax refund offsets, lottery winning intercept, or levies of assets, are not required to be