

of company officers. This collection of information is authorized by the SAFE Port Act (P.L. 109–347).

CBP proposes to establish a collection of information for a new program known as the Trusted Trader Program. The Trusted Trader Program will involve a unification of supply chain security aspects of the current C-TPAT Program and the internal controls of the Importer Self-Assessment (ISA) Program to integrate supply chain security and trade compliance. The goals of the Trusted Trader Program are to strengthen security by leveraging the C-TPAT supply chain requirements and validation, identify low-risk trade entities for supply chain security and trade compliance, and increase the overall efficiency of trade by segmenting risk and processing by account. This Program applies to importer participants who have satisfied C-TPAT supply chain security and trade compliance requirements. The Trusted Trader application will include questions about the following:

Name and contact information for the applicant;

Business information including business type, CBP Bond information, and number of employees;

Information about the applicant's Supply Chain Security Profile; and Trade Compliance Profile and Operating Procedures of the applicant.

Respondents will apply to participate in the Trusted Trader Program using an on-line application available through the C-TPAT portal. The draft Trusted Trader Program application may be viewed at: <http://www.cbp.gov/sites/default/files/documents/Trusted%20Trader%20Application.pdf>.

After an importer obtains Trusted Trader Program membership, the importer will be required to submit an Annual Notification Letter to CBP confirming that they are continuing to meet the requirements of the Trusted Trader Program. This letter should include: personnel changes that impact the Trusted Trader Program; organizational and procedural changes; a summary of risk assessment and self-testing results; a summary of post-entry amendments and/or disclosures made to CBP; and any importer activity changes within the last 12-month period.

Current Actions: This submission is being made to revise the current information collection by adding the Trusted Trader Application and Annual Notification Letter.

Type of Review: Revision.

Affected Public: Businesses.

C-TPAT Program Application:

Estimated Number of Respondents: 2,541.

Estimated Number of Responses per Respondent: 1.

Estimated Time per Response: 5 hours.

Estimated Total Annual Burden Hours: 12,705.

Trusted Trader Program Application:
Estimated Number of Respondents: 75.

Estimated Number of Responses per Respondent: 1.

Estimated Time per Response: 90 minutes.

Estimated Total Annual Burden Hours: 112.5.

Trusted Trader Program's Annual Notification Letter:

Estimated Number of Respondents: 75.

Estimated Number of Responses per Respondent: 1.

Estimated Time per Response: 60 minutes.

Estimated Total Annual Burden Hours: 75.

Dated: March 2, 2015.

Tracey Denning,

Agency Clearance Officer, U.S. Customs and Border Protection.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5242–N–03]

Applicability of Davis-Bacon Labor Requirements to Projects Selected as Existing Housing Under the Section 8 Project-Based Voucher Program—Guidance

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Notice.

SUMMARY: On June 25, 2014, HUD published a final rule amending the regulations for HUD's Section 8 Project-Based Voucher program. This notice supplements that final rule by providing further guidance on when Davis-Bacon wage requirements may apply to existing housing.

DATES: March 9, 2015.

FOR FURTHER INFORMATION CONTACT:

Becky Primeaux, Director, Housing Voucher Management and Operations Division, Office of Voucher Programs, Office of Public and Indian Housing, Department of Housing and Urban Development, 451 7th Street SW., Room 4228, Washington, DC 20410; telephone number 202–708–2815 (this is not a toll-free number). Individuals with speech or hearing impairments may access this

number through TTY by calling the toll-free Federal Information Service at 800–877–8339.

SUPPLEMENTARY INFORMATION:

I. Background

A. Section 8 Project-Based Voucher Assistance—June 25, 2014, Final Rule

On June 25, 2014, at 79 FR 36146, HUD published a final rule that amended the regulations governing the Section 8 Project-Based Voucher (PBV) program, largely due to changes made to the PBV program by the Housing and Economic Recovery Act of 2008 (Pub. L. 110–289, approved July 30, 2008) (HERA). HERA made comprehensive and significant reforms to several HUD programs, including HUD's Public Housing, Section 8 Tenant-Based Voucher, and PBV programs. On November 24, 2008, at 73 FR 71037, HUD published a notice that provided information about the applicability of certain HERA provisions to these programs. The notice identified: (1) those statutory provisions that were self-executing and required no action on the part of HUD for the changes to be implemented; and (2) those statutory provisions that require new regulations or regulatory changes by HUD for the HERA provisions to be implemented. The notice also offered the opportunity for public comment on the guidance provided.

HUD followed the November 2008 notice with a proposed rule published on May 15, 2012, at 77 FR 28742, that proposed to establish, in regulation, the reforms made by HERA solely to the Section 8 Tenant-Based Voucher and PBV programs as discussed in the November 2008 notice, to make other related changes to the regulations, and to further solicit public comment. The final rule published on June 25, 2014, conformed the regulations of the Section 8 Tenant-Based Voucher and PBV programs to the statutory program changes made by HERA, made other related changes to these regulations as discussed in the May 2012 proposed rule, and made further changes to the two voucher program regulations as a result of issues raised by public comment and certain clarifying changes determined needed by HUD.

One of the changes made by the June 25, 2014, final rule pertained to labor standards. In the final rule, HUD updated the reference to labor standards provisions that are applicable to assistance under the PBV program to remove the reference to labor standards “applicable to an Agreement” covering nine or more assisted units and substitute a reference to labor standards

“applicable to development (including rehabilitation) of a project comprising” nine or more assisted units. HUD advised that this language clarifies that Davis-Bacon requirements may apply to existing housing (which is not subject to an Agreement to Enter into Housing Assistance Payments (HAP) Contract) when the nature of any work planned to be performed prior to execution of a HAP Contract, or after HAP Contract execution (within such post-execution period as may be specified by HUD) constitutes development of the project. The final rule also amended the owner certification provision of the regulation to state that repair work on a project selected as an existing project that is performed within such post-execution period as specified by HUD may constitute development activity, and the owner, by execution of the HAP Contract, certifies that at execution and at all times during the term of the HAP Contract, if the repair work is determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

As noted in the Summary, this notice supplements the June 25, 2014 final rule by providing further guidance on the applicability of Davis-Bacon to existing housing.

B. Existing Housing Under the PBV Program

Under the PBV program, a public housing agency (PHA) may provide project-based assistance for existing housing, as well as for newly constructed or rehabilitated housing. This provision was put in place by the Quality Housing and Work Responsibility Act of 1998 (Pub. L. 105–276, approved October 21, 1998) as further revised by the Fiscal year 2001 Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act (Pub. L. 106–377, approved October 27, 2000) and implemented by HUD final rule published on October 13, 2005, at 70 FR 59892. In accordance with the 2005 final rule, to qualify as “existing housing”, the units must already exist and substantially comply with HUD’s housing quality standards (HQS) on the proposal selection date, which is the date the PHA gives written notice to the owner that the owner’s proposal has been selected. The units must fully comply with the HQS before execution of the HAP contract.

C. Section 12(a) of the United States Housing Act of 1937

HUD’s Section 8 program, including the PBV program, is subject to statutory

labor standards provisions in section 12(a) of the U.S. Housing Act of 1937 (1937 Act) (42 U.S.C. 1437j(a)). Section 12(a) provides in relevant part as follows:

Any contract for loans, contributions, sale, or lease pursuant to this Act . . . shall . . . contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved (including a project with nine or more units assisted under section 8 of this Act, where the public housing agency or the Secretary and the builder or sponsor enter into an agreement for such use before construction or rehabilitation is commenced).

Under the Davis-Bacon Act, Davis-Bacon prevailing wage rates determined by the United States Department of Labor apply to construction (including rehabilitation) contracts in excess of \$2000.

II. Applicability of Davis-Bacon Wage Requirements

A. Applicability in Development of Existing Project-Based Voucher Units

As noted above, to ensure statutory compliance, the June 25, 2014, final rule revised the cross-reference to the labor standards in § 983.4 (entitled “Cross-reference to other Federal requirements”) to clarify that even though an “Agreement to Enter into Housing Assistance Payments Contract” is not executed for existing housing projects, Davis-Bacon requirements may still apply, and revised § 983.210 (entitled “Owner certification”) to provide for an owner certification that repair work that is undertaken on an existing housing project and is determined to be development activity shall be in compliance with Davis-Bacon requirements. The preamble to the June 25, 2014, final rule clarifies that Davis-Bacon requirements may apply to existing PBV units when the nature of any work planned to be performed prior to HAP contract execution or within a HUD-defined post HAP contract execution period constitutes *development* of the project.

B. Development of the Section 8 Project

The term “development” is defined in the PBV program as construction or rehabilitation of PBV housing after the proposal selection date. HUD has found that given the current, broad definition of “existing housing”, the potential for circumvention of rehabilitation program requirements exists. These requirements include compliance with labor standards when rehabilitation of existing housing is contemplated in

connection with the placement of units under Section 8. The potential circumvention stems from the fact that PHAs can classify a project as “existing housing” and this classification does not preclude owners and developers from performing work that may fall within the scope of Davis-Bacon. Both the PBV Final Rule and this Notice make clear that Davis-Bacon requirements cannot be avoided simply by classifying a project as an existing housing project under the PBV regulation.

The scope and timing of the contemplated development work are important measures in determining whether Davis-Bacon requirements apply to existing housing under the PBV program.

1. Scope

“Scope” refers to the elements of the proposed work, that is, the specific activities that are involved. An analysis of the scope of the proposed work is performed by the relevant PHA to determine if such work represents “development” for purposes of determining the applicability of Davis-Bacon wage rates to existing housing undergoing construction or reconstruction activity within the time period discussed below in Section B.2. of this Notice.

Development work is subject to Davis-Bacon wage rates, and, when used in reference to public housing, “development” is defined in section 3(c)(1) of the 1937 Act as any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-income housing project. Section 3(c)(1) also states that “construction activity” in connection with a low-income housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.

The 1937 Act defines “development” only as the term is used in reference to public housing. However, the 1937 Act also applies Davis-Bacon requirements to “development” of projects under Section 8 of the Act, such as PBV projects. It is HUD’s position, therefore, that the term “development”, as applied to work subject to Davis-Bacon requirements on Section 8 projects, encompasses work on a Section 8 project that is comparable to the scope of work that HUD has previously determined constitutes development of a public housing project. Accordingly, work that constitutes remodeling that alters the nature or type of housing units in a PBV project, reconstruction, or a substantial improvement in the quality

or kind of original equipment and materials, falls within the purview of “development”. Development activity on a PBV project does not include replacement of equipment and materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind.

2. Timing

Development work planned to be carried out after the proposal selection date (either before or after execution of the HAP contract) within a period reasonably viewed as one in which the Section 8 housing is being developed (as opposed to being maintained, repaired or updated years after original placement of the units under Section 8), is an important factor in analyzing whether the work requires payment of Davis-Bacon wages to laborers and mechanics employed to perform such work. It has long been HUD’s position, consistent with the intent to privatize responsibility for housing for low-income persons under the Section 8 program, that once a Section 8 housing project has been initially developed and placed under a HAP Contract, a decision by the owner to repair or rehabilitate the housing as it ages is not continued “development” of the Section 8 project and is not subject to Davis-Bacon wage requirements under Section 12 of the 1937 Act.

HUD has determined that any development initiated on existing units within 18 months after the effective date of the HAP Contract on projects consisting of 9 or more units assisted under a PBV HAP Contract is considered development for purposes of Davis-Bacon wage rate applicability and such wages must be paid to laborers and mechanics employed to perform development work in connection with this initial placement of the project under a Section 8 contract.

C. PBV Existing Housing and the Rental Assistance Demonstration Program (RAD)

Under HUD’s final Notice announcing the RAD program (PIH–2012–32 (HA)),¹ issued July 2, 2013, the second component of the RAD program (RAD II) consisted of conversions of Section 8 Tenant Protection Vouchers in projects with expiring or terminating Rent Supplement, Rental Assistance Program, or Section 8 Moderate Rehabilitation contracts to PBVs. The final RAD Notice specifically provided that conversion of public housing projects under the first component of the RAD program would

be subject to Davis-Bacon wage requirements. The last paragraph of Section 3.5 of the final RAD Notice states that all regulatory and statutory requirements of the PBV program in 24 CFR part 983 apply to conversions carried out under RAD II (with certain exceptions not relevant to this guidance) but did not directly address the applicability of Davis-Bacon wage requirements to RAD II projects. Language on Davis-Bacon requirements elsewhere in the RAD Notice may have led to uncertainty regarding the applicability of Davis-Bacon requirements for RAD II projects that met the PBV definition of existing housing. This Notice makes clear that, as more specifically discussed above in Section II. B., rehabilitation constitutes “development” of a Section 8 project, including projects where the rehabilitation is contemplated as part of the conversion of an existing project to a PBV contract under RAD, and regardless of whether the rehabilitation addresses Housing Quality Standards (HQS) deficiencies or is undertaken for other reasons. Accordingly, such rehabilitation is subject to Davis-Bacon requirements pursuant to Section 12(a) of the 1937 Act regardless of whether the housing would qualify as “existing housing” as defined in part 983.

D. Addendum to Existing HAP Contract

In the case of PBV projects selected as rehabilitation or new construction, an Agreement to Enter into a Housing Assistance Payments Contract (AHAP) is required prior to the commencement of construction or rehabilitation. The AHAP contains federal requirements including applicable labor standards. Since existing housing does not require an AHAP, but development activity described in this guidance may require the payment of Davis-Bacon wages to laborers and mechanics, an addendum to the PBV HAP Contract that reflects the applicability of Davis-Bacon wage rates in the development of existing PBV housing is required when such development will take place within 18 months of the effective date of the HAP Contract. The required addendum is attached to this notice as Appendix 1.

E. Public Housing Agency (PHA) Responsibilities

PHAs that select existing housing under the PBV program are responsible for monitoring compliance with Davis-Bacon requirements outlined in the Addendum to the Existing Housing Contract (Appendix 1). As provided in § 983.210 of the PBV regulations, the owner, by execution of the HAP Contract, certifies that repair work that

is undertaken on an existing housing project and is determined to be development activity shall be in compliance with Davis-Bacon requirements. Owner non-compliance with the requirements outlined in the Addendum represents grounds for termination of the HAP Contract. If the contract is terminated, the PHA must provide housing choice vouchers to families living in units covered by the PBV HAP Contract.

Dated: February 26, 2015.

Jemine A. Bryon,

Acting Assistant Secretary for Public and Indian Housing.

Appendix 1 Addendum to Existing HAP Contract—Labor Standards

1. HUD-FEDERAL LABOR STANDARDS PROVISIONS

The owner is responsible for inserting the entire text of section 1 of this Addendum in all construction contracts and, if the owner performs any rehabilitation work on the project, the owner must comply with all provisions of section 1. (Note: Sections 1(b) and (c) apply only when the amount of the prime contract exceeds \$100,000.)

(a)(1)(i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project) will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made part hereof regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer’s

¹ See <http://portal.hud.gov/hudportal/documents/huddoc?id=pih2012-32rev1.pdf>

payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321)) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii)(A) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; (2) The classification is utilized in the area by the construction industry; and (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (a)(1)(ii)(B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determinations

or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program: Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractors under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due.

(3)(i) Payrolls and Basic Records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which

show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(B) Each payroll submitted shall be accompanied by a "Statement of compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following: (1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5 (a)(3)(i), and that such information is correct and complete; (2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the

payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3; (3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of Title 18 and section 3801 *et seq.* of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4)(i) Apprentices and Trainees. Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work

actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the

job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act Requirements. The contractor shall comply with the requirements of 29 CFR part 3 which are incorporated by reference in this Addendum.

(6) Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in section 1(a)(1) through (11) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section 1(a).

(7) Contract Terminations; Debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

(10)(i) Certification of Eligibility. By entering into this Addendum, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(ii) No part of this Contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Addendum are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Addendum to his employer.

(b) Contract Work Hours and Safety Standards Act. The provisions of this paragraph (b) are applicable only where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for Unpaid Wages and Liquidated Damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause

set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraphs (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

(c) Health and Safety. The provisions of this paragraph (c) are applicable only where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his or her health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The contractor shall comply with all regulations issued by the Secretary of Labor pursuant to 29 CFR part 1926, and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 U.S.C. 3701 *et seq.*

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

2. WAGE AND CLAIMS ADJUSTMENTS

The owner shall be responsible for the correction of all violations under section 1 of this Addendum, including violations committed by other contractors. In cases where there is evidence of underpayment of salaries or wages to any laborers or mechanics (including apprentices and trainees) by the owner or other contractor or a failure by the owner or other contractor to submit payrolls and related reports, the owner shall be required to place an amount in escrow, as determined by HUD sufficient to pay persons employed on the work covered by the Addendum the difference between the salaries or wages actually paid such employees for the total number of hours worked and the full amount of wages required under this Addendum, as well as an amount determined by HUD to be sufficient to satisfy any liability of the owner or other contractor for liquidated damages pursuant to section 1 of this Addendum. The amounts withheld may be disbursed by HUD for and on account of the owner or other contractor to the respective employees to whom they are due, and to the Federal Government in satisfaction of liquidated damages under section 1.

3. EVIDENCE OF UNIT(S) COMPLETION; ESCROW

(a) The owner shall evidence the completion of the unit(s) by furnishing the PHA a certification of compliance with the provisions of sections 1 and 2 of this

Addendum, and that to the best of the owner's knowledge and belief there are no claims of underpayment to laborers or mechanics in alleged violation of these provisions of the Addendum. In the event there are any such pending claims to the knowledge of the owner, the PHA, or HUD, the owner will place a sufficient amount in escrow, as directed by the PHA or HUD, to assure such payments.

(b) The escrows required under this section and section 2 of this Addendum shall be paid to HUD, as escrowee, or to an escrowee designated by HUD, and the conditions and manner of releasing and approving such escrows shall be approved by HUD.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5843-N-03]

Privacy Act; Notice of Amended System of Records—Single Family Housing Enterprise Data Warehouse

AGENCY: Office of the Chief Information Officer, HUD.

ACTION: Notice amendment.

SUMMARY: HUD is proposing to revise information published in the **Federal Register** about one of its system of records, the Single Family Housing Enterprise Data Warehouse (SFHEDW). The revision implemented under this republication, reflects current corrective and administrative changes to the system of records purpose, location, authority, and records retention captions. This update refines previously published details in a clear and cohesive format. This republication does not meet the threshold criteria established by the Office of Management and Budget (OMB) for a modified system of records report. A more detailed description of the present systems status is republished under this notice. This notice deletes and supersedes prior notice published in the **Federal Register** at 76 FR 66950 on October 28, 2011. The scope and functional purpose in place for this system remain unchanged.

DATES: Effective Date: This action is effective immediately upon publication of this notice in the **Federal Register**.

ADDRESSES: Interested persons are invited to submit comments regarding this notice to the Rules Docket Clerk, Office of the General Counsel, Department of Housing and Urban Development, 451 Seventh Street SW., Room 10276, Washington, DC 20410-0500. Communication should refer to the above docket number and title. A copy of each communication submitted